


THE FUTURE OF GROUP PENSION PLANS

*“What do today’s employees
actually want?”*

Darren Ulmer, CFP, CLU, CHS
Darren Ulmer Financial & Insurance Services Inc.
Sun Life Financial Advisor
Saskatoon, SK CANADA



CONTENT

- ▶ Update on DB Plans
 - ▶ Defined Contribution vs Deferred Profit Sharing
 - ▶ Group RRSP's and Group TFSA
 - ▶ Disruption & The Facebook Pension
- 

TRENDS IN DEFINED BENEFIT PLANS

- ▶ Wind up of private sector DB plan enrolments within 10 years.

*Frederick Bettese, "Retirement Income for Life: Getting More without Saving More", 2018

- ▶ Less than 5% of private sector new hires are enrolled in DB plans* Morneau Shepell

- ▶ Inflation protection now on less than 3% of all private sector DB plans

QUIZ TIME



READY, SET...

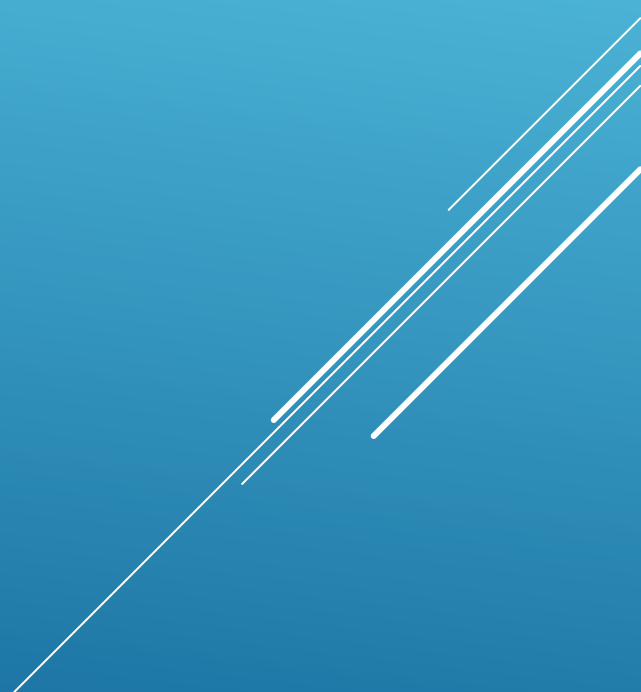
- ▶ What percentage of employed men had a pension plan in 1977, (DB or DC)?
- ▶ 52%
- ▶ What percentage of employed women had a DB or DC in 1977?
- ▶ 36%
- ▶ What percentage of men had a pension plan in 2015? (DB or DC)
- ▶ 37%
- ▶ What percentage of women had a pension plan in 2015?
- ▶ 40%!
- ▶ Why the difference?
- ▶ What life expectancy for first DB members after WWII?
- ▶ 70 - worked until 60 or 65
- ▶ What is the likelihood 1 member of a couple, both aged 65 will reach 90 today?
- ▶ 50% and to age 100? 25%

THE HEADWINDS

Demographics

Market Returns

Societal perception



DCPP & DPSP


Which is more popular?

2 – 1*

*Canadian Institutional Investment Network Survey 2017



GROUP RRSP & TFSA

- ▶ What is the average contribution level matching by employers in Canada?
 - ▶ 4.3%, compared to 4.9% in DC
 - ▶ When voluntary, what percentage of employees contribute to a Group RRSP?
 - ▶ 53% - compared to only 68% in voluntary DC
- 

WHAT'S THE
FUTURE
CONSEQUENCES?

The image features a solid blue background. The text 'WHAT'S THE FUTURE CONSEQUENCES?' is written in a white, sans-serif font, arranged in three lines. In the bottom right corner, there are several white, parallel diagonal lines that create a sense of motion or a graphic element.

HAVE FEES BOTTOMED OUT?



DISRUPTION



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QUESTIONS?



THANK YOU!



D.W.(Darren) Ulmer, CFP, CLU, CHS
Member CALU, MDRT & Advocis
@DarrenUlmerCHS