



Read: *The 2016 CAP Benchmark Report offers analysis and insights for employers.*



DC Plan sponsors offer more advice to plan members nearing retirement.

Over half of Canadian employers provide access to financial advice in their group retirement and savings plan

Sponsored by Great-West Life, the 2016 CAP Benchmark Report provides employers with Canadian benchmark data and strategies to help employers improve employees' retirement savings.

Winnipeg, MB, Feb. 15, 2017. . . Fifty-seven per cent of defined contribution (DC) plan sponsors and 61 per cent of group registered retirement savings plan (RRSP) sponsors say they provide their members with access to professional financial advice, according to the 2016 Capital Accumulation Plan (CAP) Benchmark Report, entitled [Forecasting the future of group retirement plans](#).

“Canadians who work with an advisor have household assets over four times (4.2x)¹ higher than those who don't,” explains Christine van Staden, Vice-President, National Accounts, Group Retirement Distribution for Great-West Life. “I see a significant opportunity to improve the financial wellness of Canadians by offering advice in group retirement plans.”

The report found a gap remains between large and small sponsors providing advice. Sixty-three per cent of sponsors with fewer than 499 employees provide advice, while only 52 per cent of sponsors with more than 500 employees do. It may not always be feasible for larger sponsors to offer the in-person services of an advisor, so “they may look toward their provider to offer member education and support,” adds van Staden.

Other findings from the 2016 CAP Benchmark Report include:

- Fifty-eight per cent of plan sponsors who offer a DC plan and 43 per cent who offer a group RRSP provide seminars for members who are getting close to retirement.
- Twenty-seven per cent of plan sponsors who offer a DC plan and 22 per cent who offer a group RRSP offer advice specific to members who are getting close to retirement.
- DC plans have a 90 per cent participation rate, while participation rates for group RRSPs and deferred profit sharing plans (DPSPs) are 60 per cent and 63 per cent, respectively.
- Target date funds as the default investment option continue to grow – included in 50 per cent of DC plans (compared to 43 per cent in 2015) and 51 per cent of group RRSPs (compared to 43 per cent in 2015).
- Fifty-seven per cent of plan sponsors require members to sign a waiver if they choose not to participate in their group retirement and savings plan, but only 17 per cent require a renewal of the waiver annually.

About the survey

Now in its 12th year and sponsored exclusively by Great-West Life, the 2016 CAP Benchmark Report represents an unbiased view of Canadian group retirement market trends.

The report summarizes the results of updated plan sponsor profiles in the Canadian Institutional Investment Network (CIIN), in addition to an online survey fielded by Transcontinental Inc. Data was collected between March and August 2016 from 333 organizations offering a defined contribution (DC) plan, group registered retirement savings plan (group RRSP) and/or DPSP to their employees.

About Great-West Life

In Canada, Great-West Life, together with London Life and Canada Life, serves the financial security needs of more than 12 million people across Canada, and has more than \$410 billion* in assets under administration. The companies' assets under investment management in the pension and group savings marketplace exceed \$51 billion.**

In the U.S., our sister company, Great-West Life & Annuity Insurance Company (Great-West Financial), is the second-largest group retirement record-keeper measured by participant accounts, with US\$460 billion** in assets under administration and more than 8 million participants in the U.S. defined contribution market.**

* As at Dec 31, 2015

** As at Dec 31, 2016

¹ Source: *An Econometric Analysis of Value of Advice in Canada*, Claude Montmarquette, CIRANO, 2012

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