

Joint Pension Board Retreat 2012

Table Discussions regarding Communicating the Goals of the Retirement Plans

Table # _____

1. Gross Replacement Rates - What is a good number?

- Maintain lifestyle
- A number that they can relate to and compare (ex 70%)
- No defined number
- It depends- only to provide opportunity to accumulate and range
- Too individualized
- Needs for high income vs low income are different
- Personal situation
- Need to define what we include (ex CPP, OAS)
- Needs of an individual vary
- Board may use as a general goal/ measure, but hard to translate to be meaningful to individuals

2. Does Correlation between Expected Income and Expected Consumption matter?

3. What defines an adequate consumption pattern for retirees from Western?

- Look at actual expenses
- Better than “frugal” (didn’t like the term frugal... perhaps “modest”)
- Maintain lifestyle and average home
- Must explain the conditions that need to be met (ex. mortgage free, little/no debt, kids out)
- This angle is more engaging than a ratio
- Ranking lifestyle preferences will change over retirement
- Can we address the concerns of how to protect against chronic health, longevity risk

4. Is this a good direction to head with our communication and education programs; Is it within our scope?

- More variables is better
- Give them the tools (member makes assumptions)
- Download an app
- Forced training (like WHIMIS)
- Different times in your career (ex. every 5 years)
- Instead of reporting on statement, have login to account that has worksheet to guide through
- Fiduciary may have a need for the replacement ratio measure

5. What other approaches may be helpful to our members?