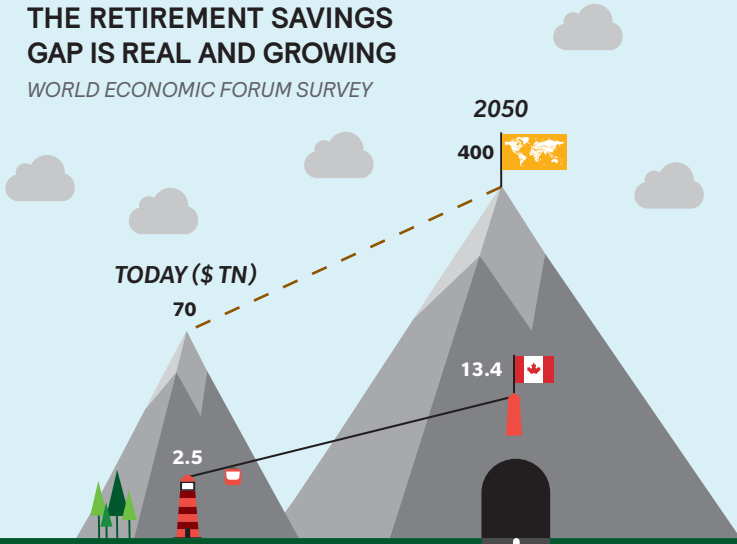


CANADA'S GROWING RETIREMENT SAVINGS GAP

THE RETIREMENT SAVINGS GAP IS REAL AND GROWING

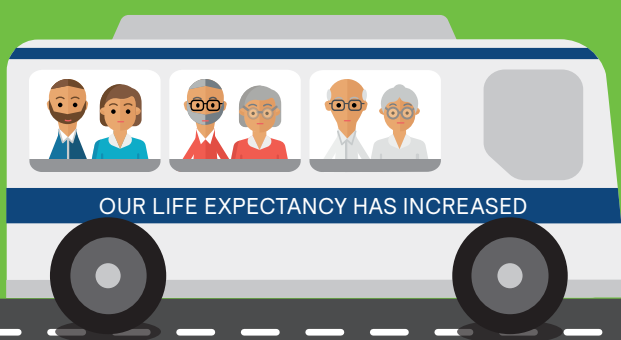
WORLD ECONOMIC FORUM SURVEY



CANADIANS ARE WORRIED ABOUT RETIREMENT SAVINGS

- 50%** Will be able to maintain desired standards of living after retirement
- 41%** Need to feel financially secure before retiring
- 35%** Currently feel financially insecure
- 33%** Feel they won't run out of money

THE ROAD TO RETIREMENT IS A LOT LONGER THAN IT USED TO BE



The average number of years Canadians will be retired

25+

Dependency ratio of retirees to workers will double by 2060

2x

Canadians face high investment management fees, eroding real rates of return



Percent of workforce that will be "freelancers" by 2025

45

Average household savings rate (%) in Canada

5



Ontario Funding Changes for DB Plans

- Promotes longer term view and DB plan sustainability
- Recognizes different risk profiles and funding requirements for closed versus open plans
- All Canadian plan sponsors to re-evaluate strategies and new options



HOW DO WE MEND THE RETIREMENT SAVINGS GAP?

MERCER CANADA RECOMMENDS A 3-PRONGED ACTION PLAN

Employers need to implement smarter retirement savings plans that can optimize asset allocation, minimize volatility, enhance and incent employee contributions and allow for a better sharing of risk between plan members and sponsors.

Employees and plan members need to know what a GREAT savings plan looks like. Receiving the right education and guidance to make the best investment decisions is critical to achieving success.

Achieving financial wellness can't be seen as a chore. Employees and plan members need to see it as a simple and meaningful exercise that has achievable goals, easy to use tools, and incentives to reach those goals.



Mercer Canada has been helping Canadian organizations with their retirement plans for nearly 75 years. Contact us today.