

## EMPLOYERS WEIGH IN ON WORKPLACE PENSIONS



### THE RESEARCH

In a HOOPP-commissioned study\*, a diverse group of Ontario employers were surveyed to assess their views on retirement security. The surveyed employers offer a range of different workplace pensions for their employees, with some offering none at all. The findings of the study are illustrated below.

# EMPLOYERS VALUE WORKPLACE PENSIONS

## WHY?



### EMPLOYERS

68%

of these employers agree **they have an obligation to offer a pension to their employees** (employers with 100-500 staff)<sup>†</sup>

75%

of these employers agree **there is an emerging retirement income crisis**<sup>†</sup>

#### EMPLOYERS WITH PENSION PLANS



82%

say it helps with recruitment and retention<sup>†</sup>

#### EMPLOYERS WITHOUT PENSION PLANS



71%

think a workplace pension plan offers retirement security to their employees<sup>†</sup>

## BARRIERS

THAT PREVENT EMPLOYERS FROM OFFERING A DEFINED BENEFIT (DB) PENSION PLAN:



1

Cost and administrative requirements<sup>†</sup>



2

Sole responsibility for the long-term funding risk of the pension plan is on the business<sup>†</sup>



3

Pension liability on their balance sheet, which can deter future investments in their company<sup>†</sup>



## CONSIDERATIONS



THE RESEARCH SUGGESTS IF THE FOLLOWING WERE CONSIDERED, MORE EMPLOYERS COULD OFFER SAFE AND SECURE DB PENSIONS.

1

Work within an existing plan, reduce cost and offer sound governance



By pooling assets in a large DB pension plan invested by professionals and governed by an independent board, costs are lowered, investment risk is reduced and the chance of employees outliving their savings is reduced.

2

Share risk with employees and other employers



Within a multi-employer DB pension plan, overall risk is minimized because it's shared between multiple employers, and employee assets are pooled.

3

Shift accounting for assets and liabilities



By participating in a multi-employer DB pension plan, employers are able to leave the accounting of the plan's assets and liabilities to the plan itself, and only report the expense of contributions on their balance sheet.

At HOOPP, we believe that DB pensions are the most efficient way of achieving retirement security. We deliver on our pension promise by offering access to adequate and predictable retirement income in a way that is sustainable for employees and employers.



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\* The Gandalf Group was commissioned by HOOPP to research employers' perspectives on workplace pension plans. There were 214 Ontario businesses and employers that were surveyed. Two-thirds of the surveyed companies were for-profit. The employers' sizes ranged from less than 20 employees to more than 500, with half of the companies surveyed employing more than 100 people.  
† Ontario Employers' Survey on Pensions, September 2017, The Gandalf Group