



get your DC plan

future-ready

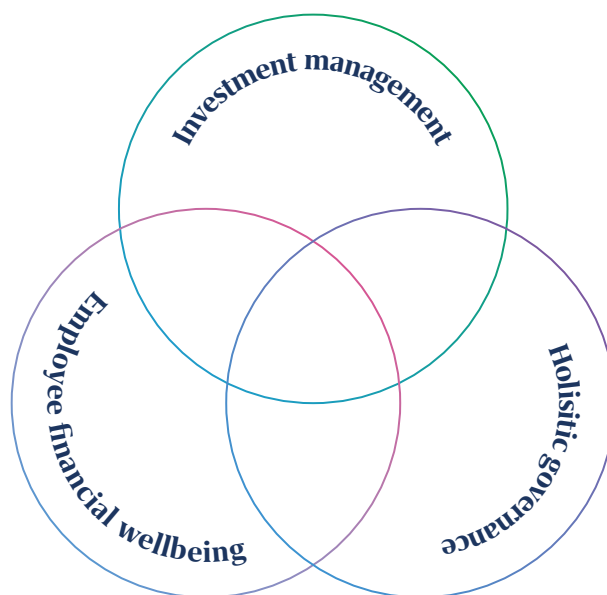


welcome to brighter

# Enhance financial wellbeing for all

Saving for retirement is a major source of stress for employees at all stages of the market cycle. As economic volatility affects investment portfolios, the uncertainty impacts workers' confidence in their retirement readiness. Increasingly, engaging employees in their workplace retirement savings program plays an essential role in mitigating financial worries. Leading organizations are looking to reinvent financial [wellbeing](#) strategies and strengthen the employee experience. To help employees reach their investment goals, your defined contribution (DC) plan needs to adapt to a changing environment, take advantage of investment opportunities and tackle emerging risks.

Are your savings plans ready for the future?



## Part 1: Capitalize on scale

The COVID-19 pandemic affected investment portfolios of all shapes and sizes, and the consequences are likely to be felt for some time to come. As a result, some of the largest global pension plans have incorporated a wide variety of innovative asset classes to diversify their portfolios and mitigate some of the anticipated risks. Taking advantage of the same opportunities in the investment space would help Canadian defined contribution workplace plans improve the retirement outcomes and financial wellbeing for plan participants as we navigate uncertain times.

Mercer has found a way to bring this innovation to the Canadian defined contribution sector. Our investment solutions can bring the power, reach and efficiency of Mercer's global footprint to organizations, providing access to more than 6,700 investment managers, group pooling and bulk purchasing power to potentially deliver better member outcomes. Our researchers evaluate and monitor Canadian and global investment options and managers regularly, providing you access to timely information on investment managers and funds for your DC plan.

Further, the breadth of available investment options opens the door to more non-traditional assets than what other Canadian service providers typically make available.

Next to investment quality and access, fee transparency continues to be a significant concern for DC plan sponsors who are demanding more and more information to assess fiduciary risk. Transparency remains a top priority for Mercer. Our leading position enables us to push down on manager fees, and we pass the benefits straight to our clients. Measuring investment manager success, and including high-quality investments in a core package, enables your plan to target better outcomes for your participants.



## Part 2: Outsource effectively

During the pandemic, organizations of all sizes have examined their operations to respond to the constantly changing situation and consider how best to prepare for the new normal. It is a good time to ask how much you want to be involved in the day-to-day running of your defined contribution plan. Our [delegated solution](#) enables you to concentrate on your business goals and opportunities. Oversight committees still control the strategic decisions for the plan, but we reduce the administrative burden on issues such as vendor management and plan analytics.

Governance plays a crucial role in improving plan members' financial wellbeing. But most decisions still focus on investment selection, despite increased use of defaults such as target-date funds. Oversight committee efforts are better directed elsewhere. Our delegated services offer a governance accountability review and committee management support through the setting of agendas and annual governance calendars.

Mercer also tracks the performance and capabilities in the area of service provider management, expanding basic recordkeeping services to include strategic employee education and communication support. The goal is to ensure you receive proactive services and access to product developments, as well as competitive fees automatically based on the growth of the market and your DC plan.



## Part 3: Promote financial wellbeing

During times of market volatility, employees need more support with their savings and investment strategy. By focusing on employee education and communications, you can help them make the most of their retirement planning offered through your defined contribution plan. Conducting a health check to measure the success of existing tools provides a springboard to designing the best approach for your workforce.

Mercer can deliver enhanced communications that customize the importance of retirement planning to the reality of your organization. The risks of plan members not engaging require the same attention as investment risks. As such, communication strategy forms part of governance and is assessed and fine-tuned year after year to fill any gaps.

Mercer believes that targeted communication activities encourage your employees to take their financial wellbeing seriously and save for the future. In a recent Mercer case study of a plan using a delegated solution, 30% of employees engaged in education initiatives or met a financial planner, compared to the 2%–3% median engagement in the Canadian market. As a result, fewer plan members reacted to uncertain markets by moving investments to more conservative asset classes. Instead, they were empowered to focus their attention on their holistic long-term financial security. When employees feel that their organization cares about their financial wellbeing and investment decisions are simplified, engagement in savings becomes a clearer financial goal.

## Get future-ready now

Financial wellbeing is a vital part of the employee experience. A delegated solution for your defined contribution plan can inspire confidence in retirement readiness through increased diversity of investments and improved governance. It also frees up your resources to concentrate on core business activities while keeping you in full control of your workplace savings plan.

# The upside to DC delegated

A delegated solution provides an extension of expert resources, additional flexibility, transparency and the performance the market demands to ensure the professional management of your DC plan and support for your employees on the path to retirement.

|   | Client | Mercer |                                |
|---|--------|--------|--------------------------------|
| Strategic decisions   |        |        |                                |
| Define objectives/plan design                               | ●      | ●      | Mercer as your trusted advisor |
| Set investment policies                                     | ●      | ●      |                                |
| Define investment structure                                 | ●      | ●      |                                |
| Set member education strategy                               | ●      | ●      |                                |
| Implementation  |        |        |                                |
| Recordkeeper and manager selection and termination          | ●      | ●      | Delegated to Mercer            |
| Recordkeeper and manager contract and fee negotiation       | ●      | ●      |                                |
| Plan member communication                                   | ●      | ●      |                                |
| Plan transition management                                  | ●      | ●      |                                |
| Ongoing oversight   |        |        |                                |
| Plan design and fee competitiveness benchmarking            | ●      | ●      | Delegated to Mercer            |
| Vendor service assessment and ongoing management            | ●      | ●      |                                |
| Fund performance monitoring and reporting                   | ●      | ●      |                                |
| Plan compliance oversight and evaluation                    | ●      | ●      |                                |
| Plan analytics and trends to develop the education strategy | ●      | ●      |                                |

# Comprehensive benefits for employer and employee

Mercer helps organizations that want to maximize their investment in their capital accumulation programs to engage employees in their financial wellbeing and promote the value of their total rewards offering.

## An all-inclusive offering

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### Employee engagement

- Customized communication and education strategy
- Investment decision making support, tools and resources
- Financial counseling, debt management, advice, planning and retirement transition strategy
- Digital financial wellbeing and retirement readiness tools



### Plan management

- Committee meeting management and attendance
- Fiduciary training
- Vendor management
- Analysis and reporting
- Access to automated plan administration features to reduce or eliminate manual processes
- Management of service level agreements and contracts to promote proactive plan management



### Monitoring

- Investment performance
- Vendor compliance
- Market trends and benchmarking
- Fee competitiveness review
- Legislative/regulatory/market updates
- Plan analytics to develop key performance measures

# Reshaping the future

## About Mercer

At Mercer, we redefine the world of work, reshape retirement and investment outcomes, and define new possibilities for health and wellbeing. Our aim is to look to the future by focusing on the needs of today. We help our clients navigate uncertainty and a rapidly changing environment that is transforming the way we work.

With more than 70 years of experience, we provide trusted advice and solutions by understanding data and applying it with a human touch. We drive change by turning ideas into action, positioning our clients, colleagues and communities for the future.

For further information, please visit

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## How we can help

Continuously rethinking purpose and priorities drives HR transformation. Shaping the future of work requires improved strategies around investment and retirement, health and wellness benefits, talent and communications. We believe in the value of investing in the future to build resilience for your business and your employees.

Investments and retirement require sophisticated solutions. We approach these with a big-picture view that prioritizes long-term financial wellbeing. We offer research and advice on assessing risk and designing benefits programs while keeping in mind the need to optimize throughout changing times.

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