

# Benefits

CANADA

## Canada's DC industry thriving despite constant need to tinker

Ryan Murphy | April 18, 2018



While Canada's defined contribution pension industry faces many challenges, the continuous improvement of offerings from service providers is one of the things that's working, according to Western University's Louise Koza.

"I think what's working is we have some very good service providers that are continuously improving their technology, their services, their education and their administration," said Koza, the university's director of total compensation, during a panel discussion at *Benefits Canada's* Benefits & Pension Summit in Toronto on Tuesday. "And that is significantly different than even 10 years ago."

### **Read: [DC Plan Summit: Actionable next steps for plan sponsors](#)**

As for what isn't working, Koza noted the constant desire to tinker by investment committees, actuaries, lawyers, consultants and investment managers. "And I get the agile thing, but we're not very agile if we're going to take six months to sign an investment contract or a service agreement," she said.

Another panellist, Joe Nunes, executive chair of Actuarial Solutions Inc., said the pension industry has done a great job over the last 20 years of building tools and infrastructure. "I think the CAP guidelines are overall a success, and I think that

employers are doing a decent job, carriers and providers are doing great jobs providing infrastructure.”

But he does worry about low contribution levels.

“We do have to just keep making these continuous improvements,” he said. “We have to just keep constantly plugging away and making it better and better because, ultimately, I think it’s going to be the vast majority of retirement savings.”

**Read: [Global DC pension assets projected to outgrow DB in two years](#)**

To facilitate a greater comfort around the potential legal risks of providing defined contribution arrangements and decumulation options, panellist Peggy McCallum, a partner at Fasken Martineau DuMoulin LLP, noted she’d like to see safe harbour legislation introduced in Canada.

“I think it’s a very helpful concept,” she said. “It is a concept that is alive in the U.S., and I think that it would be very helpful to plan sponsors to have that level of comfort that if they are doing the right thing, offering the right investment options and giving people the right choices, that they shouldn’t be liable for the outcomes.”