



CAP webinar highlights plan member understanding of decumulation



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The majority of Canadian capital accumulation plan members said they're confident in their understanding of how to optimize their income in retirement, according to *Benefits Canada's* 2019 CAP Member Survey. Across all survey respondents, 63 per cent said they're confident on this topic. When the answers were broken down by generations, the survey found baby boomers (69 per cent) and generation X (69 per cent) were more confident than millennials (53 per cent).

This year's survey, highlighted in [a session at the 2019 Benefits and Pension Summit](#), was followed by a webinar on June 26 to dig deeper into all the survey's additional findings.

During the webinar, Joe Nunes, executive chairman of Actuarial Solutions Inc., said it's difficult to separate plan members who are knowledgeably confident from those who are confident but ignorant about the truth.

Read: [2019 CAP Member Survey: Helping each generation on their retirement journey](#)

"I think plan sponsors need to be vigilant to not only watch for confidence in plan members, but also to monitor their knowledge to make sure it's the former and not the latter," he said. "Plan sponsors need methods to test member understanding and engagement. Twenty years ago, record keepers built great websites and educational tools that less than 20 per cent of members were using. The alarm bells should have been ringing a long time ago on this."

It also comes down to making sure the right products are available, especially when it comes to decumulation options. The federal and Ontario governments are both making legislative moves to facilitate these options for CAP members, but it will be down to plan sponsors to ensure their members understand them.

Read: [Industry praises budget proposals to allow variable annuities for CAP members](#)

“I really believe that allowing for decumulation options within CAPs — especially priced on a group basis — is going to be an important step forward for CAP plans,” said Nunes. “We need to be vigilant to make sure plan members understand these options and also their limitations. The industry has been clamouring for variable benefits from DC plans, so now we’re going to get that. Let’s see how it goes.

“The other thing I’d add is there’s still a significant portion of plan sponsors that want nothing to do with former employees once they’re off the payroll, so I think that’s something that employers are going to have to go back and reassess.”

Watch the full webinar [here](#).