Pension Benefits Review Study

Final Report

Prepared for the:

Pension Review Panel

July 2008

www.cra.ca
1-888-414-1336

Table of Contents

Introduction

This report presents the results of the **2008 Pension and Benefits Study,** as prepared by Corporate Research Associates Inc. (CRA), on behalf of the **Pension Review Committee**, appointed by the Nova Scotia Department of Labour and Workforce Development (the Department). The Committee is interested in assessing the knowledge base, preferences, and attitudes of Nova Scotia workers and employer populations, with respect to the types of pension plans that exist, whether Nova Scotians consider pensions to be a priority, and possible suggestions for improvement. More specifically, this study seeks to:

- Determine how important pension plans are to Nova Scotians;
- Determine which sources of income Nova Scotians plan on using in their later years;
- Understand if Nova Scotians consider an organization's pension plan when making career move decisions;
- Identify where Nova Scotians look for information about their pension plans;
- Determine if Nova Scotians know how their pension plans work;
- Understand general worker attitudes regarding working after the age of 65, and if the dissolution of mandatory retirement will affect their retirement plans; and
- Understand employer attitudes regarding pension plans, including the level of importance they place on pensions, provision of information, and retention of older workers.

In fulfillment of the study objectives, CRA utilized a combined qualitative and quantitative methodology. For the qualitative phase, a total of six teleconference/focus groups (three teleconference discussion groups with employers, and three focus groups with workers) were conducted to provide depth of understanding. In addition, qualitative research also was utilized to address project objectives related to Nova Scotia employers.

For the quantitative phase of the research, a total of 614 telephone interviews were conducted, 400 with adult employed Nova Scotians who have a pension plan that is partially or completely funded by their employer, and 214 with adult employed Nova Scotians who do not have such a pension plan. Further details concerning the approaches adopted in completing this study are included in the *Research Methodology* section at the end of this report.

It should be stated that pensions constitute what could be described as a complex topic for non-specialist respondents, and indeed to a certain extent confusion and a lack of knowledge regarding the issue is evident among, for example, selected employees interviewed for the quantitative component of the current study.

This report presents the detailed findings from both the quantitative as well as the qualitative phases of the research, together with attendant conclusions and recommendations drawn from the detailed analysis. An executive summary of the findings also is included. Working documents are appended to the report and include a copy of the survey questionnaire (Appendix A), as well as tabular results for each question on the telephone survey (Appendix B). Tabular results for each question are broken down by key demographic subgroups. Qualitative research documents appended to the report include the focus group recruitment screener guides (Appendix C) and the moderator's guides (Appendix D).

Within the Detailed Analysis – Quantitative Phase contained in the report, specific table references point to the statistical results found in the **Tabular Results** section. Tabular results are presented in percentages and have been rounded to the nearest whole number. As a consequence, the totals may not always sum to 100 percent. In other cases, the totals will exceed 100 percent due to multiple responses. The total number of persons who responded to a particular question is displayed on each table under the label of Sample Size.

Executive Summary

This Executive Summary is presented in a format that responds to the specific information requirements detailed in the project's Terms of Reference, reprinted here in *italics*:

Values – Given the somewhat small percentage of Nova Scotians who contribute to pension plans, it may seem that pensions are not highly valued in this province. As a result, the Committee is interested in determining whether pension plans are important to Nova Scotians, and, if so, how important. As part of the discussion, the Committee is also interested in determining what sources of income Nova Scotians will be relying on in their later years.

Overall, the results from the Pension Benefits Review Study suggest that employer contribution pensions are a fundamental pillar of the financial security of those Nova Scotian workers who have such a pension. For example, income from these pensions is earmarked as a primary financial resource for the retirement years of pension employees. On the other hand, workers without such pensions are not as well-positioned for retirement when they terminate their employment income.

The research clearly indicates that the importance of a pension shifts over time for those who currently are pension employees. While the availability of an employer-funded pension may not top the list of most important considerations when initially choosing an employer or job, having such a pension plan increases in importance over time, indeed becoming very important to pension employees' retirement plans.

Indeed, the survey results indicate that having an employer-funded pension has important implications for employees, shaping their financial status and prospects in various important ways. For example, pension employees are more confident than non-pension employees that they will be financially prepared for retirement, and are more likely than non-pension employees to plan to fully retire before the age of 65. Pension employees are most likely to name a pension as their most important retirement resource, while non-pension employees are most likely to cite personal savings.

It may also be that having a workplace pension also serves to shape an employee's disposition towards financial and/or retirement planning, in domains beyond the employer-funded pension. For example, the survey results indicate that in addition to their pensions, pension employees are more likely than non-pension employees to hold other types of investments or savings, including both RSP and non-RSP investments. Of course, the explanation for this situation may be that pension employees tend to have higher levels of education and household income compared with non-pension employees, and thus pension employees may be better able make a financial commitment to other types of investments. Notably as well, pension employees are also considerably more likely than non-pension employees to work in the public sector or belong to a labour union.

Flexibility – Information seems to suggest that workers are moving from job to job more often than in the past. At issue is whether Nova Scotians consider their pensions when making decisions about career moves.

As noted above, the availability of an employer-funded pension does not appear near the top the list of most important considerations when initially choosing an employer or job, yet interest in pensions grows over time for employees with such a benefit. As well, the availability of an employer-funded pension plan appears to be an important employee retention tool for employers. Recruitment and retention are primary reasons that employers choose to provide a pension plan, as they believe pension plans promote long-term employment with the organization, thereby providing an advantage over competitors. While pension and non-pension employees have similar levels of stated loyalty to their employer, pension employees plan to continue working for their current employer for an average of 12 years, compared with 10.5 years for non-pension employees. Pension employees are also more likely than non-pension employees to state they intend to work for their current employer for the rest of their career.

On a related issue, if an employee is considering whether or not to switch employers, the availability of a pension plan with employer contributions at a potential new employer is more likely to be identified as a very important consideration among pension employees, than it is among non-pension employees. However, it also is important to note that a sizable percentage of non-pension employees also consider pension availability to be an important aspect of their decision-making calculus regarding whether or not to change employers.

Knowledge and Information – Information provided to pension plan members about their pension plans can often be complicated and difficult to understand. The Committee would like to know if Nova Scotians know where to get information about their pension plans, and whether they understand how their pension plans work.

There may be an opportunity to increase pension employees' knowledge regarding the specifics of their current employer pension plans. Specifically, it is noteworthy that fully two in ten are not aware of the type of pension plan offered by their employer. While most pension employees have ready access to a pension document, fewer than one-half claim to be very knowledgeable about the details of their current plan, or how changing employers might affect their existing pension savings. Indeed, more than one-half express concern about how changing employers might affect their current pension savings. Finally, among both pension and non-pension employees, there is limited knowledge regarding portability of pension benefits within Nova Scotia or Canada. Some employers provide printed materials (such as newsletters) to employees, while online 'pension calculators' are also an important source of information. In terms of the provision of information, many employers do not believe employees ask a great number of questions about their pension, and even then seem to only have requests regarding either the 'bottom line,' or if they receive a statement that indicates the defined contribution pension is not performing well.

Retention of Older Workers – Given the looming labour shortage, it is becoming more and more attractive to retain older workers as much as possible, given their knowledge and experience. The Committee is interested in knowing whether Nova Scotians are interested in early retirement or continuing to work beyond the age of 65; gradual retirement, i.e. working part- time or on a contract basis; and whether loyalty to workplaces affects whether pensions are secured before workers will consider coming back to the job; and whether the dissolution of mandatory retirement will affect retirement plans, if at all.

Once introduced to the fact that mandatory retirement at age 65 will be ending in Nova Scotia in July 2009, workers did not believe it would have any impact on their retirement plans. Indeed, most endorsed their previously-stated intentions of retiring before the age of 60. Employers, on the other hand, report that this change to legislation will likely have a positive effect, as many employees apparently are already indicating that they plan to work past the previously-mandated age of retirement.

Older participants in the employee focus groups were able to imagine their retirement in great detail, in some cases naming the precise date they would retire. Age of retirement was generally hoped to be between 55 and 60, though a few imagined working until age 65. Most believe they will retire abruptly, that is, they will stop working for their company or organization all of a sudden, though a few imagined going back to work for their employer on a part-time or consultancy basis after taking a year off.

Cost/Risk to Employers: Pension plans, depending on their type, can be very expensive and administratively burdensome to employers. This impacts on the type of plans that employers' offer, or whether they offer one at all. The Nova Scotia government is interested in reducing the administrative burden and financial risks of defined benefit and defined contribution plans for employers, while also encouraging them to offer the best possible pension plans available to their employees. Therefore, the Committee is interested in determining employers' attitudes towards pension plans, including the level of their importance, provision of information and retention of older workers.

As noted above, the availability of an employer-funded pension plan appears to be an important employee retention tool for many employers. Recruitment and retention are primary reasons that employers choose to provide a pension plan, as they believe pension plans promote long-term employment with the organization, thereby providing an advantage over competitors. Employers perceive that Defined Contribution (DC) and Defined Benefit (DB) plans have distinct advantages and disadvantages, with DB plans noted for being easy for employees to understand, but expensive for employers, while DC plans were found to be more portable, good for involving employees in investments, and more cost-effective for employers.

Employers perceive their workers' loyalty to their organization to be dependent on an employee's age combined with proximity to retirement. As a result, employers view pension plans as an incentive to remain loyal, particularly for those near retirement. Declining participation rates in pension plans are attributed to several different reasons, including that younger workers are increasingly savvy with their money and instead make contributions on their own, rather than investing in a pension plan, or perhaps (also) are currently focused on other debts. Other employers suggested that some corporations are less interested in offering pension plans perhaps in part because of the expense of having such a plan.

Conclusions

Quantitative Phase

The following conclusions are drawn from the analysis of the quantitative survey results.

- ***Employees identify wages and market uncertainty most frequently as important issues facing provincial workers.***

  Notably, planning for retirement, pensions, and financial benefits do not emerge as important top-of-mind issues identified by either pension or non-pension employees.

- ***When considering employment options, a pension plan with employer contributions is less important than factors such as job satisfaction and whether an employer is fair.***

  Indeed, among pension workers, only seven percent name the availability of a pension plan when asked in an unaided fashion to identify the most important considerations when choosing a job or employer. Only three percent of non-pension employees identify the availability of a pension plan. Wages or salary is by far the most important consideration, followed somewhat distantly by job satisfaction, the availability of health benefits, the job's location, and whether the employer is fair or good.

  When asked to assess the importance of a series of factors when accepting employment at their current employer, the availability of an employer-funded pension plan and the prospect for retirement savings fall mid-range in terms of being rated as very important by pension employees. Pension employees are more likely to consider whether the employer is fair or good to work for, whether they like the type of work, job security, and the availability of health benefits to be very important. Among non-pension employees, the availability of an employer-funded pension and the prospect for retirement savings are least likely to be rated as very important.

  While expressing no greater degree of loyalty to their current employer, pension employees appear to be more committed to finishing their career with their current employer, compared with non-pension employees.

- ***Compared with non-pension employees, the survey indicates that pension employees are more confident that they will be prepared for retirement.***

  While not identified as being among the most important considerations when choosing a job or employer, a pension plan at work is by far the most important retirement financial resource for pension employees. Non-pension employees are most likely to name a savings account as their most important retirement resource. In addition, pension employees are more likely than non-pension employees to feel confident they will have sufficient financial resources to allow them to live comfortably during retirement. Related to this lower confidence, non-pension employees are more likely than pension employees to plan to continue working after the age of 65.

Not surprisingly, pension employees are more likely than non-pension employees to consider a pension plan to be important to their overall retirement planning. The majority of the pension group, as well as the non-pension employee group, however, would take into consideration the availability of an employer-funded pension when considering changing employers.

- ***Those with pensions appear to be more pre-disposed to other types of retirement savings than do those in the non-pension group.***

Employees who belong to employer contribution pension plans appear to be more actively involved in saving for their retirement (e.g. have an RSP and non-RSP investments), when compared with non-pension employees. Indeed, the survey results indicate that pension employees are more likely to have an RSP established for themselves or their spouse, and are also more likely to hold investments other than an RSP.

- ***Most pension employees feel quite comfortable in terms of their knowledge of the specifics of their current employer pension plan, with the only knowledge issue being portability of benefits to a new employer.***

Pension employees are most likely to belong to defined contribution plan, with the most frequently identified advantage of this type of plan being employer matching. Knowing exactly what you will be receiving and job security are the most frequently named advantages of a defined benefits plan.

Pension employees exhibit comfort with their knowledge of the specifics of their pension plan, and most have ready access to a pension plan document. Moreover, most are satisfied with their ability to gain access to their pension funds. While most pension employees claim understanding of how changing employers might affect their current pension savings, there appears to be some confusion regarding the portability of pension benefits to another employer, either within Nova Scotia or elsewhere within Canada.

- ***Pension employees differ from non-pension employees across a range of demographic characteristics.***

Notably, pension employees are considerably more likely than non-pension employees to work in the public sector, and/or to be a member of a labour union. Pension employees are more likely to be between 45 and 54 years of age, and to have completed at least some post-secondary educational training. Finally, pension employees report higher levels of household income compared with non-pension employees.

Qualitative Phase

The following conclusions are drawn from the analysis of the qualitative research results.

Workers Component

- ***Workers' knowledge and interest in pensions increases with age.***

  Older workers expressed increased levels of interest and placed increased importance on pensions when compared with participants in the younger age groups. Workers clearly place a degree of value on pensions throughout their careers, but express a sentiment of greater importance as they approach retirement. Those in the youngest group (18–34) were all aware of the existence of their pension plan, but many were unable to name the type or any aspect about how their plan works, while others had limited knowledge. Participants in the middle age group (35–49) were more knowledgeable about their pension plans than were younger participants. Many were able to name the details of their plans including the percentage personally contributed, the percentage contributed by their employer (if a defined contribution plan), and the amount they would receive annually once retired (if a defined benefit plan).

- ***Pensions form an important background priority for workers at an early age, with increased importance as retirement approaches.***

  Many workers identified that having a pension offered by a company was of high importance. Notably, those in the older age group were clearly worried about their future and were thus more interested in the details of their pensions. In addition, there was a strong stated desire to retire early, thus the interest and priority of pension benefits came into sharp focus for those approaching that age.

- ***Worker loyalty is tied to pension benefits, though younger workers feel more mobile.***

  Some workers have a clear sense that the pension plan they have is unique and a benefit that enhances the value of staying with their current employer. However, many others stated that they do not feel loyal to their employers, noting that their understanding is that they would be able to take their pension with them, and indeed would be able to find another employer offering a pension in any case. This sentiment was expressed to a greater extent by those in the younger age group.

- ***The ease of accessibility to pension information increases as a need, as retirement approaches.***

  Information regarding pensions is gathered through finance departments, human resource specialists, as well as from newsletters about pension plans and other printed materials received by workers, and a few individuals mentioned having online ‘pension calculators’ that are available through their employers. However, many in the younger group noted that they do not seek information about their pensions, either through a lack of interest or because of a degree of trust in the management of their pension. Some employees in the middle age group stated they get information from yearly pension reports as well as financial advisors and group discussions among peers. Many noted that they would appreciate increased information regarding projections for how their retirement would look, stating that currently most information they receive merely tells them how much they currently have in savings.

- ***Workers expect to retire between ages 55 and 60, and plan to have multiple income streams.***

  Older participants were able to imagine their retirement in great detail, in some cases naming the precise date they would retire. Age of retirement was generally hoped to be between 55 and 60, though a few imagined working until age 65. Most believe they will retire abruptly, that is, they will stop working for their company or organization all of a sudden, though a few imagined going back to work for their employer on a part-time or consultancy basis after taking a year off. With respect to where income would come from in retirement, most in the older age group expect to receive their company pension on a monthly basis, as well as income from RSPs, Canada Pension, Old Age Pension, and other income sources such as rental properties or part-time work.

- ***Workers acknowledge a strong element of personal responsibility for their retirement income, though older workers place more emphasis on company plans.***

  Across group types, there was an acknowledgement that individuals are responsible for their own retirement savings. However, older workers noted that they are relying to a great degree on their company pension plans. Younger workers mentioned that company pension plans are a benefit, but will not necessarily be the largest portion of their retirement income.

- ***Few employees are aware of changes to mandatory retirement legislation but once aware, workers do not believe the change will have a significant impact on their retirement plans.***

  Once introduced to the fact that mandatory retirement at age 65 will be ending in Nova Scotia in July 2009, workers did not believe it would have any impact on their retirement plans. Indeed, most endorsed their previously-stated intentions of retiring before the age of 60.

Employers Component

- ***Recruitment and retention are the primary reasons companies offer pension plans.***

  Employers cited a variety of reasons for beginning pension plans. Recruitment and retention were named as fundamental strategies, as most employers suggested they initiated their pension plan offerings to recruit new talent to their firm. In addition, many hoped that the pension plan would encourage long-term employment with their company. Moreover, the reasons companies introduced a pension plan are similar to the reasons they continue to provide it.

  The reasons for choosing to offer a defined contribution or defined benefits plan are quite different. Indeed, defined contribution plan employers cited cost effectiveness as the primary reason for choosing to provide this type of plan. Furthermore, employers who chose to offer a defined contribution plan suggested they employed a more transient workforce and would not be able to afford the cost associated with a defined benefits plan.

- ***Employees do not ask a great number of questions about pensions.***

  Employers field a limited number of questions from workers regarding pension plans. All employers, however, frequently are asked the same question, essentially "What will I have when I retire?" In addition, employers found either that retirement seminars were not well attended, or that employees were uncertain what questions to ask at such sessions.

- ***In general, employers are aware that mandatory retirement will end in NS in July 2009.***

  Given the pending change in legislation, employers were asked what affect, if any, would be felt by their organization in terms of retirement planning. Overall, employers' perceptions are that their organization will not be affected or that any effects will be positive. For employers with workers approaching the age of retirement, most believed this rule modification will engender only positive changes for their organization. Indeed, these employers suggested they already had workers who had stated that they wish to work past the age of retirement. Not surprisingly, employers are content to make such provisions, and even ask workers to stay on the payroll longer, as it eliminates the need to replace these individuals and also serves to retain within the organization the knowledge capital that has already been established.

Detailed Analysis – Quantitative Phase

Most Important Issue Facing Nova Scotia Workers

Pensions are not perceived as an important issue facing workers in Nova Scotia. Employees instead identify wages and market uncertainty most frequently as important issues.

The following table illustrates key responses offered when employees were asked in an unaided fashion to name the most important issues facing Nova Scotia workers today. Pension and non-pension employees offer similar responses, with wages in first place, followed by uncertainty about both job security and employment opportunities. Notably, pension employees are somewhat more likely than their non-pension counterparts to cite the cost of living as an important issue. (Table 3 ALL MENTIONS)

Most Important Issue (Key Mentions)	**Employees with a Pension Plan**	**Employees without a Pension Plan**
	All Mentions	**All Mentions**
	%	%
Wages/salaries/pay	33	39
Uncertainty about job security	13	11
Lack of employment opportunities	10	13
Cost of living/Economy	8	2
Gasoline prices	5	8
Workplace safety	4	3
Pensions	**2**	**-**
Benefits	1	3

Across the pension employee population, those most likely to identify wages or salaries include younger employees, those with lower levels of education, employees in the lower and middle income brackets, those who do not have a Retirement Savings Plan (RSP), employees with a defined benefit plan, and those who feel less confident that they will have sufficient retirement resources.

Among non-pension employees, those most likely to identify wages or salaries as an important issue facing Nova Scotian workers today include HRM and Cape Breton residents, those who live in urban areas, women, those who do not have an RSP, and lower household income earners.

Current Employment

When considering employment options, a pension plan with employer contributions is less important than factors such as job satisfaction and whether an employer is fair.

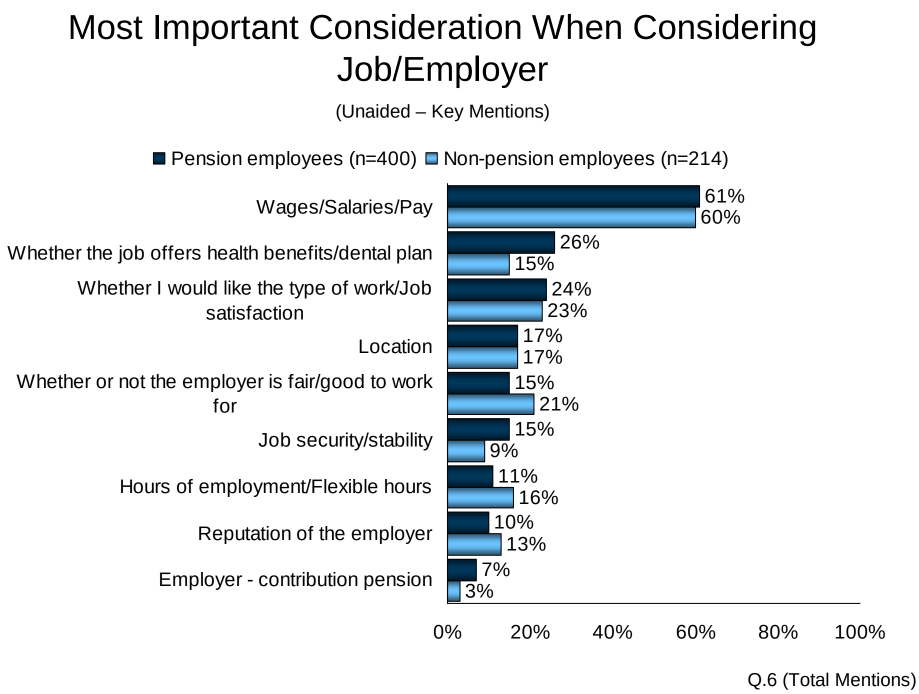
Considerations when Choosing Job or Employer

When asked in an unaided fashion to identify the single most important consideration (i.e., the first mention of respondents) taken into account when considering a particular job or employer, both pension and non-pension employees identify wages or salaries most frequently, followed by job satisfaction.

Among pension employees, job security is third importance, with whether the employer is fair or good to work for occupying a similar position among non-pension employees. No other factor is mentioned by more than seven percent of those surveyed. Notably, only one percent of pension employees identify the availability of a pension plan with employer contributions as the single most important consideration. (Table 6 First Mention)

In terms of total responses offered by employees, wages or salaries is the most frequently mentioned consideration, offered by six in ten pension as well as non-pension employees. One-quarter of pension employees identify either the availability of health benefits or job satisfaction, while close to two in ten name location, whether the employer is fair or good to work for, and job security. Seven percent of pension employees name the availability of a pension plan with employer contributions as an important consideration.

Among non-pension employees, one-quarter cite job satisfaction as important, while two in ten identify whether the employer is good or fair to work for, and close to two in ten name location, the hours of employment, and the availability of health benefits as important considerations. Notably, three percent of non-pension employees name the availability of a pension plan with employer contributions as an important consideration (Table 6 Total Mentions)



Differences in opinion are noted across the pension employee population. Those most likely to identify **wages** include employees that live in urban Nova Scotia, those who live in the HRM, those with higher levels of household income, private sector employees, those who have an RSP, employees with a defined benefit plan, employees that consider pensions to be important to their retirement planning, those who are less confident that they will have sufficient retirement resources, and employees who plan to fully retire at age 65. Those most likely to cite the **availability of health benefits** include middle-aged and older employees (35+), those who live in the HRM or mainland Nova Scotia, employees who consider pensions to be important to their retirement planning, and those who expect to fully retire at age 65 or before age 65. **Job satisfaction** is more likely to be identified as an important consideration by employees aged 55 years and older, those from urban areas and the HRM, employees with the highest level of education, higher income earners, non-union employees, those who have an RSP, employees with a defined benefit plan, those who do not consider a pension plan to be important to their retirement planning, and employees who feel very confident they will have sufficient retirement resources.

Among non-pension employees, those most likely to cite **wages** include women, employees that live in urban Nova Scotia, younger employees, those with higher levels of education, higher household income earners, and those with an RSP. **Job satisfaction** is most likely to be named by employees with the highest level of education, and those who do not consider a pension plan to be important to their retirement planning.

Employed Nova Scotians were asked to assess a series of aided factors in terms of their importance to their decision to accept their job with their current employer. Differences in opinion are noted when examining the opinions of employed Nova Scotians who have a pension plan, and employed Nova Scotians who do not have a pension plan. The following table illustrates the percentage of respondents who consider each factor to be very important to their decision to accept their job with their current employer. Areas where significant differences of opinion are observed between pension and non-pension employees are highlighted. Notably, employed Nova Scotians who have a pension plan are more likely than those who do not have a pension plan to consider as very important considerations whether the employer has a health benefits plan, whether the employer offers a pension plan, and their prospects for retirement savings. Non-pension employees are more likely to consider to be very important whether the employer is fair to work for, the employer's reputation, and the hours of employment available. (Tables 7a-k)

Importance of Factors When Choosing Employment with Current Employer (% stating "very important")		
	Employees with a Pension Plan	Employees without a Pension Plan
	%	%
Employer is fair or good to work for	81	88
Do you like the type of work	78	75
Job security	71	65
Does job offer health benefits plan	73	53
Wages or salary	66	67
Employer offers a pension plan with employer contributions	**64**	**31**
Prospect for retirement savings	59	36
Reputation of employer	62	71
Hours of employment available	51	66
Job location	51	57
Opportunities for advancement	42	44

Across the pension employee population, women are more likely than men to rate each factor as very important, with the exception of opportunities for upward mobility or advancement, which is more likely to be rated as very important by men. Regionally, pension employees who live in Cape Breton are most likely to consider each factor to be very important, with one exception. Residents of HRM are most likely to rate opportunities for upward mobility or advancement as very important.

The following summarizes differences in opinion across the pension employee population.

Employer is fair or good to work for: Those most likely to rate this factor as very important include employees aged 55 years and older, non-union employees, and those who consider a pension plan to be very important to their retirement planning.

Do you like the type of work: Employees with higher levels of education, higher household income earners, public sector employees, those with a defined contribution plan, and employees who are confident they will have sufficient retirement resources are most likely to assess this factor as very important.

Job security: Those most likely to rate job security as very important include employees under 55 years of age, those who live in urban communities, lower income earners, public sector employees, union members, those who do not have an RSP, employees who consider a pension plan to be important to their retirement planning, those who are less confident they will have sufficient retirement resources, and employees who plan to fully retire at or before age 65.

Does job offer health benefits plan: Older employees, those with lower levels of education, employees in the lower or middle household income brackets, public sector employees, those who consider a pension to be important to their retirement planning, employees who are *not* confident they will have sufficient retirement resources, and those who expect to fully retire before age 65, are most likely to consider this factor to be very important.

Wages or salary: This factor is most important to employees aged 55 years and older, those with lower levels of education, employees in the lower and middle income brackets, public sector employees, union members, those who consider a pension plan to be important to their retirement planning, and those who are less confident they will have sufficient retirement resources.

Does employer offer a pension plan with employer contributions: Those most likely to rate this factor as very important include middle-aged and older employees (35+), those with high school or a lower level of education, public sector employees, union members, those who consider pension plans to be very important to their retirement planning, those less confident they will have sufficient retirement resources, and employees who plan to fully retire at or before age 65.

Prospect for retirement savings: This factor is most important to employees aged 35 years and older, those who live in urban communities, employees with lower levels of education, those in the lower household income bracket, public sector employees, union members, those who consider a pension to be important to their retirement planning, and employees who expect to fully retire at or before age 65.

Reputation of employer: Older employees, those who live in urban areas, employees in the lower household income bracket, and those who have a defined contribution plan, are more likely than others to rate this factor as very important.

Hours of employment available: This factor is most likely to be rated as very important by employees aged 55 years and older, those who live in urban areas, employees with lower levels of education, those in the lower household income bracket, and employees who do not have a Retirement Savings Plan.

Job location: Job location is most important to employees aged 35 years and older, those who live in rural areas, employees with the lowest level of education, those in the lower household income bracket, employees who consider a pension to be important to their retirement planning, those who are very confident they will have sufficient retirements resources, and employees who plan to fully retire before age 65.

Opportunities for advancement: This factor is most important to employees that live in urban communities, higher household income earners, private sector employees, those who do not belong to a union, employees who have an RSP, those who belong to a defined benefits plan, employees that consider a pension to be very important to their retirement planning, and those who are very confident they will have sufficient retirement resources.

The following summarizes differences in opinion across the non-pension employee population.

Employer is fair or good to work for: Those most likely to rate this factor as very important include older employees and those who are less confident they will have sufficient retirement resources available to them.

Do you like the type of work: Employees that have an RSP and those with higher levels of education are most likely to assess this factor as very important.

Job security: Those most likely to rate job security as very important include employees aged 35 years or older, those with lower levels of education, and employees who expect to fully retire at age 65.

Does job offer health benefits plan: Employees in the lower and middle household income brackets, those who consider a pension to be important to their retirement planning, and employees who are not confident they will have sufficient retirement resources are most likely to consider this factor to be very important.

Wages or salary: This factor is most important to Cape Breton residents, those in the upper household income bracket, employees who consider a pension to be important to their retirement planning, and those who expect to fully retire before the age of 65.

Does employer offer a pension plan with employer contributions: Those most likely to rate this factor as very important include residents of Cape Breton, those who live in urban communities, public sector employees, and those who say a pension is important to their retirement planning.

Prospect for retirement savings: This factor is most important to employees who live in Cape Breton or urban communities, those aged 35 to 54 years, employees with an RSP, those who consider a pension to be important to their retirement planning, and employees that plan to fully retire before the age of 65.

Reputation of employer: Women, older employees, those who consider a pension to be very important to their retirement plans, and those who are less confident they will have sufficient retirement resources are more likely than others to rate this factor as very important.

Hours of employment available: This factor is most likely to be rated as very important by women, those under 35 years of age, lower household income earners, public sector employees, those who do not have an RSP, and employees who plan to fully retire at or before reaching age 65.

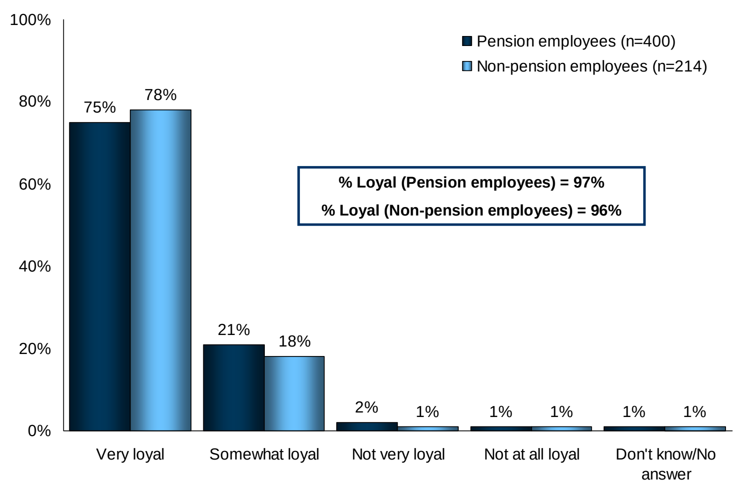
Job location: Job location is most important to residents of mainland Nova Scotia outside of the HRM, women, older employees, those in the upper household income bracket, employees who are confident they will have sufficient retirement resources, and those who expect to fully retire at or before age 65.

Opportunities for advancement: This factor is most important to HRM and Cape Breton residents, men, younger employees, those who live in urban areas, lower household income earners, those who believe a pension is important to their retirement planning, employees who feel less confident they will have sufficient retirement resources, and employees who plan to work up to or past the age of 65.

Loyalty

Employed Nova Scotians hold a high degree of loyalty to their employer, and there are no significant differences in opinion noted between those who have a pension plan and those who do not. That is, the presence of a pension plan, or lack thereof, does not outwardly appear to be a leading consideration influencing loyalty to current employer. (Table 4)

Loyalty to Current Employer



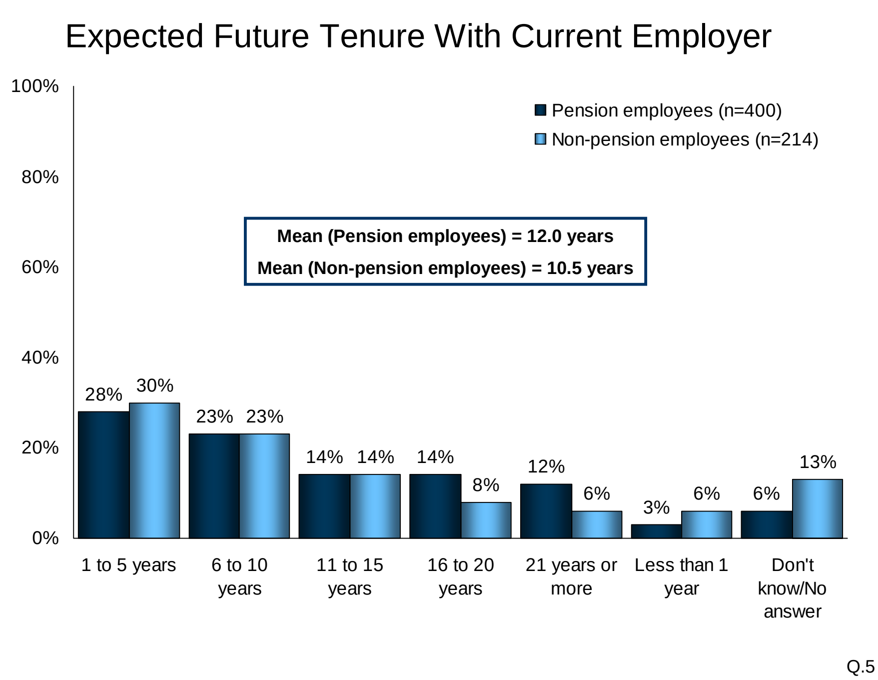
Q.4

Among pension employees, those most likely to state they are very loyal to their current employer include employees with lower levels of education, those from Cape Breton, those in the lower household income bracket, employees with a defined contribution plan, employees who believe a pension is important to their retirement planning, and those who feel confident they will have sufficient retirement resources available to them.

Those non-pension employees most likely to state they are very loyal to their current employer include employees who live outside of the HRM, those who live in rural communities, employees aged 35 years and older, and those in the lower and upper household income brackets. Not surprisingly, employees (both pension and non-pension) who anticipate being with an employer longer than five years are much more likely to say they are *very loyal*, compared with those who anticipate being with their current employer for five years or less.

While it was noted above that the presence of a pension plan, or lack thereof, does not outwardly appear to be a leading consideration influencing loyalty to current employer, it is nonetheless significant that employees with a pension plan who rate a pension plan with employer contributions as the top consideration (or among the top two or three most important considerations) when considering whether or not to change employers, are more likely to report being *very loyal* to their current employer. In the same manner, employees *without* pension plans who rate a pension plan as important when deciding whether or not to change employers are *less loyal* than those employees who do not perceive a pension plan as an important consideration.

Pension employees and non-pension employees were asked for how many more years they expect to work for their current employer. The average among pension employees is 12.0 years, while the average among non-pension employees is 10.5 years. (Table 5)

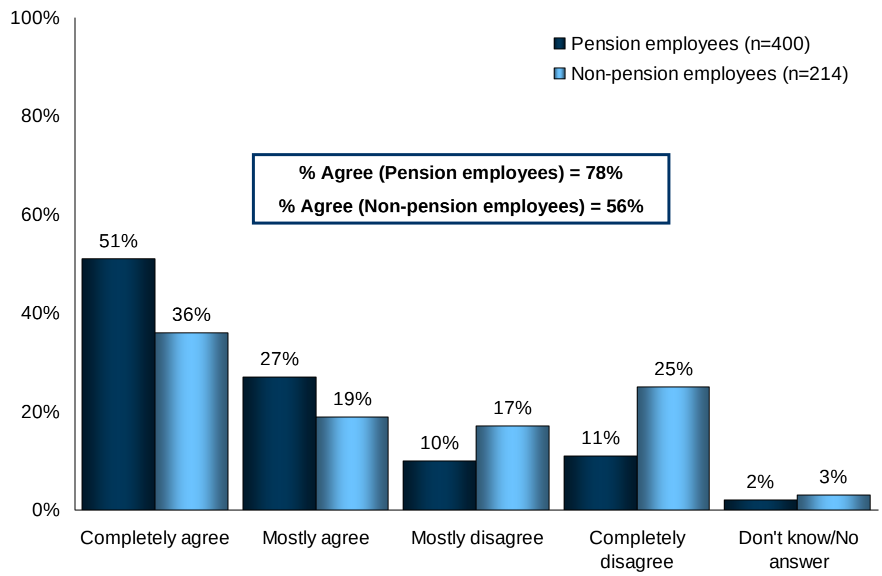


Among pension employees, those who offer the longest average number of expected tenure years include younger employees, those with lower levels of household income, employees from Cape Breton, those who work in the private sector, union members, those with a defined contribution plan, and those who rate the importance of pensions to their retirement planning as important.

Among non-pension employees, those who expect to spend the longest average number of years with their current employer include Cape Breton residents, younger employees, those with lower levels of household income, and those who plan to work up to or past age 65.

On a related matter, belonging to a pension plan appears to have some impact on employees' expected tenure with their current employer. Approximately eight in ten employees who have a pension plan with their current employer completely or mostly agree they expect to work the rest of their career with their present employer, compared with 56 percent of those who do not have a pension plan. (Table 29)

Expect to Work Balance of Career With Current Employer



Q.29

Perhaps not surprisingly, the likelihood of pension employees indicating they completely agree that they expect to work the rest of their career with their current employer increases significantly with age. In addition, those most likely to completely agree include women, employees from Cape Breton, those with lower levels of education, higher household income earners, public sector employees, union members, those who believe a pension is important to their retirement planning, employees who feel confident they will have sufficient retirement resources available to them, and those who expect to fully retire at or before the age of 65.

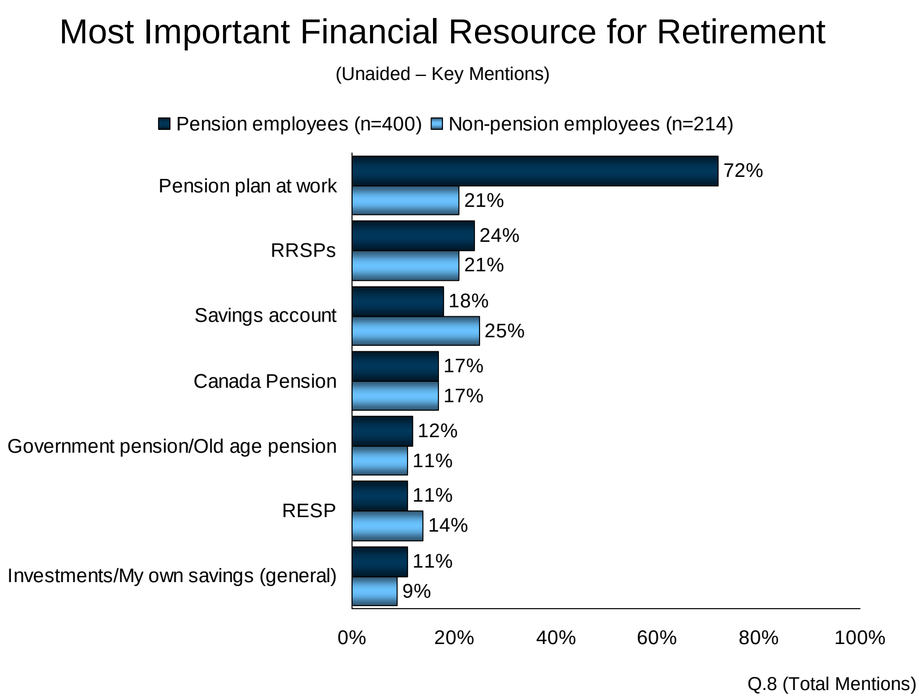
Among non-pension employees, those most likely to plan to work the rest of their career with their current employer include those outside the HRM, older employees, and those with an RSP. Employees who currently have a pension plan who believe the single most important consideration when changing jobs is whether or not the new employer offers a pension plan with employer contributions, are more likely to expect to work the rest of their career with their present employer. In addition, those employees with a pension who said a pension plan with employer contributions was very important when deciding to accept their current position are more likely than those who placed less importance on a pension when deciding on their current job, to believe they will work the rest of their career with their current employer. (Table 29, Table 11, Table 7a)

Retirement Planning

Compared with non-pension employees, the survey indicates that pension employees are more confident they will be prepared for retirement.

Retirement Financial Resources

When asked to identify the most important financial resource they expect to rely on during retirement, pension employees are most likely to cite their employment pension, with seven in ten citing this financial resource. One-quarter name an RSP, while approximately two in ten employees identify either a savings account or Canada Pension Plan (CPP). One in ten name a government pension, an RESP, or investments in general, with no other investment identified by more than four percent of those surveyed. Among non-pension employees, the most common response is a savings account, named by one-quarter of those surveyed, followed by pension plan at work (perhaps from a spouse or partner), an RSP, CPP, an RESP, the government pension, investments in general, and real estate. (Table 8)



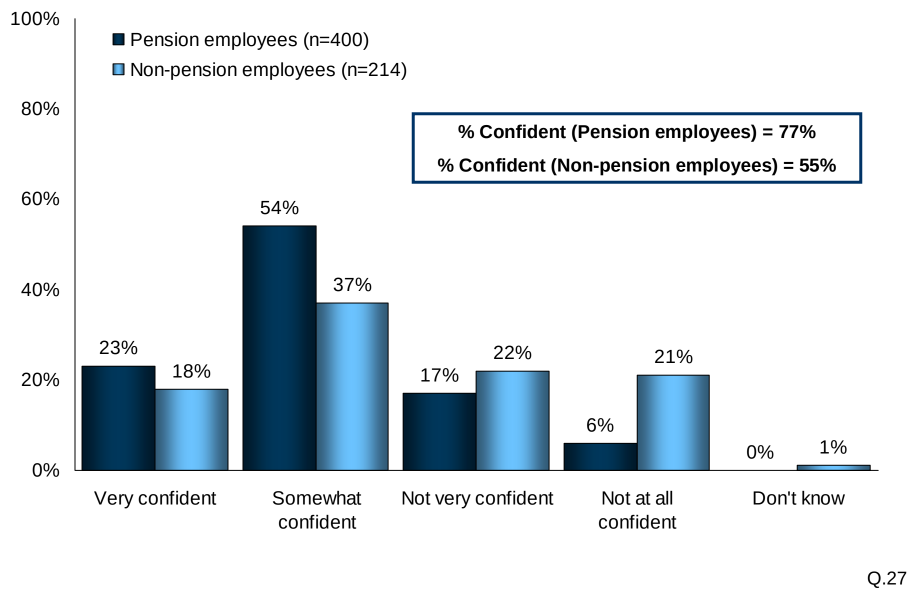
Among pension employees, those most likely to name a **pension plan at work** include women, employees aged 35 years and older, employees that live in HRM or Cape Breton, those with higher levels of education, employees in the upper income bracket, public sector employees, those who consider a pension plan to be important to their retirement planning, employees who feel confident they will have sufficient retirement resources, and those who expect to fully retire before the age of 65. **RSPs** are most likely to be identified by employees that live in urban areas, those from the

HRM, those with higher levels of education, employees in the middle and upper household income categories, non-unionized employees, and those who feel comfortable they will have adequate retirement resources. Finally, a **savings account** is most likely to be named by employees under 35 years of age, non-unionized employees, those who feel very confident they will have sufficient retirement resources, and those who expect to continue working past the age of 65.

Among non-pension employees, those most apt to identify a savings account include Cape Breton residents, employees under 35 years of age, those in the lower and middle household income brackets, and employees who feel very confident they will have sufficient retirement resources.

Pension employees in Nova Scotia are considerably more confident than non-pension employees that they will have sufficient financial resources to allow them to live comfortably in retirement. Specifically, approximately three-quarters of Nova Scotians with an employer-funded pension are somewhat or very confident they will be comfortable financially, compared with just over one-half of non-pension employees. (Table 27)

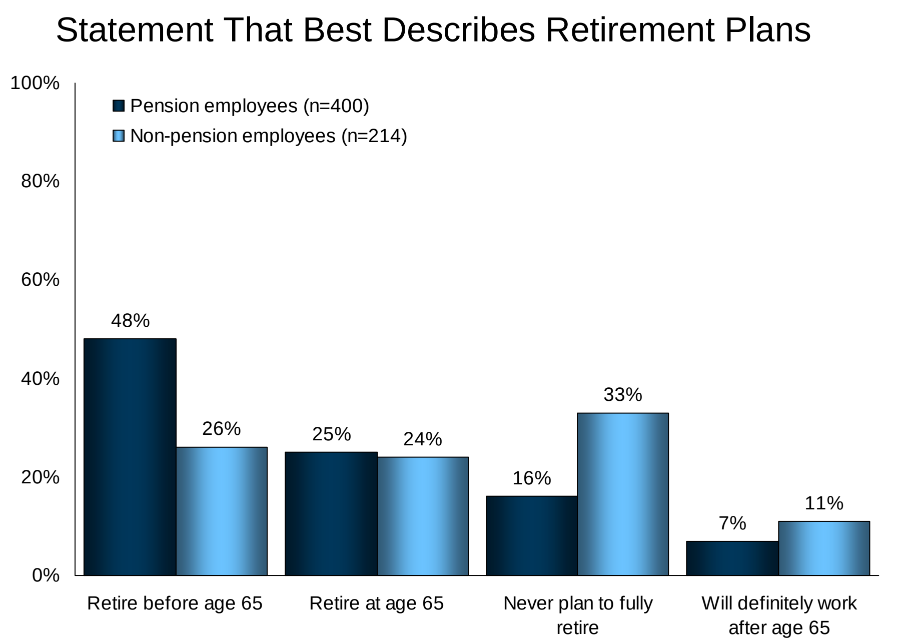
Confident That Financial Resources Will Allow Comfortable Living in Retirement



Across the pension employee population, those most likely to feel very confident that they will have adequate financial resources at the age they anticipate retiring include employees under 35 years of age, those who live in urban communities, those from the HRM, employees with higher levels of education, those in the upper income bracket, non-union employees, those who have an RSP, employees with a defined benefit plan, and those who plan to fully retire before age 65. Among non-pension employees, those most confident they will have sufficient retirement resources include younger employees, those who live in urban areas, and those who plan to fully retire before the age of 65.

Mandatory Retirement

Pension employees are considerably more likely than non-pension employees to plan to fully retire before the age of 65. Specifically, approximately one-half of pension employees, compared with only one-quarter of non-pension employees, plan to retire before the age of 65. One-quarter of each employee group plan to fully retire at age 65. More than four in ten non-pension employees plan to never fully retire or continue working after age 65, compared with approximately one-quarter of pension employees. (Table 28)



Q.28

Among pension employees, women, those under 55 years of age, employees with a high school or higher level of education, higher household income earners, public sector employees, union members, those with an RSP, and those who feel confident that they will have sufficient retirement resources, are most likely to state they have plans to fully retire before the age of 65. Those most likely to plan to fully retire at the age of 65 include employees who live in rural areas, those in the lower and middle household income brackets, employees who do not have an RSP, those who consider a pension to be important to their retirement planning, and those who do not feel confident that they will have sufficient retirement resources. Across non-pension employees, those most likely to plan to retire before the age of 65 include Cape Breton residents and those who live in urban communities, women, employees under 55 years of age, those with the highest level of education, employees in the middle and upper household income brackets, those with an RSP, and employees who feel very confident they will have sufficient retirement resources. Cape Breton residents, employees under 55 years of age, and lower income earners are more likely than others to plan to fully retire at 65. Those most likely to plan to never fully retire include residents of mainland Nova Scotia, men, older employees, those who live in rural communities, lower income earners, those without an RSP, and those not confident of having sufficient retirement resources.

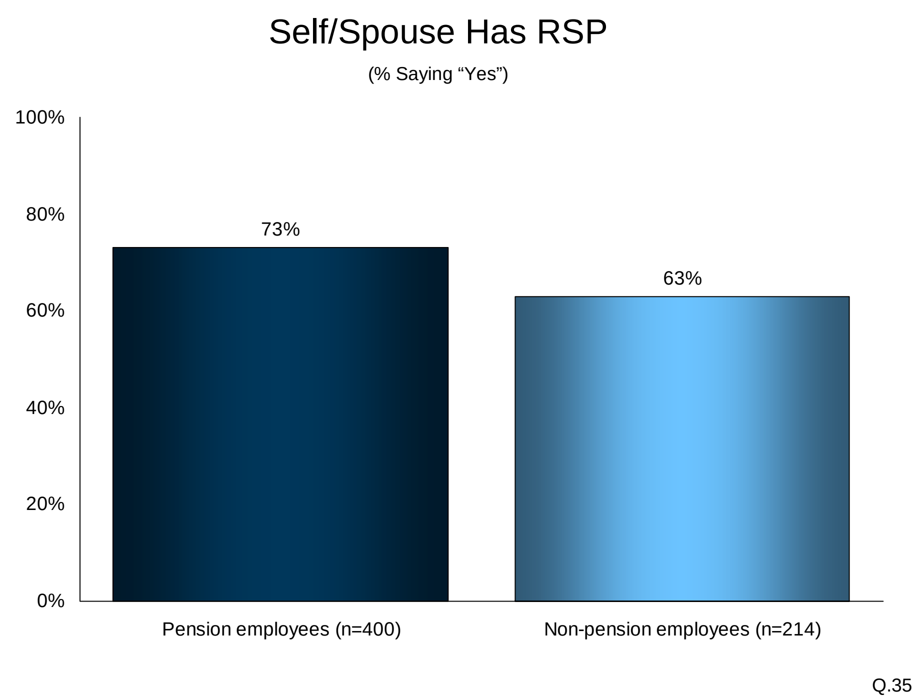
Pensions

Those with pensions appear to be more pre-disposed to other types of retirement savings than do those in the non-pension group.

Employees who belong to employer contribution pension plans appear to be more actively involved in saving for their retirement (e.g. have an RSP and non-RSP investments), when compared with non-pension employees.

RSPs

In addition to belonging to a pension plan to which their employer contributes, three-quarters of pension employees indicate they have an RSP established for themselves or their spouse, compared with just over six in ten non-pension employees. (Table 35)



Among pension employees, those most apt to have an RSP include employees aged 35 to 54 years, those who live in urban areas, those from the HRM, employees with a high school or higher level of education, private sector employees, non-unionized employees, those who feel confident they will have sufficient retirement resources, and employees who plan to fully retire before age 65.

In terms of investments outside of RSPs, four in ten pension employees and approximately one-half of non-pension employees indicate they have no non-RSP investments. The following table illustrates the types of non-RSP investments (key mentions) held by each group of employees. No significant differences are noted between pension employees and non-pension employees, with the most frequently mentioned investments being stocks or bonds, mutual funds, a savings account, property or real estate, and GICs. (Table 36)

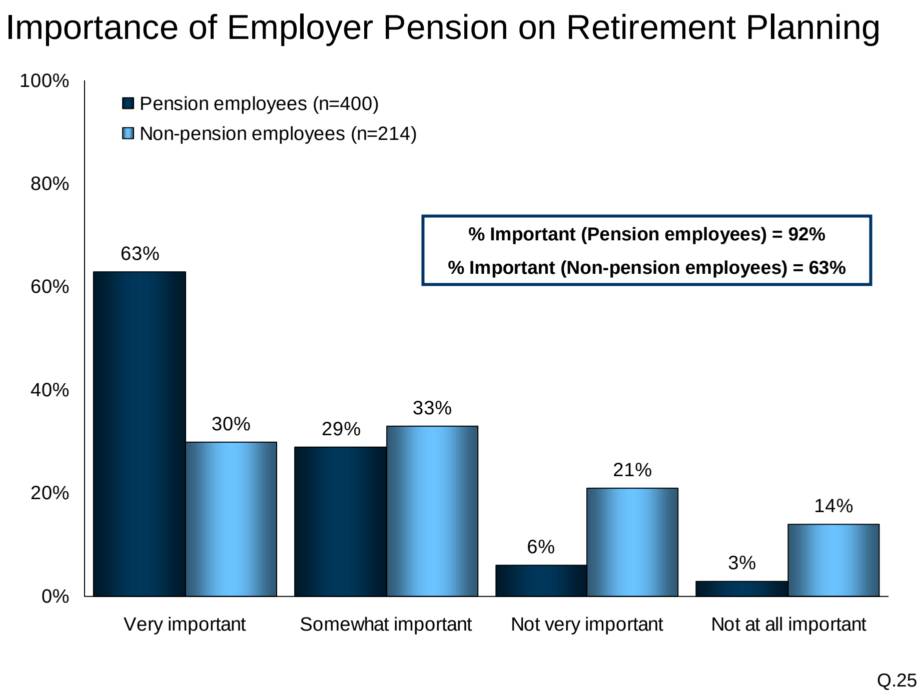
Non-RSP Investments		
	Employees with a Pension Plan	**Employees without a Pension Plan**
Stocks/Bonds	13	7
Mutual funds	10	13
Savings account	7	9
Property/Real estate	6	6
GICs	5	5
None	40	48

Among pension employees, those most likely to hold no investments include employees with a high school or lower level of education, those in the lower and middle household income brackets, employees that live in Cape Breton, public sector employees, unionized employees, those who do not have an RSP, and employees who are not confident they will have sufficient retirement resources.

Among non-pension employees, those most likely to state they have no non-RSP investments include employees with lower levels of education, those in the lower household income bracket, those workers who do not have an RSP, and employees who expect to work up to or past the age of 65.

Importance of Pension Plans to Retirement

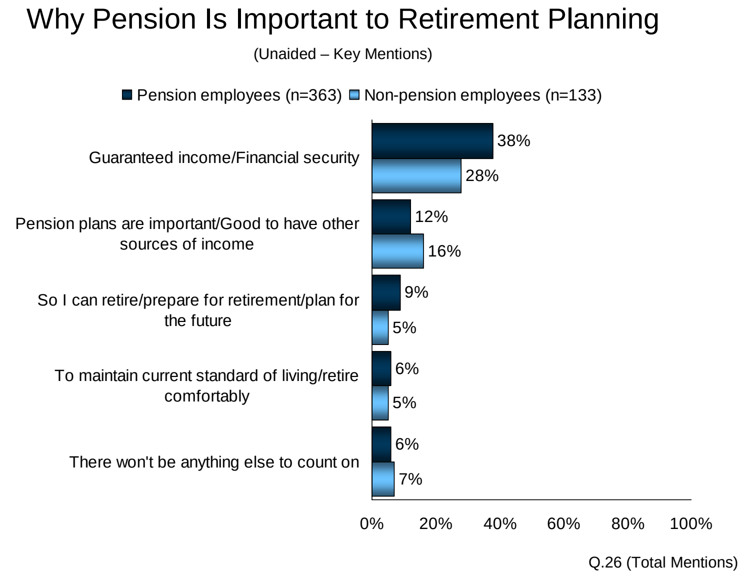
As might be expected, employees who have a pension are significantly more likely than non-pension employees to consider whether or not they will have a pension plan to be very important to their retirement plans. Specifically, more than six in ten pension employees, compared with three in ten non-pension employees, consider this to very important. Just over one-third of non-pension employees, compared with one in ten pension employees rate the availability of a pension plan as unimportant to their retirement plans. (Table 25)



Those pension employees most likely to consider whether or not they have a pension plan to be very important to their retirement plans include older employees, those that live in urban areas, those from Cape Breton, higher household income earners, public sector employees, union members, those who are confident they will have sufficient retirement funds, and employees who plan to fully retire at or before age 65.

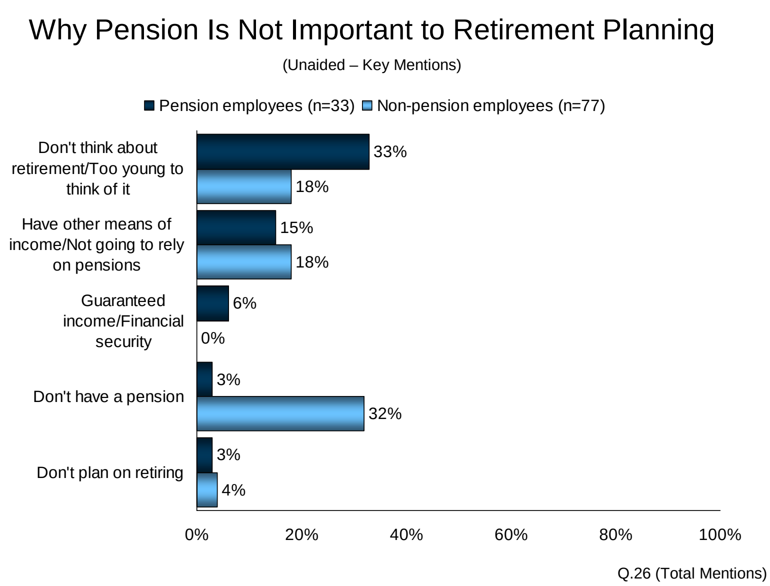
Among non-pension employees, older employees, those with lower level of education, and employees with an RSP are most likely to consider whether or not they have a pension plan to be very important to their retirement planning.

Among employees who rate the availability of a pension plan as important to their retirement plans, pension employees are significantly more apt than non-pension employees to cite a guaranteed income or financial security as a reason why having a pension is important. (Table 26)



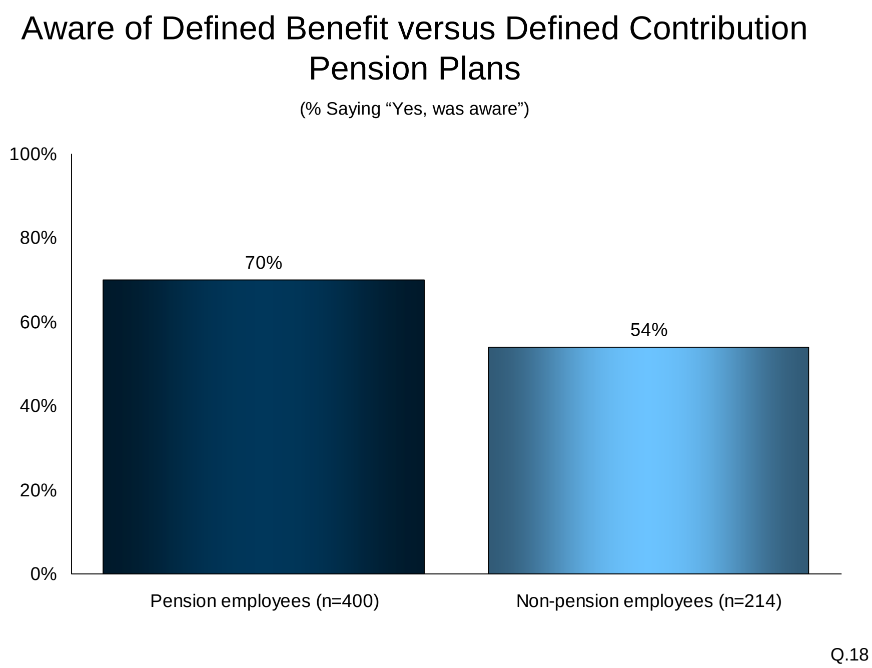
Looking at the most frequently offered reason among pension employees, that is, guaranteed income or financial security, those most likely to offer this reason include employees with the lowest level of education, those from Cape Breton, higher household income earners, public sector employees, union members, and those who expect to fully retire at or before age 65. Among non-pension employees, those who are younger, less-educated, or who plan to retire before age 65 are more inclined to mention this consideration.

Among employees who do not consider the availability of a pension plan to be important to their retirement plans, non-pension employees (not surprisingly) are far more apt than pension employees to state as a reason that they do not plan to rely on pensions/do not have a pension. (Table 26)



Types and Awareness of Pension Plans

Seven in ten pension employees, compared with just over one-half of non-pension employees, are aware of the two different types of pension plans that might be offered by employers, i.e., defined benefit and defined contribution pensions. (Table 18)

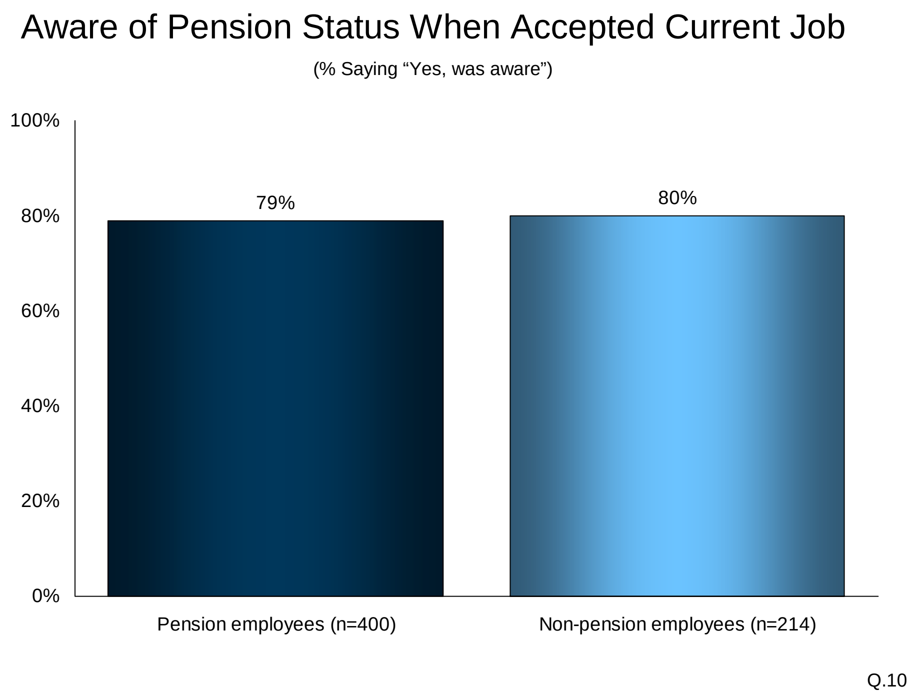


Among pension employees, those most likely to claim awareness of the two types of pension plans include older employees, those with a high school or higher level of education, employees in the middle and upper household income brackets, those who live in the HRM or Cape Breton, employees who belong to a defined benefit plan, those who have an RSP, those who consider a pension plan to be important to their retirement plans, employees who feel confident they will have adequate retirement resources, and those who intend to fully retire at or before age 65.

Among non-pension employees, those most likely to be aware of the two types of pension plans include employees who live in the HRM and urban communities, men, older employees, those with higher levels of education, employees in the middle and upper household income brackets, those with an RSP, and employees that consider a pension to be very important to their retirement planning.

Notably, importance of having a pension plan with employer contributions at their current employer has little impact on awareness levels of the different types of pension plans. This is the case for respondents who currently have a pension, as well as for those who do not have a pension.

Eight in ten pension and non-pension plan employees claim they were aware of their employer's pension status when they accepted the offer to work at their current employer. (Table 10)



Among pension employees, those most likely to be aware of their employer's pension status at the time they accepted the offer to work there include men, those in the upper household income bracket, those from the HRM, public sector employees, union members, those with an RSP, and employees who feel confident that they will have sufficient retirement resources.
Examining the non-pension employee population, those most likely to be aware of their employer's pension status include employees in the upper household income bracket and those who are very confident they will have sufficient retirement resources.

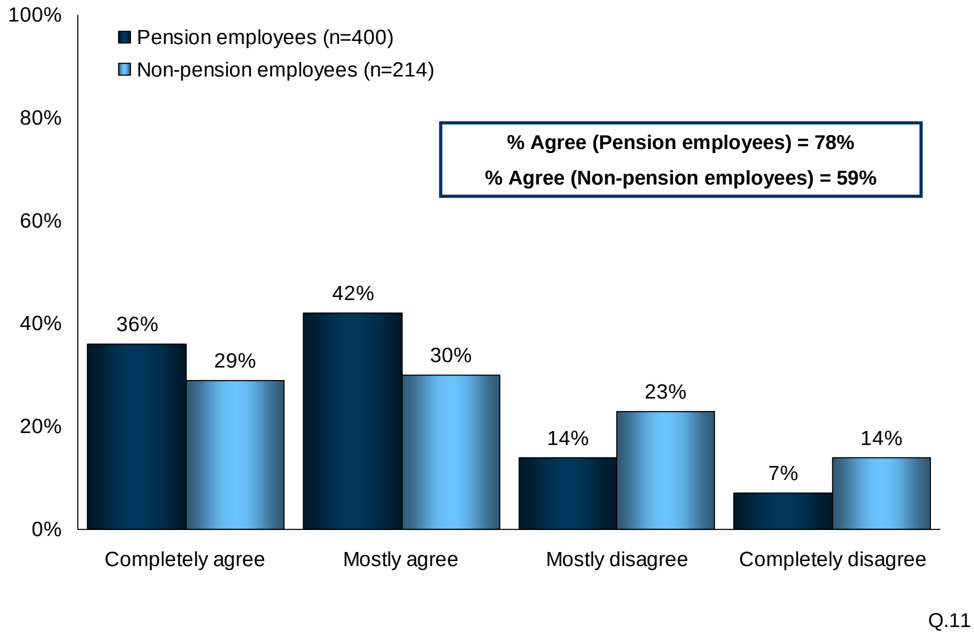
Importance of Pension Plans

As well, employees surveyed were asked the extent to which they agree with the following statement:

> *When considering whether or not to change employers, the single most important consideration I would take into account is whether the new employer's job offers a pension plan with employer contributions.*

Close to four in ten pension employees, while three in ten non-pension employees completely agree with the statement. Overall, approximately eight in ten pension employees, compared with six in ten non-pension employees, express some level of agreement with the statement, suggesting a genuine difference in perspective across these two groups. (Table 11)

New Employer's Pension Plan Most Important Consideration When Deciding Whether to Change Employers

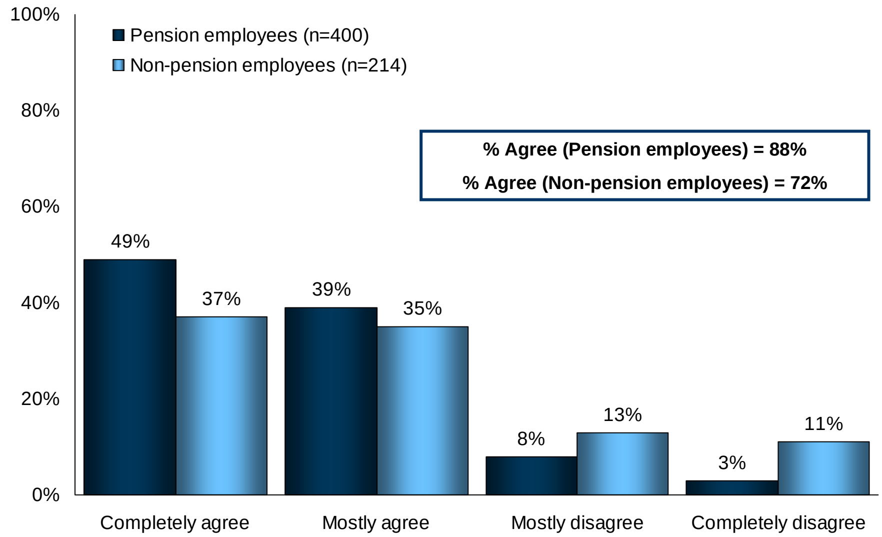


Across the pension employee population, those most likely to completely agree that the presence of a pension plan with employer contributions would be the *single most important consideration* when deciding whether to change employers include older employees, employees from Cape Breton, those with lower levels of household income, public sector employees, those who consider a pension plan to be important to their retirement planning, and employees that plan to fully retire at or before the age of 65.

Among non-pension employees, those most likely to completely agree that the presence of a pension plan would be the *single most important consideration* include Cape Breton residents, employees aged 35 to 54 years, public sector employees, those who consider a pension to be important to their retirement planning, those who are not confident they will have sufficient retirement resources, and those who plan to work up to or past age 65.

When asked the extent to which they agree the presence of a pension plan with employer contributions would be among the *top two or three most important considerations* when deciding to change employers, approximately nine in ten pension employees mostly or completely agree, compared with seven in ten non-pension employees, again suggesting a genuine difference in perspective across these two groups. (Table 12)

New Employer's Pension Plan Among Top 2 or 3 Important Considerations When Deciding Whether to Change Employers



Q.12

Among pension employees, those most likely to completely agree the availability of an employer-funded pension plan would be among the top two or three considerations when deciding whether to change employers include women, those from Cape Breton or the HRM, employees aged 35 years and older, lower household income earners, public sector employees, those who consider a pension to an important part of their retirement planning, employees who are less confident they will have sufficient retirement resources, and those employees who expect to fully retire at or before the age of 65.

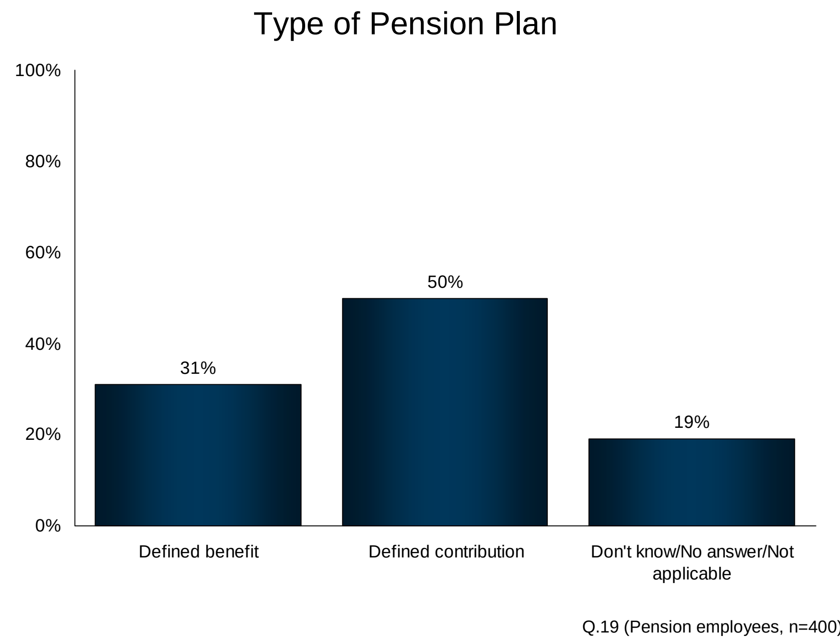
Across the non-pension employee population, Cape Breton residents and those who live in rural communities, employees aged 35 years and older, public sector employees, those who consider a pension to be important to their retirement plans, employees who are less confident they will have sufficient retirement resources, and those who plan to work up to or past age 65 are most likely to consider the availability of an employer-funded pension plan as important to their decision to change employers.

Pension Plan Evaluation by Pension Employees

Most pension employees feel quite comfortable in terms of their knowledge of the specifics of their current employer pension plan, with the only knowledge issue being portability of benefits to a new employer.

Pension Type Awareness and Assessment

Employees who have a pension that is at least partly funded by their employer were asked to identify the type of pension plan available to them. One-half identify a defined contribution plan, while three in ten belong to a defined benefit plan. Fully two in ten are not aware of the type of plan to which they belong. (Table 19)

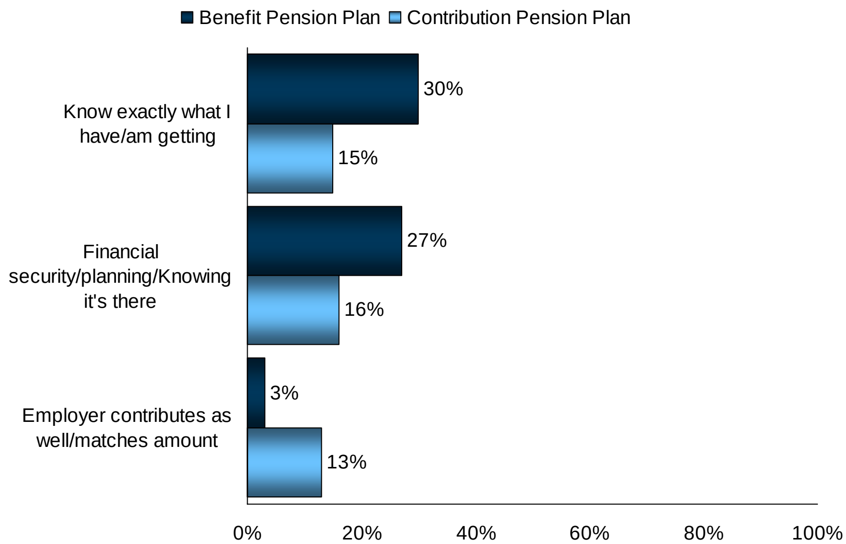


Those pension employees most likely to be unaware of the type of pension plan include those under 35 years of age, those from mainland Nova Scotia outside of the HRM, employees with the lowest level of education, those in the lower and middle household income brackets, employees who do not have an RSP, and those who plan to fully retire at age 65 or who plan to continue working past the age of 65.

When asked to identify the advantages or benefits of a defined benefit or defined contribution plan, employees with a *defined benefit plan* are more likely than those with a defined contribution plan to cite as advantages knowing exactly what they will be obtaining, and financial security. Those with a *defined contribution plan* are more likely to identify as a key advantage the fact that their employer contributes and matches employee contributions. (Table 20)

Advantages of Defined Pension Plans

(Unaided – Key Mentions)

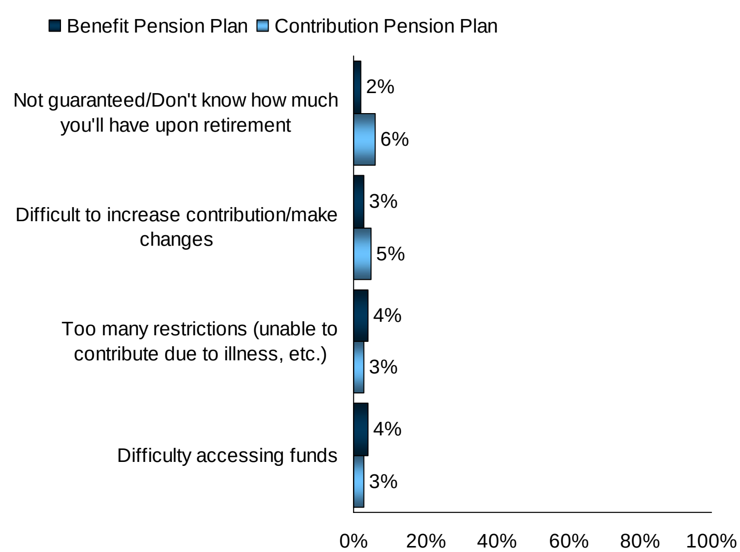


Q.20 (Total Mentions – Pension employees, n=322)

In terms of identifying disadvantages of the two types of plans, no single response is identified by a large percentage of respondents, in regards to either plan. Indeed, fully 52 percent of those with a defined benefit pension plan, and fully 57 percent of those with a defined contribution plan, are unable to provide or identify any disadvantage of their plan. (Table 21)

Disadvantages of Defined Pension Plans

(Unaided – Key Mentions)

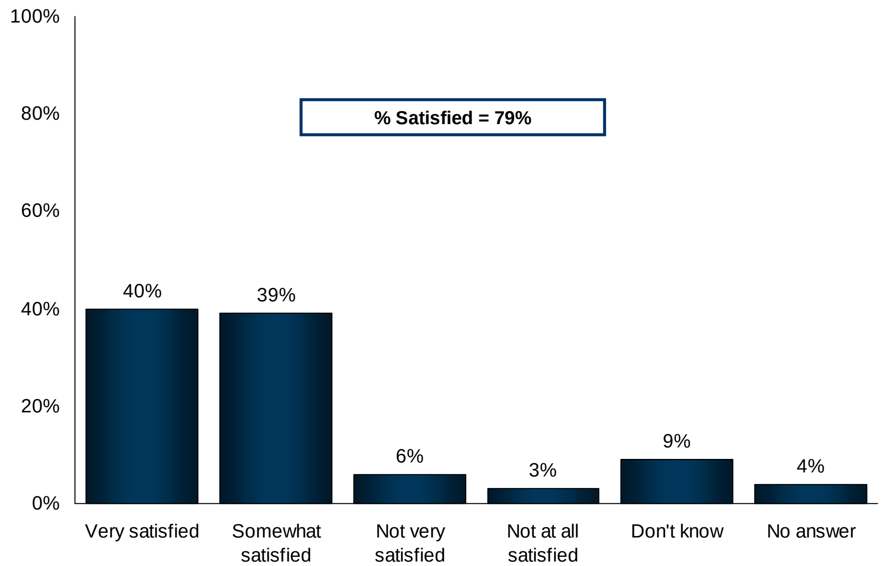


Q.21 (Total Mentions – Pension employees, n=323)

Access to Pension Funds

Four in ten pension employees are very satisfied, and a further four in ten are somewhat satisfied, with their ability to access funds in their pension plan at the present time. One in ten express dissatisfaction in this regard, and a similar percentage do not offer a definite opinion on the matter. (Table 17)

Satisfaction with Ability to Access Pension Plan Funds

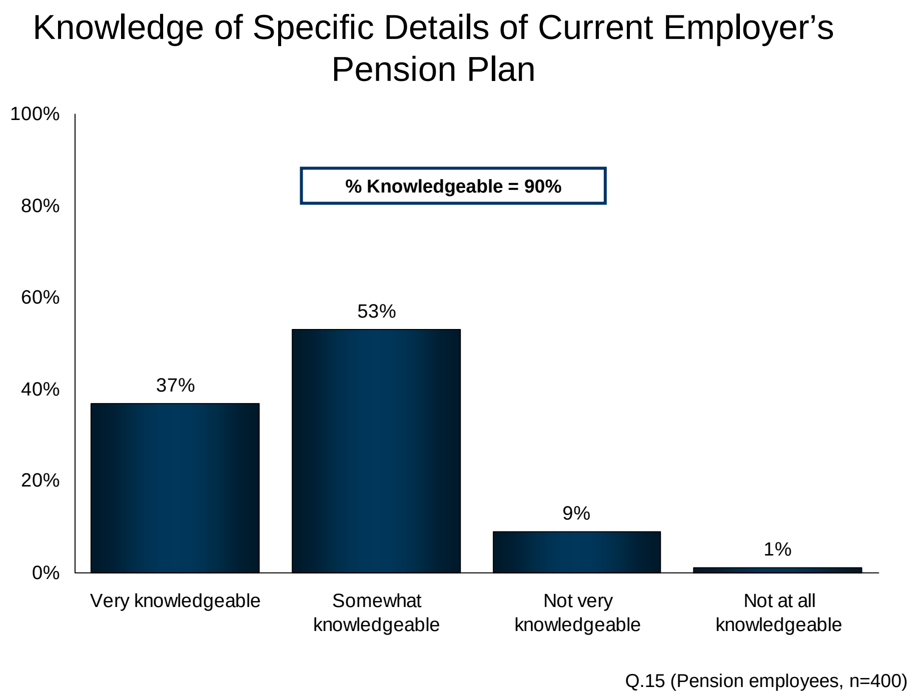


Q.17 (Pension employees, n=400)

Across the pension employee population, those most likely to be very satisfied with access to pension funds include older employees, those who live in rural areas, employees in the lower and upper household income brackets, non-unionized employees, those with an RSP, employees who consider a pension to be important to their retirement planning, those who are confident they will have sufficient retirement resources available to them, and employees who plan to fully retire before the age of 65.

Pension Plan Knowledge

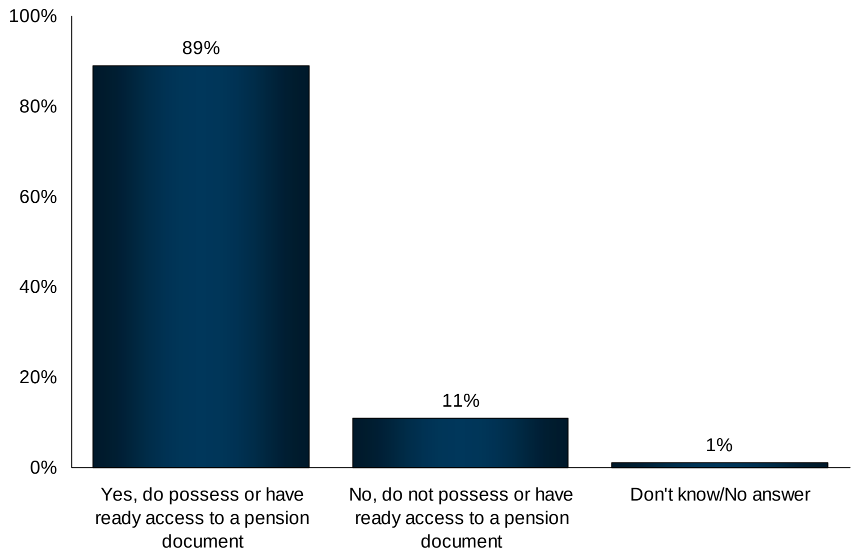
Most pension employees consider themselves to be at least somewhat knowledgeable regarding the specific details of their current employer pension plan, with close to four in ten indicating they are very knowledgeable. (Table 15)



Those most likely to indicate they are very knowledgeable include men, (perhaps not surprisingly) employees aged 55 years or older, those who live in rural communities, employees from mainland Nova Scotia outside of the HRM, employees in the upper household income bracket, non-unionized employees, those with an RSP, employees with a defined benefit plan, those who consider a pension to be very important to their retirement planning, employees who feel very confident that they will have sufficient retirement resources available to them, and those who plan to fully retire before the age of 65.

Access to information regarding an employee's pension plan does not appear to be an issue. Fully nine in ten pension employees either have in their possession, or have ready access to, a pension document from their employer that contains the specific details of their current employer pension plan. (Table 16)

Possess or Have Access to Pension Document

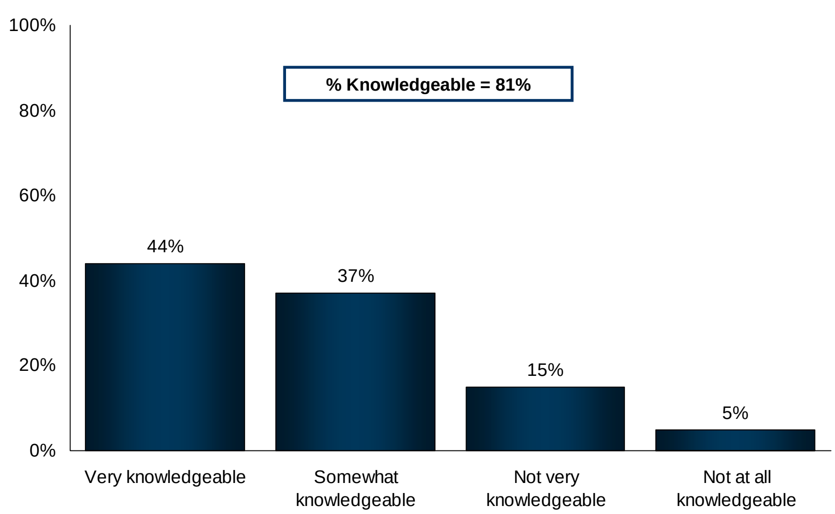


Q.16 (Pension employees, n=400)

Those most likely to deny having possession of or access to such a document include younger employees, those with a high school or lower level of education, employees in the lower household income bracket, private sector employees, and those with a defined benefit plan.

In addition, two in ten pension employees feel they lack sufficient knowledge regarding how changing employers might affect their pension savings. Conversely, over four in ten feel very knowledgeable, with close to four in ten saying they feel somewhat knowledgeable. (Table 13)

Knowledge of How Changing Employers Could Affect Current Pension Savings

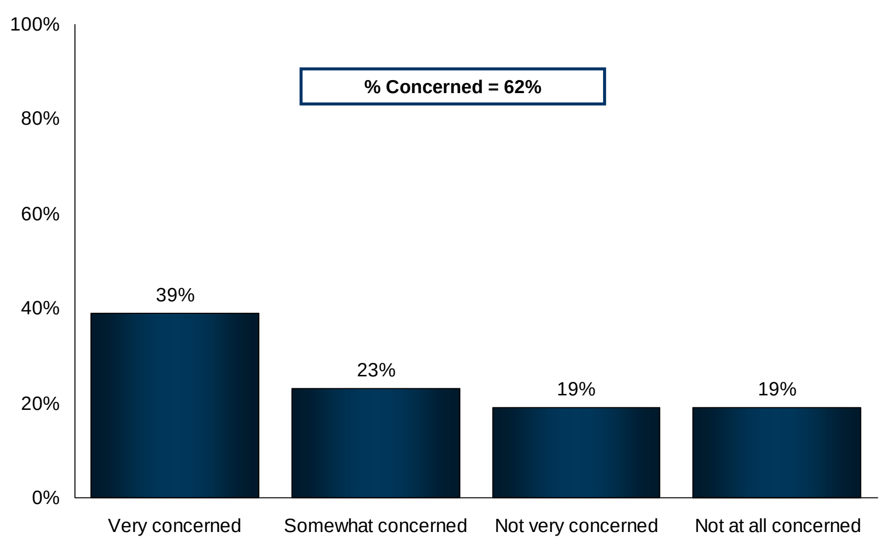


Q.13 (Pension employees, n=400)

Those most likely to state they are very knowledgeable regarding the impact of changing employers on their existing pension savings include women, employees who live in the HRM, older employees, those in the upper household income bracket, non-unionized employees, those with an RSP, employees with a defined benefit plan, those who consider a pension to be important to their retirement planning, employees who feel confident they will have sufficient retirement resources available to them, and those who plan to fully retire before the age of 65.

Tellingly, if an opportunity arose to change employers, a majority of pension employees would be at least somewhat concerned about their existing pension savings from their current employer. Approximately four in ten indicate they would be not very or not at all concerned about their existing pension savings, in such a circumstance. (Table 14)

Concern About How Changing Employers Might Affect Current Pension Savings



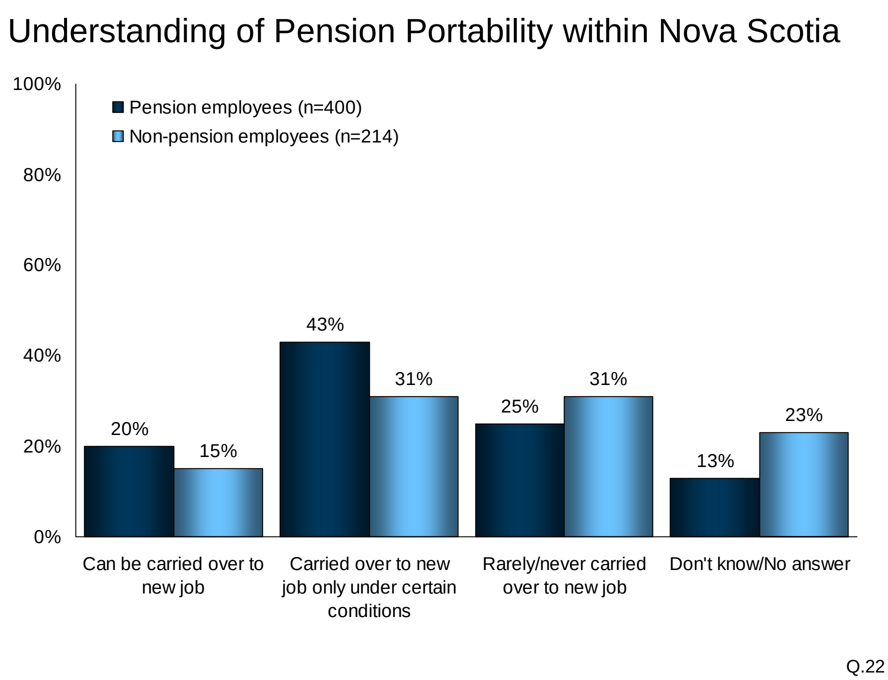
Q.14 (Pension employees, n=400)

Those most likely to express a high degree of concern in such a circumstance include women, those who live in rural areas, those in Cape Breton, employees in the lower household income bracket, public sector employees, union members, those who consider a pension to be important to their retirement planning, and those who are not confident they will have sufficient retirement savings available to them.

Pension Portability

Perhaps not surprisingly, pension employees are more likely than non-pension employees to claim an understanding regarding the portability of pension benefits from one job to another *in Nova Scotia*. However, the differences between the two populations may not be as stark as might have been expected.

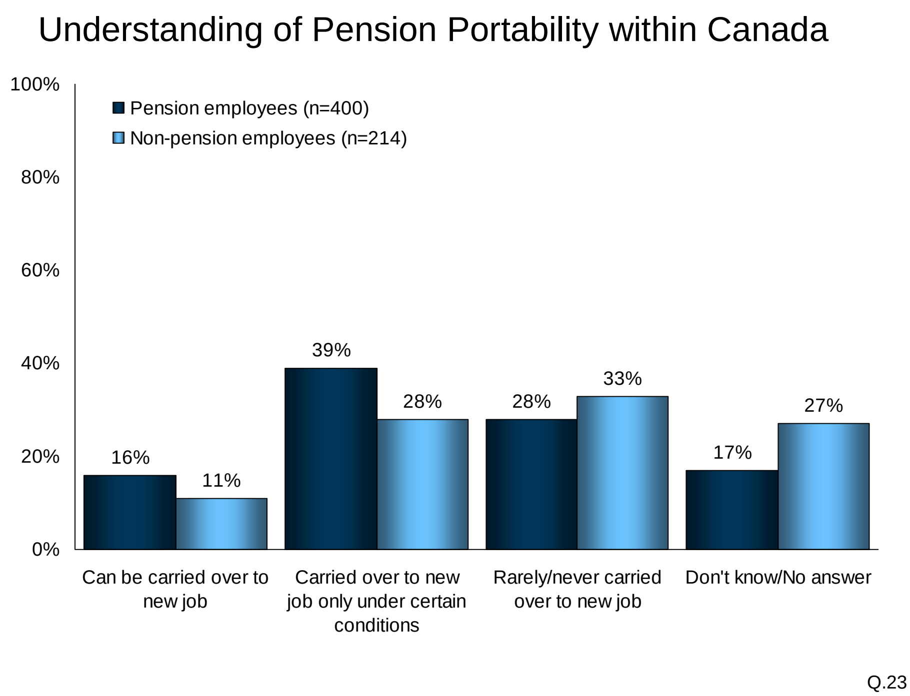
Specifically, just over one in ten pension employees do not offer a definite opinion, compared with fully one-quarter of non-pension employees. Among pension employees, more than four in ten believe benefits can be carried over from one Nova Scotia employer to another Nova Scotia employer only under certain conditions, while three in ten non-pension employees hold this opinion. One-quarter of pension employees indicate benefits can be carried over rarely or never, compared with three in ten non-pension employees. Finally, two in ten pension employees, and close to two in ten non-pension employees believe benefits can almost always be carried over to the new job. (Table 22)



Among pension employees, those most likely to indicate existing pension benefits can be carried over to a new employer in Nova Scotia only under special circumstances include women, those from the HRM, employees with a high school or higher level of education, higher household income earners, those with an RSP, employees with a defined benefit plan, those who consider a pension to be important to their retirement planning, employees who feel confident they will have sufficient retirement resources available to them, and those who plan to fully retire before the age of 65.

Among non-pension employees, those most likely to not offer an opinion include those who do not have an RSP, employees who do not consider a pension to be important to their retirement plans, and those who intend to continue working up to or past age 65.

Opinions regarding the portability of existing pension benefits to another employer *outside of Nova Scotia but within Canada* do not differ markedly from those regarding portability to another employer within Nova Scotia, although both pension and non-pension employees are somewhat less inclined to believe that under these circumstances, existing pension benefits almost always can be carried over to a new job. (Table 23)

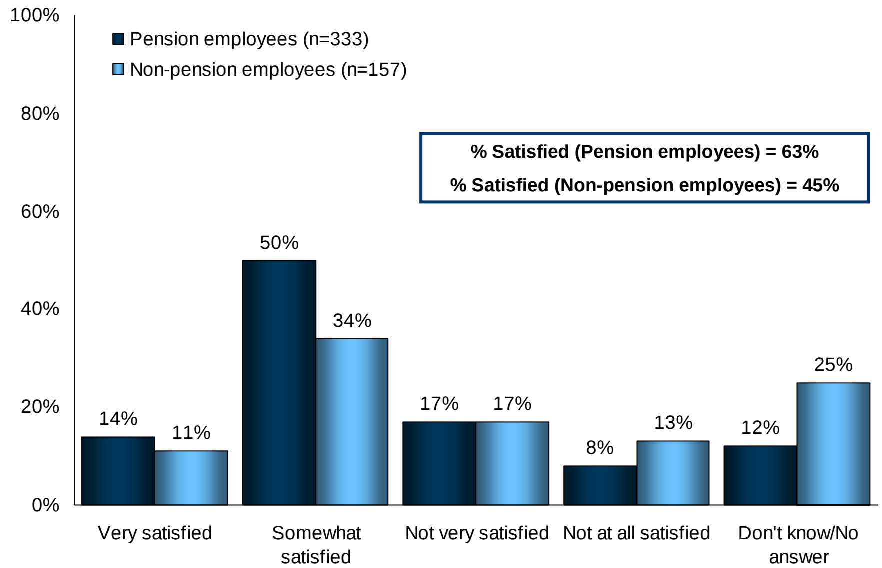


Among pension employees, those most likely to indicate existing pension benefits can be carried over to a new employer in Canada only under special circumstances include younger employees, those with higher levels of education, those from the HRM, employees in the middle and upper household income brackets, public sector employees, union members, those with an RSP, employees with a defined benefit plan, and those who feel confident they will have sufficient retirement resources available to them.

Among non-pension employees, those most likely to not offer a definite opinion include public sector employees and those who do not consider a pension to be important to their retirement plans.

The majority of pension employees are satisfied with the extent to which pension savings within Nova Scotia are portable. Not surprisingly, many non-pension employees indicate they do not know whether or not they are satisfied with the level of portability of pension savings. (Table 24)

Satisfaction with Pension Portability within Nova Scotia



Q.24

Among pension employees, those most likely to be very satisfied with the portability of pension savings within Nova Scotia include employees from Cape Breton, males, older employees (55 years of age and older), those who live in urban areas, and employees with less than a high school education.

Among non-pension employees, those most likely to not offer a definite opinion include employees in the lower and middle income brackets, those who do not consider a pension to be important to their retirement plans, and those who plan to continue working up to or past age 65.

Demographic Profile of Pension and Non-Pension Employees

Pension employees differ from non-pension employees across a range of demographic characteristics.

The following table illustrates the demographic profile of pension as well as non-pension employees. Areas where significant differences are observed between the two populations are highlighted. Notably, pension employees are considerably more likely than non-pension employees to work in the public sector, and to be a member of a labour union. Pension employees are more likely to be between 45 and 54 years of age, and to have completed at least some post-secondary education. Finally, pension employees report higher levels of household income compared with non-pension employees.

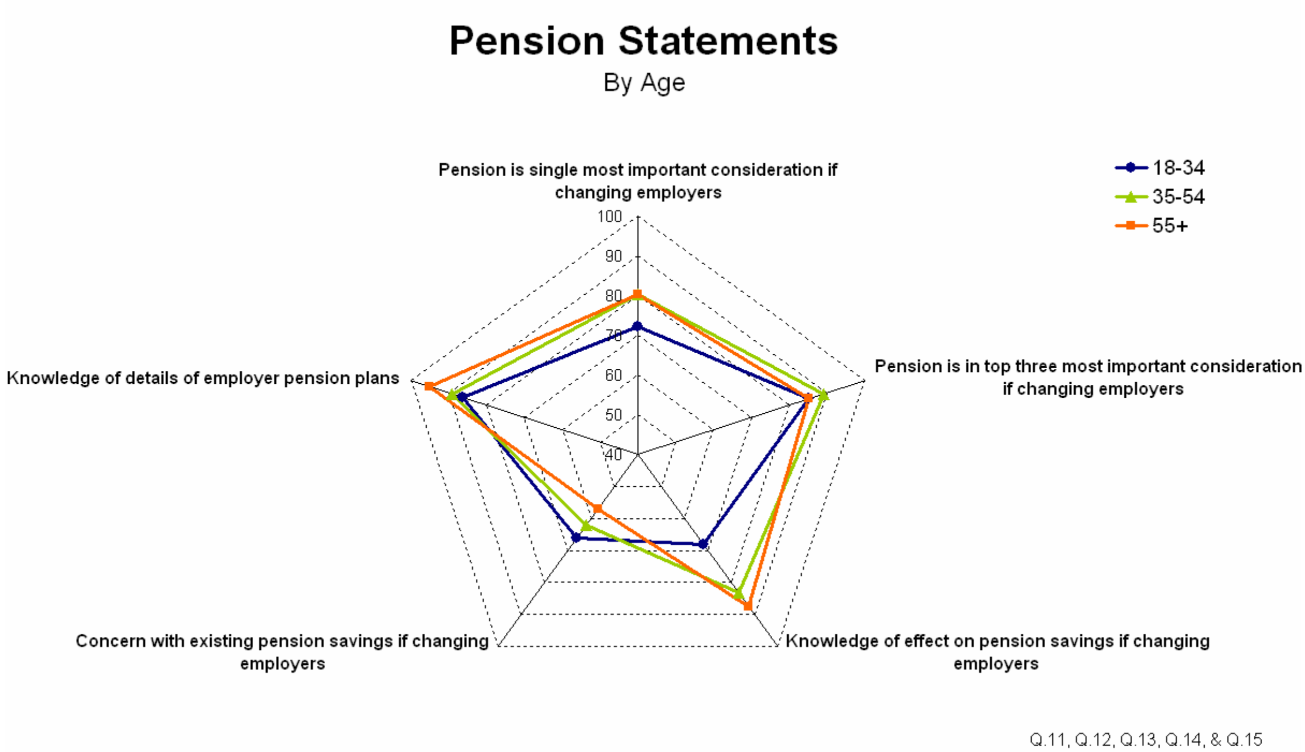
Demographics		
Employment Sector (Q.33)		
Category	**Pension employees (n=400)**	**Non-pension employees (n=214)**
	%	%
Public sector/government sector	57	25
Private sector	42	73
Other	1	2
Refused	1	0
Member of Labour Union (Q.34)		
Yes	42	9
No	58	91
Don't know/No answer	1	0
Parent Pension Status (Q.31)		
One/both parent(s) had employer-funded pension	65	61
Gender (Q.1)		
Male	47	45
Female	53	55
Age (Q.2)		
18-24 years	3	6
25-34 years	18	15
35-44 years	28	32
45-54 years	36	29
55-64 years	14	15
65+ years	2	2
Education (Q.32)		
<High school	6	17
Completed high/vocational school	17	25
Some community college/university	12	12
Completed community college	26	20
Graduated university	40	26
Household Income (Q.37)		
<$25,000	6	17
At least $25,000, less than $50,000	21	32
At least $50,000, less than $75,000	25	19
At least $75,000, less than $100,000	18	14
$100,000+	24	12
Refused	7	4
Don't know/No answer	0	1

Subgroup Analysis

Throughout the report, key differences among population subgroups have been detailed. A spider graph helps to illustrate findings based on key subgroup variables, for example, in this case, age of pension employee. This graph details those who said “complete/mostly agree,” “very/somewhat knowledgeable,” or “very/somewhat concerned” with statements regarding pensions. Those data points which fall further from the centre of the ‘spider web’ indicate higher levels of agreement with the statement.

This graph suggests that age has a marked impact on attitudes toward pensions. Specifically, as employees age, they are more likely to place a higher priority on pensions in terms of an important consideration if changing employers. Furthermore, those aged 55 and older are more knowledgeable of the details of their pension plan, and the effect on their savings if they do change employers. Finally, this group is least likely to be concerned with the effect on their pension savings if they change employers, which may be due to the fact that they are closer to retirement and do not intend to change employers before retirement.

The youngest age group tends to have the least knowledge or concern with these pension statements, as they are less likely to consider a pension an important consideration when choosing an employer, and are less knowledgeable regarding the details of their employer pension plan, and with what will happen to their pension savings if they choose to change employers. In addition, this group is most likely to be concerned with what will happen to their existing pension savings if changing employers.



Detailed Analysis – Qualitative Phase

Workers' Views of Pensions

Workers' knowledge and interest in pensions increases with age.

Older workers expressed increased levels of interest and placed increased amounts of importance on pensions when compared with participants in the younger age groups. Focus group participants clearly place a degree of value on pensions throughout their careers, but feel greater importance as they approach retirement.

When asked to identify what was most important to them at the time when they applied for their current job, **pay** and **job security** were frequently mentioned as important factors, regardless of current age. That is, when participants thought back to the time when they began working in their current positions, most stated that because they were 'just starting out' or had new families, level of pay was a significant factor for them. Salary was seen as important for those starting out as a means to pay bills and also equated to a degree of independence and freedom.

> *"At 20 years of age the primary benefit was money. How much will I make? The salary gave me my independence"*

> *"I was going to be getting married, wanting to have a home. Job security was my priority."*

A few in the middle age group (35-49) mentioned **pension** as the most important issue for them at the time of beginning their current job.

> *"I took a salary decrease in exchange for a pension because I wanted that stability. It was a sacrifice of salary for the long term for my family."*

However, when asked how their priorities had changed since beginning their jobs, the closer in age participants were to retirement, **pensions** often overtook pay and other benefits as an important factor.

> *"Now it's retirement. To live out my golden years in comfort with no worries." (50-65 group)*

> *"I will retire in 81 months. How much I will have after retirement is the most important thing to me now."*

Indeed, many in the group aged 50–65 stated that they were now willing to compromise on other benefits and aspects of their job in return for a good pension plan.

"Now it's putting up, tolerating the job because you have so much invested with your pension."

Other current priorities of those in the 50-65 age group included **job satisfaction** and good **health care** benefits, particularly in light of having fallen ill or had someone in their family with health care needs.

"As we are older, health is most important because without a healthy life the rest is secondary."

Participants in the younger age groups are less concerned with pensions and retirement, placing a higher priority on **job security, non-monetary compensation (e.g. flexible work time), having a challenging work environment, opportunities for advancement,** and **salary.** More specifically, those in the middle age category (35-49) stated that their current work priorities include **job security, flexibility** (in order to be able to spend time with family), **and a friendly and challenging work environment.**

Those in the youngest age group (18-34) stated that their priorities include **vacation, medical benefits,** and **salary.** Of note, a few in this younger age group highly value their pension plan, despite now being highly aware of the details of their plan.

"Pensions are important but I don't know about it. I feel better having it for down the road, it's like security."

"I wouldn't want to not have it. It's a kind of background important thing."

"I didn't think about it until it was offered. But now I'm glad I have it. Especially by comparison to what my friends have at their jobs." (DC Plan 18-34 age group)

When asked what had influenced any change in their priorities, significant life events were mentioned as having an impact, including getting married, having children, buying a home, or having a family member fall ill.

Pensions form an important background priority for workers at an early age, with increased importance as retirement approaches.

When asked specifically where pensions rank in their current work priorities, many, even in the youngest age group (18-34), identified that having a pension offered by a company was of high importance. Indeed, several suggested that it would be a 'deal breaker' for a job if it were not offered. Other participants in this young group noted that a pension is of 'background importance' to them. Those in the middle age group (35-49) stated that having a pension meant security for them in that they would be able to provide for their family later on.

"Pension has now taken centre stage for me. I have put in a lot of years now and am looking forward to retirement. I wouldn't want to lose my pension." (35-50 age group)

Those in the older age group were clearly worried about their future and were thus more interested in the details of their pensions.

"I think it's worrying about my future, I want to be able to retire well, to do something I can enjoy."

In addition, there was a strong stated desire to retire early, thus the interest and priority of pension benefits came into sharp focus for those approaching that age.

Worker Loyalty

Worker loyalty is tied to pension benefits, though younger workers feel more mobile.

Workers were asked how loyal they feel towards their employer and then what effect, if any, their pension plan had on loyalty. For some, there was a clear sense that the pension plan they have is unique and a benefit worth staying for. This sentiment was noted by individuals across public and private sectors, DC and DB plan types, as well as age groups. Loyalty was expressed as a result of worries that by retirement, CPP may not be available, so these individuals felt compelled to remain with their employer in order to keep their pension.

"Pensions are an incentive for me to stay at my job. More so now because of my family."

"I'm married to the pension. It would take a lot to make me leave after eight years contributing." (18-34 age group)

However, many others stated that they do not feel loyal to their employers, noting that their understanding is that they would be able to take their pension with them and would be able to find another employer offering a pension in any case. This sentiment was expressed to a greater extent by those in the younger age group.

"It's comfortable having one [a pension] but it's not something that's going to keep me in my job, particularly if I'm not happy there."

Indeed among this younger age group, there were many factors mentioned when aiming to understand their prioritization of pensions (or not). These younger individuals felt to a large extent that responsibility for retirement rests in their own hands, and thus viewed pensions from an employer as a 'nice to have' rather than a necessity. This is in contrast to those older participants who felt that for a large portion of their working lives they had been investing in a pension plan along with their employer, and were thus reliant on this plan to provide for them in retirement.

Knowledge of Pension Plans

Knowledge of pension plans increases as retirement approaches.

All participants in the focus groups worked full time and were self-identified as having a pension plan through their job. During the groups, participants were asked about their pension plans in terms of the type, how it works, what the key benefits are, and where they find information about their pension plans.

In general, participants' level of knowledge about their plan increased with age and proximity to retirement. Those in the youngest group (18-34) were all aware of the existence of their pension plan, but many were unable to name the type or any aspect about how their plan works. Others had limited knowledge.

> *"They match what I put in but that's all I know."*

> *"I was handed a form, handed investments, I picked some off the list. I don't know if my contribution is a percentage, but I see the word pension on my pay stub."*

While others in the youngest age group were more knowledgeable and able to name many detailed aspects of their plans, including (in the case of Defined Contribution) the percentage taken off their pay and the amount matched by their employer. Some were also aware of the types of investments their pensions were invested in.

For those who lacked knowledge about their pension plan, the discussion prompted a lot of questions, including whether their pensions would incorporate a 'cost of living adjustment', whether their pensions would be indexed, whether their pensions would be capped, and how pension contributions were being invested. Indeed, many had not thought of any of the details of their retirement or pension prior to the focus group discussion, but upon hearing others talk about their plans, became interested to know more details of their own, suggesting that if presented with information in a consumer-friendly manner, they would start to think about and plan for their retirements at an earlier stage.

> *"Now I'm curious to know what will happen. Now I know nothing of the detail."*

Participants in the middle age group (35-49) were more knowledgeable about their pension plans than younger participants. Many were able to name the details of their plans, including the percentage they contributed, the percentage contributed by their employer (if DC plan), and the amount they would receive annually once retired (if DB plan).

Those in the older age group were able to name, in great detail, the details of their pension plans, including precise details of contributions and how their pay after retirement would be calculated.

"I pay six percent, employer pays eight percent. Then we have a life annuity. For a direct contribution plan it's somewhat of a Cadillac. It provides about 75% of my income. But the problem is that it all depends on market conditions. That's why I've hedged my bets with my own investments as well."

"For me it's the best five years, up to 70% of my wages. We both contribute. We contribute a small amount, they contribute more. Superannuation plan, you get 2% each year you were an employee. Index will be a benefit to keep up with inflation."

Information on Pensions and Pension Plans

More easily accessible information regarding pensions is desired by workers as they approach retirement.

Information regarding pensions is gathered through finance departments, human resource specialists, as well as from newsletters about pension plans and other printed materials received by workers. A few individuals mentioned having online 'pension calculators' that are available through their employers. However, many in the younger group noted that they do not seek information about their pensions, either through a lack of interest or because of a degree of trust in the management of their pension.

"It's like taxes, I don't think about it until it's time. But I suppose it is my responsibility to know."

"There's a lot of trust. You just assume that it will be there, looked after."

The middle age group stated that they get information from yearly pension reports as well as financial advisors and group discussions among peers. Many noted that they would appreciate increased information regarding projections for how their retirement would look, stating that currently most information they receive merely tells them how much they *currently* have.

Those in the older age group mentioned going to retirement planning sessions through their work, reading printed materials sent by their employer or pension provider, or talking with HR or other management at their work. Many stated that they now have adequate amounts of information about their pension and retirement, but that they got the information too late. That is, they wished, in hindsight, that they would have been able to get detailed information about what their retirement income would be and how much they should have been saving in addition to their company pension, much earlier. Some stated that they were unable to attend informational meetings in advance of five years prior to retirement, and that they believed this limit should be removed so that anyone seeking information would be able to.

"Sometimes you don't know what questions to ask. So these awareness seminars are great. But despite all of these, it's very confusing. I'm on the pension committee and I still don't know. I'd like more information, and I know others would because they're intimidated, scared. People leave it to the last minute and it's scary to find out that five years from retirement it's too late. People should be able to go to these seminars earlier."

"One-on-one information is great. I know after the seminars on retirement I had a lot of questions so it is essential to have someone to ask individual questions."

Views of Retirement

Workers expect to retire between age 55 and 60 and plan to have diverse income streams.

Participants were asked to imagine their retirements by looking into a 'crystal ball' and thinking of at what age they would retire, how they would retire (e.g. phased retirement), where their income would come from, at what frequency they would receive income, and what they would be doing.

Older participants were able to imagine their retirement in great detail, in some cases naming the precise date they would retire. Age of retirement was generally hoped to be between 55 and 60, though a few imagined working until age 65. Most believe they will retire abruptly, that is, they will stop working for their company or organization all of a sudden, though a few imagined going back to work for their employer on a part time or consultancy basis after taking a year off. Others thought they would work part time in some capacity in a new area.

"I expect that when I retire from my job I will continue to work because I don't feel that my retirement income will be adequate."

With respect to where income would come from in retirement, most in the older age group expect to receive their company pension on a monthly basis, as well as income from RSPs, Canada Pension, Old Age Pension, and other income sources such as rental properties or part time work. None of the participants in this group stated that they will rely solely on their company pension plan upon retirement.

"I hope to have enough in RRSP to balance out monthly requirements as monthly pension cheques will not do it."

"I may return to work on a casual basis after one year or maybe not."

In the middle age group, workers also expect to retire between the ages of 55 and 60, though some again expect they will need to work until age 65 in order to benefit from their full company pension. Again, workers in this age group expect to have multiple sources of income, including

Canada Pension Plan, part time employment, RSPs, and company or organization pension plans. Participants in this age group stated that they expect to have approximately 75 to 80 percent of their current income upon retirement from all sources.

> *"I believe I will be 60 to 65 years of age and hopefully happy with the financial decisions I have made… I will have enough money to live on and will not have to continue to work after retirement."*

Most individuals in this middle age group were able to name the details of their retirement income, to a greater or lesser extent.

> *"Retirement will be good. I will stop working at 65 Canada Pension Plan will be $660 a month, OA Security approximately $750 a month, and company pension $38K annually. Private RRSP $200K to spend."*

> *"I'll be age 58–60. Monthly employer pension cheque. Monthly old age pension, CPP. Work one day per week for present employer plus songwriting."*

None of those in the middle age group expected to phase into retirement, with all stating that despite the fact that they may entertain the idea of working part time in a new field at their discretion, they would stop working at their current employer suddenly.

> *"Over sixty years old probably. It will not likely be the end of working just the end of this career. Right now I do this job because it is necessary and secure. Has benefits. The next will have more focus on being enjoyable, less on salary and benefits."*

In the youngest age group, again, individuals all expect to retire prior to age 65, with many stating that they would like to retire by age 50 or 55. All expect retirement to happen suddenly to allow for travel and relaxation. Though none of those in this younger age group knew at what frequency they would receive retirement income, like the other groups, workers in this younger age group expect a mix of income sources including CPP, RSP, investments, real estate, and company pension income. Many expressed skepticism that they would be receiving any income from CPP by the time they retired. All participants noted that they would be responsible for a strong portion of their retirement income through RSPs or other investments.

> *"I will have my own investments. If you have the money to do it, you can do more than a company pension on your own. You have more flexibility than a company can. So that's where most of my income will come from."*

Though some in the youngest age group expected to work part time after retirement, some wondered if their pension income would be affected by working part time.

"I would like to just stop then do something different part time, but I wonder if a part time job would affect your pension?"

It should be noted that despite some individuals becoming increasingly interested in their retirement as the discussion progressed, others maintained a level of disinterest and stated that they would not be interested in retirement or pensions until the time came.

"It's so far away. Twenty years is a long time off. I'm living to have fun with my life now."

Responsibility for Retirement Income

Workers acknowledge a strong element of personal responsibility for their retirement income, though older workers place more emphasis on company plans.

Across group types, there was an acknowledgement that individuals are responsible for their own retirement savings. However, older workers noted that they are relying to a great degree on their company pension plans. Younger workers mentioned that company pension plans are a benefit, but will not necessarily be the largest portion of their retirement income.

"Society is changing. More individual responsibility now to have your retirement prepared for. In my time it's my responsibility to be informed." (Older age group)

"Responsibility? It's your own, but I learned that too late." (Older age group)

"Retirement is an achievement rather than a given. I want to plan for myself so I don't have to work past 60. You have to plan well for yourself or you end up tired at the end of your career." (Youngest age group)

"I have RSPs because I don't have faith that company pension will cover it." (Middle age group)

When asked what had prompted them to begin investing in RSPs or other retirement plans, across age groups there was an acknowledgement that there is a strong degree of personal responsibility in planning for retirement. Others suggested that tax incentives were the reason they invested in RSPs, while others stated that they had been advised to do so by their investment planner, the bank, or a friend or relative.

"It's individuals' responsibility to plan for retirement. Government in part too because you're paying in, but it was my company that gave me the information on my own investing, as well as my husband who told me about RSPs."

Mandatory Retirement

Few are aware of changes to mandatory retirement legislation but once aware, workers do not believe the change will have a significant impact on their plans.

When asked about their awareness of any upcoming legislative changes affecting retirement age, at least one individual in each group was able to name the change to mandatory retirement age as an upcoming change. However, most workers were not aware of this change. Once introduced to the fact that mandatory retirement at age 65 will be ending in Nova Scotia in July 2009, workers did not believe it would have any impact on their plans. Indeed most endorsed their previously-stated intentions of retiring before age 60. However, upon reflection, some individuals expressed concern that others may choose to work past age 65 and thus the labour market may become more difficult for younger people trying to enter the workforce. This was balanced by the view that companies may benefit from individual expertise remaining within companies.

> *"There will be a lot of companies wanting to keep that expertise. Then again if they could fire the old guy with the big pension and hire two young guys in his place, it would be better for the young labour market."*

Qualitative Findings – Teleconference Discussions

Employers' Views of Pensions

Current Pension Plans

Recruitment and retention are the primary reasons companies offer pension plans.

To begin the teleconference discussions, employers were asked to identify why their company began offering a pension plan to employees. Overall, employers cited a variety of reasons for beginning pension plans. **Recruitment** and **retention** were named as fundamental strategies behind pension plan offerings. Indeed, most employers suggested they initiated their pension plan offerings to recruit new talent to their firm. In addition, many hoped that the pension plan would serve as a tool to encourage long-term employment with their company, and building loyalty among employees.

> *"We started off as a modest firm and tried to attract people 20 years ago. We thought it might encourage long-term employment. It was RSP contributions to start and then we started the pension plan."*

Although unionized companies unanimously indicated that one of the reasons they began a pension plan was because of **union pressure** or because it was **mandatory**, it did not appear to be the fundamental reason by these employers. They also suggested the above reasons of recruitment and retention as their primary intent behind establishing a pension plan.

Employers with DB plans suggested they began their plans to stay competitive with other businesses or to offer a competitive set of benefits for employees. Still others, regardless of whether they offered DC or DB plans, suggested they wanted to assist their employees in preparing for retirement.

The reasons companies introduced a pension plan are similar to the reasons they continue to provide it. In addition, one employer noted that pension plans were **industry standard** and they would be at a competitive disadvantage if they did not offer a pension plan to potential employees. In contrast, another employer indicated their pension plan was a **competitive advantage** as others had no such offering, and that it has assisted in retaining some very bright people who may have left otherwise.

Consistent with qualitative findings in the focus groups, discussions surrounding pension plans among new hires largely depend on potential employees' age and whether they are management versus union positions. That is, younger individuals, although they like to hear the word 'pension' as a part of their compensation package, do not generally consider it to be a 'must have', and do not ask detailed questions about pension plans at the time of hire or afterwards. Across all teleconference focus discussions, employers largely indicated that potential employees who are young or right out of school do not ask about pension plans, while those who are middle aged or older do. In fact, one employer stated that she has had younger employees wanting to opt out of their pension plan simply so that they received more money on their paycheck, rather than facing deductions.

Several employers also indicated that younger employees were much more concerned about medical, dental, or LTD than pension plans. Employers surmised that younger employees give less thought to the future and, in addition, are not loyal to one company and therefore do not see the benefits of pension plans.

> *"Young professionals would rather have a higher salary than a pension. If they're middle-aged, then they get a lot more interest. It's age driven and management versus union, then there is a lot of communication about it."*

New employees in union positions do indeed discuss pension plans, simply because union representatives make them aware that employers must provide the offering.

One teleconference discussion was conducted with employers who offer a DC Pension plan, while another group was held with those offering a DB pension plan. The third and final teleconference discussion included a mix of DC and DB plan holders. There was at least one employer in each group who offered both a DC or a DB plan in their organization.

The reasons for choosing to offer a DC or DB plan are quite different. Indeed, DC plan employers cited **cost effectiveness** as the primary reason they chose to provide this type of plan. Furthermore, employers who chose to offer a DC plan suggested they employed a more transient workforce and would not be able to afford the cost associated with a DB plan. Finally, holders of a DC plan indicated that this type of plan allowed for more input from participants as compared to a DB plan.

> *"We looked at the tax benefits of RSP and we were matching the contribution at the source – a payroll saving. It seems we couldn't get our heads around DB and not sure in the long run if we could support it. We just felt that with DC, it just allowed participants more input. An easier system."*

DC and DB plans have distinct benefits and disadvantages. The following table provides both the benefits and disadvantages identified by employers of each type of pension plan.

Benefits and Disadvantages of Pension Plans by Type		
	Benefits	**Disadvantages**
Defined Benefit (DB) Plan	• Ideal for retirement planning (know exact amount upon retirement)	• Ideal for employee, not employer • Need to cover solvency
Defined Contribution (DC) Plan	• Portability (able to move with company changes) • Company matches employee contribution • Employee can be involved with investment decisions	• Lack of understanding– many expect entire amount can be withdrawn at once upon retirement. • Fluctuates with market, no guarantee on end amount • Hard to measure performance • Locked in until age 55

Overall, employers offer pension plans that are available to all employees, though there are criteria or restrictions in place that must be met. Employers who offer DB pension plans indicate it is mandatory for all permanent employees, and optional for all others. Others who offer DB plans suggest it is based on the number of hours, or seniority of an employee. Those who offer DC plans suggest it is offered to everyone, regardless of their employment status (full-time or part-time), though restrictions do vary, generally in terms of tenure with the company.

Employers' reactions were mixed when asked if it is important to offer pension plans to some types of employees more so than others. Indeed, some employers suggested it was important, based both on the permanency of the position and the level of the position being recruited. A couple of employers felt pension plans provided them with a unique recruitment tool, as noted previously. Other employers however, suggested their workforce (i.e. younger employees) paid little attention to pension plans and therefore it made little difference.

Employers perceive their workers' loyalty to their organization to be dependent on two factors, namely, their age combined with their proximity to retirement. As a result, employers view pension plans as an incentive to remain loyal only for those near retirement. Indeed, older employees, in particular, baby boomers, are seen to be quite loyal, and several employers suggested their pension plans were indeed an incentive, as many did not see a point in changing employers because they have security in their pension plan. In contrast, the younger generation is perceived to have little loyalty to their organization.

> *"Younger generations will jump ship looking for their dream job. Older workers are more loyal. If they only have a few years left, pension contributions play a role. They don't see a point in going elsewhere when they know they have a good pension."*

Declining participation rates in pension plans are attributed to several different reasons. In particular, some employers, namely those with DC plans, suggest that younger workers are savvier with their money and instead make contributions on their own, rather than investing in a pension plan. Similarly, some employers suggested that younger employees are more focused on current debts, such as student loans and are focused on paying these off rather than saving for their future.

> *"Many younger ones don't opt to go in because they think they can do better with their own money. They feel more savvy. They think they can model it into better income for themselves."*

Employers with DB plans attributed the declining participation in pension plans to corporate entities, or lack of clarity in legislation. Specifically, one employer suggested that corporations dislike the volatility on their balance sheets. Furthermore, if a corporation has a single employer pension plan, the organization is responsible for any deficits, and many companies can't afford such costs.

Employee Perceptions

Employees do not ask a great number of questions about pensions.

Employers field a limited number of questions from workers regarding pension plans. All employers, however, frequently get asked the same question, essentially "What will I have when I retire?" This question is asked regardless of DC or DB plans.

> *"The bottom line, that's all they're interested in."*

A number of employers with DC plans indicated employees ask how they should invest their own portion of the contributions. Indeed, these employers perceive quite a lack of understanding from workers in terms of where to invest their funds, echoing the views heard from workers in the focus groups.

Employers offering seminars on retirement found that they were often not well attended, however others found that people close to retirement were very keen to attend, but often didn't know what questions to ask once at the seminar.

One employer indicated that feedback or questions from employees are asked only once the statements are mailed showing losses. At this point, many employees want to understand why their retirement funds are not performing well. Employers perceive a general lack of understanding from employees about the markets. Indeed, they believe employees are ill-informed about the markets and how they work, and some attribute this to the vast amount of information available.

In general, employees do perceive pension plans to be part of their overall compensation package. Employers, regardless of the type of pension plan offered, indicated that employees receive total reward statements outlining all of the benefits they receive through their company, including learning days, vacation days, pension plan, etc. Other employers indicated that because employees see the deductions coming off their paycheck, this serves as a constant reminder that it is part of their total compensation package.

Despite the perceived lack of understanding surrounding pension plans, most employers indicated that employees are aware that pension plans represent a cost to their organization, though some questioned whether employees understand the full impact of that cost for an organization, rather than just seeing the end result of contributions.

Future Plans

In general, employers are aware that mandatory retirement will end in NS in July 2009.

Given the pending change, employers were asked what effect, if any, would be felt by their organization in terms of retirement planning. Overall, employers' perceptions are that their organization will not be affected or that any effects will be positive. For employers with workers approaching the age of retirement, most believed this change will result in only positive things. Indeed, these employers suggested they already had workers who wanted to work past the age of retirement. Not surprisingly, employers are content to make such provisions, and even ask workers to stay on longer, as it eliminates the need to replace these individuals and retains the knowledge capital that has already been established.

> *"We already have people who want to stay and work until they're 70. We want them to stay and keep their expertise. We're asking people to stay on a little longer."*

One employer indicated that they would have to modify a pension bylaw because of the mandatory retirement changes. These findings were consistent regardless of the type of pension plan employers offered.

The option of phased retirement was met with little enthusiasm with several employers, particularly those with DB pension plans indicating they do not allow phased retirement. That said, a couple of these same employers indicated that older workers could be hired on a contract basis, typically in a consulting position. In contrast, there were other employers (largely those with DC plans) who were quite positive towards phased retirement, noting the benefits to the company, including the retention of people and their knowledge capital.

> *"It's a benefit to us. It's a great way to keep people and knowledge in the workforce."*

Of note, several unionized employers indicated that part-time or contract work was only an option for management employees, not for unionized workers.

To conclude the teleconference discussions, employers were asked if their organizations were planning to change or amend their pension plans in the future. While some employers indicated there would be no changes in the future, others cited contribution rate changes, ad hoc increases for retirees, reductions in allowances for full pension from 89 to 85, one-time pensioner increases, and changing solvency rules.

Research Methodology

To meet the research objectives, a two-phased research approach was undertaken, namely a quantitative component conducted in conjunction with qualitative research.

Quantitative Phase

The sample for the province was drawn using systematic sampling procedures from a list of randomly-selected households compiled from listed telephone numbers in each province, drawn from a database that is updated quarterly.

Questionnaire Design

The questionnaire used for this study was designed by CRA, in consultation with Nova Scotia Pension Review Committee members, as well as staff from the Nova Scotia Department of Labour and Workforce Development.

Survey Administration

This survey of adult, employed Nova Scotians was conducted by telephone from May 21 to June 11, 2008. The margins of error for the target populations were: a) pension employees - 400 interviews, +/- 4.9 percentage points, 19 in 20 times; b) non-pension employees - 214 interviews, +/- 6.7 percentage points, 19 in 20 times.

Trained and fully supervised interviewers conducted the interviewing and 10 percent of all interviews were monitored or verified by a field supervisor through callbacks.

Completion Results

Among all eligible respondents contacted, the response rate was 30 percent. Response rate is calculated as the number of cooperative contacts (1,657) divided by the total number of eligible telephone numbers called (5,514). Below is the final disposition of all telephone numbers called, in a modified Marketing Research & Intelligence Association (MRIA) Standard Record of Contact Format.

A. Total Numbers Attempted	6538
Discontinued Number/Not in Service	795
Fax/Modem	87
Non Residential Number	22
Wrong/Blocked Number	114
Cell Phone/Pager	6
B. Eligible Numbers	**5514**
Busy Signal	47
Answering Machine	681
No Answer	462
Scheduled Call Back	802
Illness, Incapable	6
Language Problem	24
C. Total Asked	**3492**
Refusal	1778
Mid-Terminate	42
Never Call	15
D. Co-operative Contacts	**1657**
Did Not Qualify/Terminate Quota Full	1043
Complete	614

Sampling Tolerances for Percentage Results by Sample Size

Size of Sample	10 or 90%	20 or 80%	30 or 70%	40 or 60%	50%
400 interviews	3.0	3.9	4.5	4.8	4.9
300 interviews	3.4	4.5	5.2	5.5	5.7
200 interviews	4.0	5.4	6.2	6.8	7.0
100 interviews	5.7	7.5	8.8	9.5	9.9
50 interviews	8.0	11.0	13.0	13.7	14.2

Qualitative Phase

Overall Approach

A total of three (3) in-person focus groups were conducted with individuals who work full time and have a pension plan. A mix of those holding direct contribution and direct benefit plans was recruited, as well as a mix of those working in the public and private sectors. One group was conducted with individuals aged 18-34, one group with those aged 35-49 and one group with those aged 50-65. Groups lasted approximately two hours and were conducted at CRA's professional focus group facility in Halifax, Nova Scotia. Participants were offered $65.00 as an incentive for their time. Participants included a mix of gender, household income and education level. Those currently employed in the following sectors were excluded from the research: marketing/marketing research, public relations, advertising and media.

In addition, three (3) teleconference focus discussions were held with employers throughout Nova Scotia (one group was exclusively Halifax Regional Municipality employers, and two groups were held with employers located across the Province). Employers who participated in the discussions included a mix of public and private sector employers and a mix of those offering Direct Benefit (DB) and Direct Contribution (DC) plans. In addition, a mix of size of employers participated, with two groups held with those employing more than 100 workers, and one group held with those employing between 1 and 99 employees.

Specifications – Teleconference Group Discussions with Employers

Teleconference Group Overview	Pension Plan Type			Location		Public / Private		Number of Employees	
	DC	DB	Both	HRM	Outside HRM	Public	Private	1 – 99	100 +
Group 1	4	0	1	2	3	2	3	5	0
Group 2	0	3	1	4	0	2	2	0	4
Group 3	1	1	2	2	2	1	3	0	4

Context of Qualitative Research

Focus group discussions are intended as moderator-directed, informal, non-threatening discussions with participants whose characteristics, habits and attitudes are considered relevant to the topic of discussion. The primary benefits of focus group discussions are that they allow for in-depth probing with qualifying participants on behavioural habits, usage patterns, perceptions and attitudes related to the subject matter. The group discussion allows for flexibility in exploring other areas that may be pertinent to the investigation. Focus groups allow for more complete understanding of the segment in that the thoughts or feelings are expressed in the participants' "own language" and at their "own levels of passion."

The focus group technique is used in marketing research as a means of developing insight and direction, rather than collecting quantitatively precise data or absolute measures. Due to the inherent biases in the technique, the data should not be projected to any universe of individuals.

Teleconference focus discussions allow the same type of insight but also allow for geographically dispersed participants to take part in a single session. In addition, for subjects where anonymity is of importance, the teleconference focus discussion technique can allow for greater freedom of discussion.