



April 14, 2021

Ms. Sally Day - Hanotiaux
Organization for Economic Cooperation and Development
Via E-mail: Sally.DAY-HANOTIAUX@oecd.org

Dear Ms. Day - Hanotiaux:

The OECD Roadmap for the Good Design of Defined Contribution Retirement Savings Plans (the Roadmap)

The Canadian Life and Health Insurance Association (“CLHIA”) would like to commend the OECD for initiating a consultation with interested stakeholders on an update to the above Roadmap to maintain and improve defined contribution plans in terms of flexible design, education, and communication through both the accumulation and decumulation phases of these plans.

The CLHIA is a voluntary association whose member companies account for 99 per cent of Canada's life and health business. These insurers provide financial security products including life insurance, annuities (including RRSPs, RRIFs and pensions) and supplementary health insurance to over 29 million Canadians. Internationally, Canadian life companies have a presence in over 20 jurisdictions around the world. Our members manage over 70% of private pension plans, primarily for small-to-medium-sized businesses.

The CLHIA supports the ten elements of good DC plan design, as outlined in the Roadmap that applies to both occupational and personal pension plans. Ensuring the importance of retirement income adequacy and sustainability to individuals and the need to design and manage these plans dynamically taking into account age and socioeconomic considerations of the participants are essential to retirement income security.

We commend OECD’s focus on ensuring and encouraging accumulation through auto-enrolment and auto-escalation features. It is worth noting that these features should be flexible and consider evolving lifestyle needs and objectives of employees as they age. For example, while employer matching contributions are a great incentive to save for retirement at all ages, younger employees may require flexibility on where their contributions should be directed in order to allow them access to such funds.

We invite employers, regulators and pension plan administrators in each jurisdiction to review and adopt the elements of OECD Roadmap that they deem relevant and appropriate to their respective retirement systems.

Yours truly,

Noeline Simon
Vice President, Taxation, Pension and Reporting

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