

# Canadian Defined Contribution Pulse Survey – 2022



WTW's 2022 survey of Defined Contribution (DC) plan sponsors shows that many Canadian employers are eyeing enhancements to their DC retirement plans to boost their employees' retirement security and financial wellbeing. They are also planning to sharpen their focus around member experience, and to better leverage their plans for employee attraction and retention.

# Survey Highlights

## Canadian plan sponsors look to enhance defined contribution plans

### Evolution

Evolution of DC plans continues as two out of three sponsors (67%) expect to change their DC plan in next two years after already having made a change in last two years. An additional 19% of sponsors that didn't make a change over the last two years plan on making at least one change over the next two years. Most of the expected enhancements will focus on the employee experience (76%) and financial wellbeing (69%). Additionally, just over half (53%) expect to make changes to their plan design.

# 86%

of defined contribution (DC) plan sponsors expect to make at least one change to their plan over the next 2 years.



# 3 in 4

expect changes to enhance their employees' experience

	Past 2 years	Next 2 years
Employee experience	56%	76%



### Design Features

Most expected changes in DC plan design over next two years involve adding or enhancing features, with about one-third focusing on employer contribution features and 28% interested in other design features.

**53%**

of sponsors intend to  
change DC plan design  
over the next 2 years

### Enhancements to boost savings

Sponsors continue to explore ways to capitalize on evolving opportunities to integrate DC plan strategy with enhanced financial wellbeing and resilience support.



**33%**

of sponsors are considering  
changes to their employer  
contribution features



**18%**

of sponsors are considering  
changes to their automatic  
enrolment features

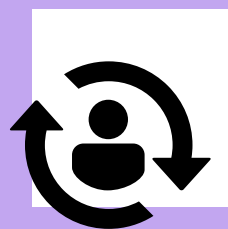




Plan sponsors have taken, or are planning or considering, the following actions to support employees' retirement security:	Action taken	Planning or considering
Integrating the defined contribution plan strategy with financial wellbeing and resilience	<b>34%</b>	<b>35%</b>
Using targeted communication tailored to specific segments	<b>35%</b>	<b>32%</b>
Using listening strategies to identify employee needs and support program changes	<b>31%</b>	<b>36%</b>
Analyzing workforce outcomes to assess needs for at-risk employees	<b>7%</b>	<b>27%</b>

### Attraction, Retention and Differentiation

More than half of plan sponsors expect attraction and retention issues over next two years, with just over one-quarter of those sponsors viewing their DC plan as an important tool to distinguish them from their competitors.



# 56%

of sponsors expect to face attraction and retention issues over the next 2 years



Of these employers

# 27%

expect to differentiate their plan to compete for talent.

Overall, almost half of respondents regard attraction and retention considerations an important part of their DC plan strategy.

To what extent will the following be a priority to your defined contribution plan strategy over the next two years?	
Leverage plan to enhance employee retention	47%
Leverage plan to attract new talent	43%
Align plan with diversity, equity and inclusion goals	31%
Align plan with Environmental, Social and Governance (ESG) goals	28%



Actions plan sponsors can take now

By integrating retirement plans into broader employee experience, plan sponsors have opportunities to meet employees across their life cycle, and better support them in managing their increasingly complex needs. Actions that employers can take include:



Leveraging available analytics to evaluate how different employee cohorts are engaging with and benefiting from the DC plan



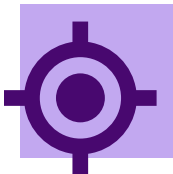
Integrating DC plan strategy with financial wellbeing and resilience, enhancing connection to financial wellbeing programs



Improving plan design by adding/enhancing employer matching contribution formulas, auto-enrolment and auto-escalation features



Providing digital tools to help employees with budgeting and spending



Targeting communications to specific workforce segments

In today’s challenging labour environment, retirement benefits remain a high priority for Canadian workers and their employers. By increasing alignment between sponsors’ plans and employee needs, DC plan sponsors can strengthen both their plan’s value and participant outcomes.

## About the survey

The 2022 Canadian Defined Contribution Pulse Survey captures insights from more than 89 plan sponsors with more than 480 000 plan participants. Survey respondents represent the major industries and regions of Canada. If you would like to discuss the survey findings or have additional questions, please contact your local WTW consultant.

## About WTW

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