

Employee Pensions & Benefits

in the Aboriginal non-profit sector

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Executive Summary

Aboriginal non-profit (ANP) organizations throughout BC offer a range of important services to Aboriginal communities in areas such as child and family services, drug and alcohol treatment, health, housing, and employment services. Although these organizations continue to be able to provide quality resources to their communities, they also experience a number of human resource (HR) challenges with their employees, such as limited or no employee benefits or retirement income plans, low wages, lack of professional development and training, and limited funding for sustainable HR development.

In response to the HR challenges facing ANP organizations, the ANP sector gathered together in 2010 to “speak to HR issues and opportunities, and share a voice for an Aboriginal-driven workforce strategy.” (BC Association of Aboriginal Friendship Centres, 2010 p.1) Over 45 Aboriginal non-profit sector leaders from across the province attended, including agencies providing services for housing, drug and alcohol treatment, health, employment, and child and family services. This gathering resulted in a commitment to build a plan for the sector that would address HR challenges and advance HR opportunities in an Aboriginal context. Strategies were developed in four key project areas: employee pensions and benefits, mentorship and professional development, workplace wellness and quality of work life, and strengthening connections with culture and traditional values. Each of these four areas developed into research projects that produced a set of recommendations for an “ANP Sector HR and Workforce Strategy”, aimed at strengthening the ANP sector workforce.

The following report summarizes research conducted from 2012 to 2013 within the ANP sector that was designed to better understand HR challenges in the area of employee benefits and pension planning. The goal of this research was to assess the current state of pensions and benefits in ANP organizations across BC, and involved learning about practices that hold promise for the sector, identifying areas in need of improvement, and building on opportunities that have the potential to strengthen the ANP sector workforce.

Research was gathered through a variety of methods including key informant interviews, an online survey for the ANP sector, and regional Sharing Circles. Approximately 150 ANP employees and



volunteers shared their stories, and the following five themes emerged as a result:

- ANP employees place great importance on cultural benefits
- Different worldviews present challenges with mainstream pension and benefits programs
- Many people felt a retirement savings plan was important, although very few actually participated in one
- Employee benefits and retirement planning plays a role in recruiting and retaining ANP employees
- The challenging context of pensions and benefits in the ANP sector

Based on the research themes, a series of five recommendations were made to support and strengthen practices for employee benefits and retirement savings plans for the ANP workforce.

1. Support ANP organizations in aligning benefit packages to Indigenous worldview

When ANPs negotiate new or broader benefit packages, they would benefit from having access to ANP sectoral support (such as resources and guidelines). This support would help ensure that the benefit package is more closely aligned to the Aboriginal worldview. For example, benefits could include things such as cultural benefits, a broader definition of family, and support towards more Aboriginal-led forms of healing therapies.

2. Create an ANP sector-led pension and benefits plan

ANP organizations would benefit from banding together as a sector or subsector to leverage better rates and provide benefits to ANP employees that are tailored to an Aboriginal context. To begin this process, an ANP sectoral council could be established, and ANPs could be invited to participate in a sectoral benefits and pension plan. The sectoral council could also conduct research to identify the types of benefits and retirement savings plans that make the most sense for the sector, and create an Aboriginal framework to screen potential benefits providers.

3. Create opportunities for ANPs to share knowledge and success stories about pension and benefit practices

ANP organizations would benefit from annual or bi-annual sector gatherings to share knowledge and experiences related to benefit and retirement savings practices. Creating sector gatherings for ANP leaders and/or benefit administrators would provide opportunities to share successes and pitfalls related to starting a benefits program, working with non-Aboriginal benefits providers, and using social enterprises to generate revenue for employee benefits. Sector gatherings could be followed up with internet-based seminars and discussions on specific topics selected by participants.

4. Support ANPs to actively manage their benefits program

ANPs would benefit from actively managing their benefits programs in some key ways: 1) ANPs could meet with benefits brokers on an annual or semi-annual basis to review benefits usage rates. This may help ANPs reduce costs, maximize coverage, and eliminate benefits that are underutilized.

2) ANPs could work with the Non-Insured Health Benefits Program through the federal government to better leverage benefits for status First Nations employees. 3) ANPs could shop around for employee benefit plans every three to five years to ensure they are getting competitive rates for their organizations.

5. Create an annual ANP financial literacy training event

Financial literacy can be defined as “having the knowledge to understand personal and broader financial matters, skills to apply that knowledge and understanding to everyday life, and the confidence to use the skills and knowledge to make responsible financial decisions that are appropriate to the individual’s situation.” (ABC LifeLiteracy Canada, 2013) Financial literacy is a required skill for everyday financial decisions and retirement planning. A lack of financial literacy plagues many Canadians, especially as it relates to preparing for retirement (Canadian Pension & Benefits Institute National, September 23, 2013).

A financial literacy training event for the ANP sector could involve regional or provincial gatherings open to any ANP employee or volunteer. These gatherings would offer information and knowledge concerning everyday personal and family finances, and planning and saving for retirement. The training could also target ANP leaders to increase knowledge and competency necessary to securing competitive employee benefit programs, such as learning to review rates and consider options to reduce cost and maximize coverage for all staff.

Introduction

Aboriginal non-profit (ANP) organizations throughout BC offer a range of important services to Aboriginal communities in areas such as child and family services, drug and alcohol treatment, health, housing, and employment services. Although these organizations continue to be able to provide quality resources to their communities, they also experience a number of human resource (HR) challenges with their employees, such as limited or no employee benefits or retirement income plans, low wages, lack of professional development and training, and limited funding for sustainable HR development.

The following report summarizes research conducted from 2012 to 2013 within the ANP sector that was designed to better understand HR challenges in the area of employee benefits and pension planning. The goal of this research was to assess the current state of pensions and benefits in ANP organizations across BC, and involved learning about practices that hold promise for the sector, identifying areas in need of improvement, and building on opportunities that have the potential to strengthen the ANP sector workforce.

Aboriginal people are British Columbia's fastest growing population group and ANPs want to position their sector as the workplace of choice for young Indigenous employees. Strong HR practices help to support this goal by enabling ANP organizations to take care of their volunteers and employees so that they can, in turn, continue to work to support their communities.

Employee benefits in an Aboriginal non-profit context often look different than mainstream approaches. Strong HR practices involve offering meaningful benefit packages that extend beyond typical health and dental packages and include cultural benefits that allow employees to attend traditional ceremonies and community events, access Elders, and take advantage of healing opportunities. Employee pensions in Aboriginal non-profits also look different. When it comes to retirement planning, pension options may not be used or even considered. Pensions are a relatively new option for Aboriginal people because traditionally families and communities have taken care of their people when they can no longer provide for themselves.



“We now need to make more plans for our retirement years. The tradition of being taken care of when we can no longer provide for ourselves has been disrupted by residential schools and is no longer easy to achieve.”
(Research participant)

Background

In response to the HR challenges facing ANP organizations, the ANP sector gathered together in 2010 to “speak to HR issues and opportunities, and share a voice for an Aboriginal driven workforce strategy.” (BC Association of Aboriginal Friendship Centres, 2010 p.1) Over 45 Aboriginal non-profit sector leaders from across the province attended, including agencies providing services for housing, drug and alcohol treatment, health, employment, and child and family services. This gathering resulted in a commitment to build a plan for the sector that would address HR challenges and advance HR opportunities in an Aboriginal context. Strategies were developed into four key project areas: employee pensions and benefits, mentorship and professional development, workplace wellness and quality of work life, and strengthening connections with culture and traditional values. Each of these four areas were developed into research projects that went into an ANP Human Resource and Workforce Strategy, made up of recommendations aimed at strengthening the ANP sector workforce. The following report speaks to employee pensions and benefits for the ANP sector.

It is important to briefly discuss some of the historical background of the Aboriginal community to better understand the current context of the ANP sector and the research findings around pensions and benefits. The following section is an excerpt from Goddard, Corfield, and Kraneveldt’s 2014 report “Workplace Wellness and Balance in the Aboriginal non-profit sector”:

Understanding the past, “what once was”, aids in comprehending the significant shift to “what is” today.

Pre-contact, each member of the community had a role and responsibility for the greater good and health of the larger population. Everyone contributed, had a purpose, and was valued (Atleo, 2004). This contributed to individual and community wellness as everyone had a clearly defined role and a sense of belonging. Unfortunately, this balanced and sustainable way of life has shifted since contact with the introduction of the Indian Act.

The Indian Act attempted to dismantle the solid foundation of teachings, values and systems that sustained Aboriginal people for hundreds of years. Montpetit (2011) describes how the Indian Act replaced traditional Aboriginal systems with government legislation: “The Indian Act, which was enacted in 1876 and has since been amended, allows the government to control most

aspects of aboriginal life: Indian status, land, resources, wills, education, band administration and so on.”(Montpetit, 2011, p.1)

In 1920, the popular policy view towards Aboriginal people was to conform their cultures into the Western ideals. This intent can be seen in a quote from Duncan Scott, which states,

“Our object is to continue until there is not a single Indian in Canada that has not been absorbed into the body politic, and there is no Indian question, and no Indian department.” (Residential Schools, 2013 para. 1)

Despite every effort, the resiliency of the Aboriginal people prevailed. The Indian Act did not destroy the Aboriginal way of life; in fact Aboriginal people sought new ways to take care of each other and their community. This quote captures the spirit of ANPs and how they evolved in response to community needs.

“Aboriginal people began to establish non-profit agencies to augment or replace informal networks of support, many of which were traditionally supplied by families and over the course of 60 years, approximately 480 Aboriginal services and organizations have been created throughout BC.” (BC Association of Aboriginal Friendship Centres, 2011, p.6)

Today, Aboriginal people continue to recognize their challenges and strengths, and want to take responsibility for creating positive change. In 2005, the Assembly of First Nations reported:

“The underlying socio-economic framework that perpetuates historical and social injustices must be changed. This is the true meaning of *transformative change*. Research has established links between cultural continuity, self-determination, health and wellbeing outcomes. In order to support positive, sustainable socio-economic change, the processes driving this change must be founded on the principle of self-determination and must be culturally driven.” (BC Assembly of First Nations, 2005, p.2)

The past has taught the ANP sector that Aboriginal people are resilient. They find strength in unity and know that the strength of one contributes to the strength of all. This teaching is helpful in a modern day context as we search for ways to strengthen HR practices within the ANP sector.

The past has taught the ANP sector that Aboriginal people are resilient. They find strength in unity and know that the strength of one contributes to the strength of all.

The Research: Employee Pension and Benefits Practices

Purpose

The following research study aimed to better understand the challenges and successes of employee benefits and pension practices in ANP organizations throughout BC. The research sought to uncover trends in pension and benefits practices, and better understand these practices within an Aboriginal context.

Methodology

The Pension and Benefits project employed a highly collaborative approach to the research that involved working closely with the three other ANP Human Resource and Workforce Strategy project areas (Workplace Wellness and Balance, Mentorship and Professional Development, and Connections with Culture and Tradition). Methods included Regional Sharing Circles, Key Informant Interviews (KIIs), a review of relevant literature and benefits practices, and an online survey. The research methodology allowed for a diverse approach to collecting data and provided information for in-depth analysis.

Approach

The research was approached from an Indigenous perspective that included viewing things holistically, paying attention to and listening to stories that people share, and always operating from a place of respect. In particular, research participants were never viewed as subjects “to be studied”, but rather were included and viewed as full participants and guides to the research.

Our research team consisted of three people: Rachelle Dallaire from Caring for First Nations Children Society, of Mohawk, Ojibway from Temagami First Nation, and Montagnais Métis descent; Lori Fitzgerald, from HRG Human Resources Group, of Hungarian and Irish ancestry; and Moira Cameron from HRG Human Resources Group, of Scottish and Anglo-Saxon ancestry.



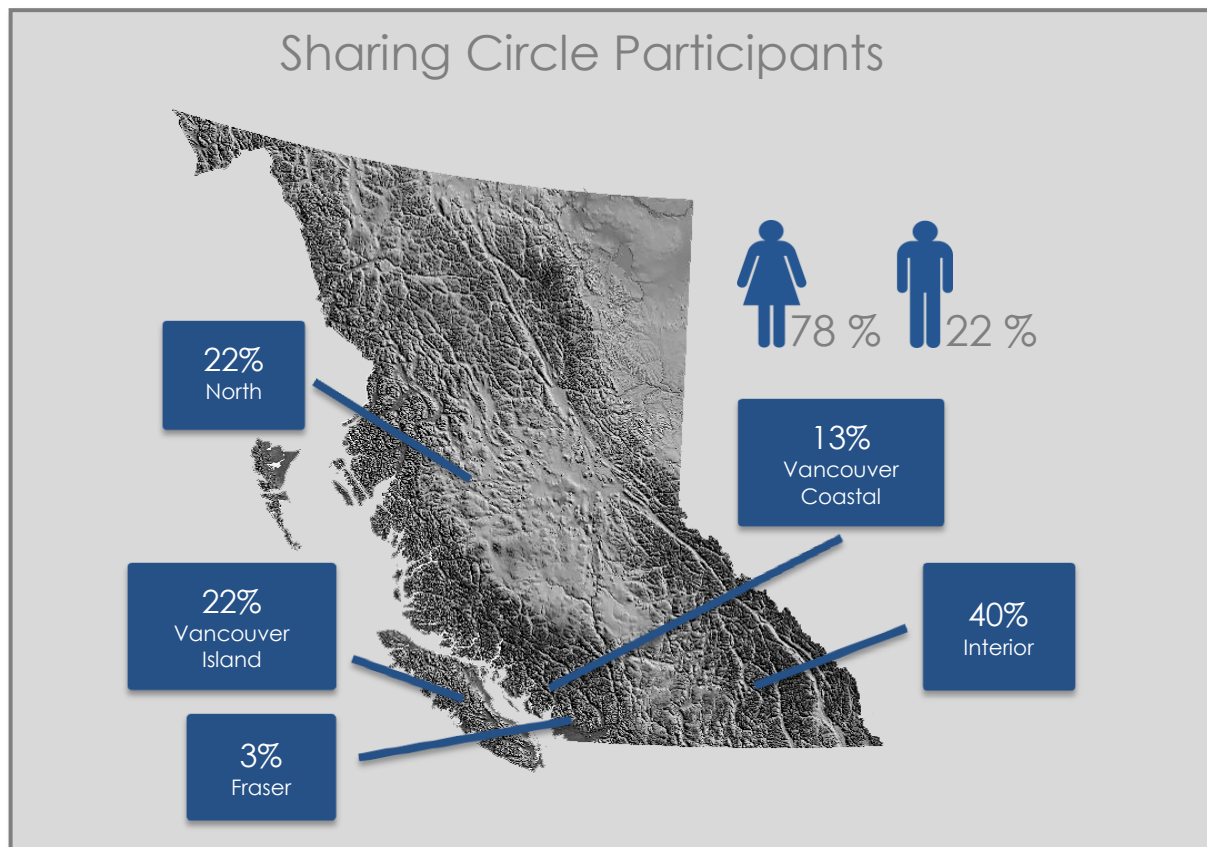
Research Tools

Regional Sharing Circles

Sharing Circles were held with 76 ANP employees and volunteers including Elders and youth in six regional centres in British Columbia: Victoria, Vancouver, Kelowna, Kamloops, Prince George, and Terrace. The Pensions and Benefits team worked collaboratively with the three other ANP Human Resource and Workforce Strategy project teams in planning and facilitating the sessions. Selection of the Sharing Circle sites was based on the project leads' interest in capturing regional diversity while maximizing access so that Aboriginal non-profit organizations could easily travel to the meetings. Sharing Circles were meant to offer an opportunity for two-way learning. The meeting process began with an opening prayer by an Elder from the local community. After a short overview of each project an open discussion followed. The final element of the sessions involved seeking recommendations from the group regarding possible strategic actions. Questions guiding the Pensions and Benefits portion of discussions at the Sharing Circles were:

1. Which cultural benefits are offered in your workplace?
2. What is the significance of cultural benefits?
3. How do pensions and benefits influence employee attraction and retention?
4. When it comes to income for retirement, where will your income come from, and will it be enough?

The following image depicts the percentage of people by region who attended Sharing Circles

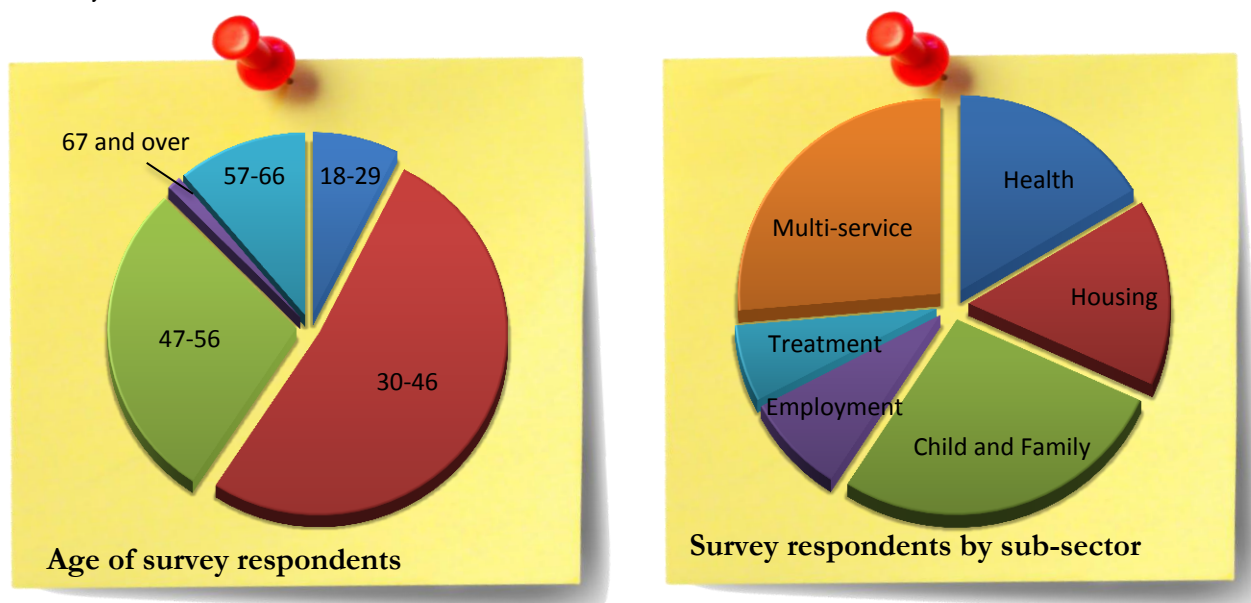


Key Informant Interviews

Key Informant Interviews (KIIs) were used to explore ANP promising practices and the ways that organizations provided benefits and pensions to their employees. In total, eleven KIIs were conducted, mostly with executive directors, as well as with some benefit administrators. Questions focused on five topic areas: 1) cultural benefits, 2) current pensions and benefits offered to employees, 3) attraction and retention, 4) promising practices and 5) wishes for the future. (For a full list of KII questions see Appendix D.). Interview respondents were identified through a snowball sample of personal and professional contacts, and were also sought out at the Sharing Circles.

Online Survey

The Pension and Benefits project partnered with the Mentoring and Professional Development project to co-design and co-administer an online survey, which was available via the ANP website. Survey respondents were recruited through the ANP website, at the Sharing Circles, and through word of mouth. As well, participants in the key informant interviews were encouraged to complete the surveys and encourage other people in their organizations to complete them. A total of 81 staff, managers, executive directors, and/or board members of ANP organizations in BC completed the survey.



Literature Review

Early research, specifically conversations at the Sharing Circles and during KIIs, helped to guide the literature search. The search terms used were: pensions, benefits, non-wage benefits, Aboriginal, non-profit organizations, financial literacy, best practices, promising practices and combinations of these. The University of Victoria's library system, called Summon, was the primary source for the literature search. Summon is an indexed search facility for all academic and non-academic publications available through the University of Victoria library. The secondary source was the Google search engine. A total of 191 articles were found, of which 41 were of direct relevance to this research. (For full copy of the literature review please see Appendix C)

Findings

This section summarizes the themes and findings related to pension and benefits practices that emerged from the Sharing Circles, key informant interviews, survey responses, and the review of literature. There are five overarching themes that emerged during data collection:

- ANP employees place great importance on cultural benefits
- Different worldviews present challenges with mainstream pension and benefits programs
- Many people felt a retirement savings plan was important, although very few actually participated in one
- Employee benefits and retirement planning plays a role in recruiting and retaining ANP employees
- The challenging context of pensions and benefits in the ANP sector

ANP employees place great importance on cultural benefits

Discussions about cultural benefits within Sharing Circles and key informant interviews were passionate and engaged. Research findings indicated that cultural benefits are integral to the health and well-being of the organization and employees.

Interviewees and Sharing Circle participants repeatedly stated that cultural benefits are a significant factor that attracts people to work for an ANP agency. In fact, 80% of survey respondents said it was important to have cultural benefits in the workplace. Cultural benefits reinforce the importance of culture in the workplace and support a holistic view of health and well-being. They span beyond standard health and dental benefits typically offered through a benefits plan, and include things such as having an Elder on staff, making room for healing practices in the workplace, and offering leave to attend cultural and traditional events or healing ceremonies.

When survey participants were asked to identify the range of cultural benefits they may have access to, more than one third spoke about the importance of having access to Elders in the workplace. Elders were noted as playing a range of roles including: teaching staff and clients about Aboriginal culture, guiding individuals and the organization in resolving conflicts, helping to keep the organization on track to fulfill its objectives, providing counseling to individuals, and leading healing ceremonies. Due to the fact that the majority of employees within the ANP sector are Aboriginal, and many or all live with the legacy of residential school, the role of healing is an important element in the ANP workplace. About one quarter of survey respondents identified healing ceremonies in the workplace, or paid time off for healing, as cultural benefits offered in their organization.

One ANP organization reported their approach to offering cultural benefits to employees was through a paid time off (PTO) approach. PTO combines sick days, vacation days, and leave days into one

80% of surveyed ANP employees said that cultural benefits were important to have in the workplace.

category of leave that offers more control to the employee in deciding how they will allocate their time off. This particular ANP organization did not define what constituted a “cultural benefit”, instead the employee was able to decide when and where they needed to take the time off within their PTO benefit, and for what purpose. Another organization reported that they offer a set amount of “cultural days” to each staff, and employees are free to use these days as they see fit. This practice requires less decision-making on the part of the manager as to what constitutes “cultural days” and only requires granting time off by simply balancing the employee’s workload.

Despite the fact that most survey respondents stated that cultural benefits were important, not all ANP employees reported that they received cultural benefits in their workplace. Many people noted that they did not get paid time off for Aboriginal Day or Louis Riel Day. One survey respondent discussed the fact that she would rather have Aboriginal Day off than Easter, and would prefer to trade those holidays for occasions that are more culturally relevant to her.

“[As ANP employees] we should be given Aboriginal Day off as a paid holiday. People should use it as a day to go to Aboriginal Day Celebrations in their community, [where] Aboriginals are celebrated and we can take pride in who we are, where we came from, and share it with the rest of the community. I missed Aboriginal Day at our local park because of having to work. By the time I picked up my children from daycare, everything was just about over!”
(Survey participant)

Different worldviews present challenges with mainstream pension and benefits programs

Overall, research findings indicate an ongoing tension between an Aboriginal perspective and a mainstream Western worldview of benefits and pension planning and practices. In general, pension and benefit programs, including Old Age Security pension (OAS) and Canada Pension Plan (CPP), are delivered through or mediated by mainstream institutions operating with Western business principles.

One of the ways this tension has emerged in practice has been in the case of taking bereavement leave. When needing to leave work to attend a family member’s funeral, the concept of family extends beyond the nuclear unit in an Aboriginal context. This often clashes with mainstream bereavement leave policies that have been adopted in Aboriginal organizations, where leave is only granted when an immediate family member dies.

Several ANP organizations that participated in the research reported they offer benefits that have been set in motion by a Western mainstream framework, which has caused problems for a number of Aboriginal employees. One research participant summed it up by stating:

“Some staff may have community responsibilities to help and support their community members through the grieving process but if you are not ‘family’ then the standard bereavement policies don’t apply. The obligations of staff regarding grieving and bereavement leave vary depending on the person and their community and this needs to be addressed in Aboriginal HR policies.” (Key informant, 2013)

With regards to pensions, many ANP organizations do not offer pension plans. This may be a reflection of cultural and traditional practices, where traditionally, Elders are taken care of by the community rather than by an institutional pension plan, when they can no longer provide for themselves. One key informant offered this summary:

“Generations have grown up with the expectation that they will be taken care of by their family and the community when they can no longer provide for themselves. Traditionally, family and community members shared their wealth and resources with Elders, returning the support they had received from the Elders in previous years. As well, when an Elder died, those who had received help from the Elder contribute back – they return wealth so that the Elder’s family is taken care of. This tradition has been disrupted by the residential school experience, and is no longer easy to carry out, especially in urban settings, leaving many Aboriginal people with no plans and ill-prepared for their retirement years. The traditional system whereby younger people take care of the older people in the community only works if it is applied consistently. Pensions [retirement income and to a certain extent benefits] create a dilemma for Aboriginal organizations: on the one hand the organizations want their employees to be adequately taken care of upon retirement, but providing the pensions plans further disrupts traditional Aboriginal practices.”

“Pension plans create a dilemma for Aboriginal organizations: on the one hand organizations want their employees to be adequately taken care of upon retirement, but providing the pension plans further disrupts traditional Aboriginal practices.” (Key informant)

To help illustrate some of the paradigmatic differences between Aboriginal and Western worldviews, and the impact this may have on HR practices, the Aboriginal Human Resource Council offers a comparison between traditional Aboriginal culture and mainstream Western culture (Aboriginal Human Resource Council, 2012):

Aboriginal Culture	Mainstream Western Culture
Community is the foremost of all values	Individualism is the foremost value
The future tense is dominant	The present is the dominant tense
Goals are met with patience	Goals are met with aggressive effort
Ownership is often communal	Ownership is reward for hard work
Aging is a source of wisdom	Aging is decay and loss
Silences are acceptable anywhere	Silences are a waste of time
Soft spoken words carry farthest	Emphasis carries the day
Nodding signifies understanding	Nodding signifies agreement
Collective decisions are consensual	Collective decisions are put to a vote
Family is extended family	Family is nuclear family

Unions

The topic of unions emerged through the research as another element that can generate tension between Aboriginal and Western worldviews. A number of research participants discussed the fact that benefits negotiated by unions for unionized employees often tend to have limited flexibility. As unionized Aboriginal employees are only a minority of the larger group membership, there is little opportunity to influence how benefits are delivered in an Aboriginal context. For example, one of the survey respondents stated that the collective agreement they belong to does not allow for cultural benefits.

Many people felt a retirement savings plan was important, although very few participated

Research findings showed that very few people in the ANP sector had any savings for retirement. For example, one ANP organization reported they offer a matched contribution retirement savings plan - meaning an employee can contribute between 2 and 5% of their paycheque to a retirement savings plan, and the organization then pays an equal amount to the employee's retirement savings as a bonus each month. However, only 50% of the organization's employees participated in the plan, even if the plan "is like giving yourself a five percent raise each month" (Executive Director of the ANP organization).

ANP employees may not participate in saving for retirement for a range of reasons. For example, some people noted that they have not had any role modelling in saving for retirement, as it is a relatively new concept in their culture. From a cultural and traditional standpoint, wealth is not defined through saving your money for later. Rather it is achieved by how much you give away now (Key Informant Interview, 2013).

"Wealth is not how much you have, but how much you give away." (Key informant)

Another reason people may not save for retirement in the context of the ANP sector is that wages are not high enough to allow for putting money aside; all earnings go towards living and family expenses. Many participants stated that they are the sole income earner and are raising or supporting a family. As a result, their income goes first to support the family's present needs before investing in their own future. In remote communities, a higher cost of living increases the pressure to use the money they receive to meet the immediate needs of the family.

"As a single mom I struggle financially, and although I know planning for my retirement is very important, I need all the money from my pay cheque now. I have a second job as well to supplement my income. Very high cost of living [in my community]!" (Survey participant)

Employee benefits and retirement planning plays a role in recruiting and retaining ANP employees

In all forms of data collection, participants discussed the role that pensions and benefits (cultural, standard, and non-standard) played in attracting them to and keeping them in an ANP organization. There was some dissonance, however, in data results from quantitative and qualitative methods regarding the importance of retirement savings plans. Through the quantitative research (survey), more than half of respondents indicated that they would consider making a career move to receive a better pension and benefits package. However, through the qualitative research (Sharing Circles), participants indicated that ANP employees did not view retirement income plans or standard benefits as the primary motivating factor for joining an organization as an employee, or staying on as an employee. Participants spoke about joining and staying with an organization because of the Aboriginal approach to the work, a chance to work with their community, the nature of the work, and the cultural benefits available to them as employees (as discussed in the previous section). Some participants talked about the fact that when they joined their organization, they became part of an extended family, and for that reason they wanted to stay.

"We come for the job and stay for the people." (Project advisor)

The most common *standard* employee benefits that survey respondents identified as having were: basic dental, long-term disability, prescription drugs, life insurance, vision care, and accidental death and dismemberment. The top five most important *non-standard* benefits that survey respondents identified were: paid sick days, training or professional development, car allowance/mileage, payment of MSP premium, and flexible work days. (For a full list of types of pensions and benefits see Appendix E.)

The challenging context of pensions and benefits in the ANP context

Research participants reported that for many, wages in the ANP sector are so low that they impact the ability of employees to take full advantage of benefits. For example, lower salaries place pressure on individuals when there is a deductible associated with benefit coverage. The employee may choose to not use the benefits, as the deductible is too high or they cannot afford to pay for the service in advance and wait for reimbursement. Thus their employer, or the employee and employer, are paying for a benefit that is not utilized.

Research participants flagged financial literacy as a limitation to taking advantage of a wage benefit. For example, many ANP employees do not have bank accounts, and as a result have to use cheque-cashing services like *Money Mart* that charge processing fees of 20% or more. Low wages in the ANP sector are further limited by the cost of having to use these types of services.

For ANP organizations, lack of funding or small agency size limits an organization's ability to offer retirement savings plans or benefits to their employees. For organizations with limited funding, annual funding grants, or reduced contract dollars to provide services, there is limited or no ability to allocate money towards employee non-wage benefits. Smaller organizations may not qualify for employee benefit plans and so cannot offer benefits to their staff. Some small organizations have overcome this challenge by joining with larger ones to share in a benefit plan available to a larger group of employees.

Recommendations

Based on the stories from the Sharing Circles, key informant interviews, and the survey tool, the following five recommendations are felt to support and strengthen practices for employee benefits and retirement savings plans for the ANP sector.

1. Support ANP organizations to align benefit packages to Indigenous worldview

Summary

When ANPs negotiate new or broader benefit packages, they would benefit from having access to ANP sectoral support (such as resources and guidelines). This support would help ensure that the benefit package is more closely aligned to the Aboriginal worldview. For example, benefits could include things such as cultural benefits, a broader definition of family, and support towards more Aboriginal-led forms of healing therapies.

Related Research Theme

Different worldviews present challenges with mainstream pension and benefits programs.

2. Create an ANP sector-led pension and benefits plan

Summary

ANP organizations would benefit from banding together as a sector or subsector to leverage better rates and provide benefits to ANP employees that are tailored to an Aboriginal context. To begin this process, an ANP sectoral council could be established, and ANPs could be invited to participate in a sectoral benefits and pension plan. The sectoral council could also conduct research to identify the types of benefits and retirement savings plans that makes the most sense for the sector, and create an Aboriginal framework to screen potential benefits providers.

Related Research Theme

The challenging context of pensions and benefits in the ANP sector.



3. Create opportunities for ANPs to share knowledge and success stories about pension and benefit practices

Summary

ANP organizations would benefit from annual or bi-annual sector gatherings to share knowledge and experiences related to benefit and retirement savings practices. Creating sector gatherings for ANP leaders and/or benefit administrators would provide opportunities to share experiences around starting a benefits program, working with non-Aboriginal benefits providers, and using social enterprises to generate revenue for employee benefits. Sector gatherings could be followed by internet-based seminars and discussions on specific topics selected by participants.

Related Research Themes

The challenging context of pensions and benefits in the ANP sector; Employee benefits and retirement planning plays a role in recruiting and retaining ANP employees; Many people felt a retirement savings plan was important, although very few actually participated in one; ANP employees place great importance on cultural benefits; Different worldviews present challenges with mainstream pension and benefits programs.

4. Support ANPs to actively manage their benefits program

Summary

ANPs would benefit from actively managing their benefits programs in some key ways: 1) ANPs could meet with benefits brokers on an annual or semi-annual basis to review benefits usage rates. This may help ANPs reduce costs, maximize coverage, and eliminate benefits that are underutilized. 2) ANPs could work with the Non-Insured Health Benefits Program through the federal government to better leverage benefits for status First Nations employees. 3) ANPs could shop around for employee benefit plans every three to five years to ensure they are getting competitive rates for their organizations.

Related Research Themes

The challenging context of pensions and benefits in the ANP sector; Different worldviews present challenges with mainstream pension and benefits programs.

5. Create an annual ANP financial literacy training event

Summary

Financial literacy can be defined as “having the knowledge to understand personal and broader financial matters, skills to apply that knowledge and understanding to everyday life, and the confidence to use the skills and knowledge to make responsible financial decisions that are appropriate to the individual’s situation.” (ABC LifeLiteracy Canada, 2013) Financial literacy is a

required skill for everyday financial decisions and retirement planning. A lack of financial literacy plagues many Canadians, especially as it relates to preparing for retirement (Canadian Pension & Benefits Institute National, September 23, 2013).

A financial literacy training event for the ANP sector could involve regional or provincial gatherings open to any ANP employee or volunteer. These gatherings would offer information and knowledge concerning everyday personal and family finances, and planning and saving for retirement. The training could also target ANP leaders to increase knowledge and competency necessary to securing competitive employee benefit programs, such as learning to review rates and consider options to reduce cost and maximize coverage for all staff.

Related Research Themes

Many people felt a retirement savings plan was important, although very few actually participated in one; The challenging context of pensions and benefits in the ANP sector.

Appendix A – References

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Appendix B – Glossary of Terms

Aboriginal Affairs and Northern Development Canada (AANDC): Formerly known as INAC. AANDC is one of the federal government departments responsible for meeting the Government of Canada's obligations and commitments to Aboriginal peoples and communities.

Aboriginal Financial Officers Association (AFOA): Supports effective leadership in the areas of Aboriginal wealth creation, fiscal management, administration, and governance.

Age Limit: Minimum or maximum age limits for the insuring of individuals under insurance contracts.

Beneficiary: The person(s) designated by an insured employee to receive Group Life and/or Accidental Death benefits upon the death of the insured.

Canadian Federation of Independent Business (CFIB): Represents the interests of the small business community to all three levels of government in their fight for tax fairness, reasonable labour laws, and reduction of regulatory paper burden.

Emergency Travel Assistance: Medical emergency coverage when travelling outside the employee's home province.

Employee Assistance Program: Confidential counseling benefit to help employees (and often family members) deal with personal problems that might adversely impact their work performance, health, and well-being.

First Nations Health Authority (FNHA): The first and only provincial First Nations Health Authority in Canada and is dedicated to transforming health services for First Nations and Aboriginal people in British Columbia.

Indian and Northern Affairs Canada (INAC): Now known as Aboriginal and Northern Development Canada (AANDC). INAC was the department of the government of Canada with responsibility for policies relating to Aboriginal peoples in Canada.

Labour Market Information (LMI): Information concerning the conditions in, and the operations of the market for labour.

Out of Province Referral Expenses: If treatment cannot be provided in the province where the employee lives, the plan covers certain expenses to assist the employee getting appropriate treatment elsewhere.

Paramedical Practitioners: Includes physiotherapists, massage therapists, chiropractors, naturopathic doctors, podiatrists, acupuncturists, speech therapists, psychologists, counsellors and others if the employer so decides. Practitioners usually have to be registered in the province.

Insurance Pooling: Insurance works by pooling risk. This means that a large group of people who want to insure against a particular loss pay their premiums into what is called the insurance bucket, or pool. Because the number of insured individuals is so large, insurance companies can use statistical analysis to project what their actual losses will be within the given class. This allows the insurance companies to pay for claims that may arise. For example, people have auto insurance but only a few actually get into an accident. They pay for the probability of the loss and for the protection that they will be paid for losses in the event they occur.

Premium: The amount paid to the insurer for the insurance protection.

Prescription Drugs: Prescribed medication by a registered doctor, dentist or other person lawfully allowed to prescribe drugs in the province. Drugs covered are defined in the policy agreement between the employer and plan provider and is usually a long list.

Social enterprise: A business directly involved in the production and/or selling of goods and services for the dual purpose of generating earned income and achieving or contributing to social and/or environmental aims.

Tax Free Savings Account (TFSA): An account that provides tax benefits for saving in Canada. Contributions to a TFSA are not deductible for income tax purposes. Investment income, including capital gains and dividends, earned in a TFSA is not taxed, even when withdrawn.

Tiered Co-Pay: The pricing structure for drugs covered under a plan is affected by the tiering system and whether or not the drug is a brand name or generic equivalent. Medications are placed into a tier according to how they compare with other drugs that are used to treat the same disease or condition. Medications are divided into different tiers to allow options for plan members and prescribing providers. Rather than only covering a select number of medications, tiering allows the insurer to cover most medications at different cost shares or copays. Each tier has a copay level for covered prescription drugs within that tier. The employer or health plan sets the copays for the drugs covered under the drug plan.

Weekly Indemnity Insurance (WI): Insurance for a non-work related illness or injury where the employee cannot work for a temporary length of time or until long term disability benefits commence. Benefit payment is a percentage of the employee's gross income and may or may not be taxable depending on who (employee or employer) pays the monthly premium. See Short Term Disability Insurance.

Optional: Extra coverage that the employee can decide to take usually described as excess insurance coverage over the non-evidence limit. The employee pays the premium and must submit medical evidence of insurability.

Appendix C – Literature Review

As there was a lack of literature available on pension and benefits in Aboriginal organizations, the project chose to do an overview of literature on topics that were inspired by the participants in this study, namely: financial literacy, promising practices in benefits and pensions; and trends in benefits and pensions.

Topic 1: Financial Literacy

Financial literacy can be defined as “having the knowledge to understand personal and broader financial matters, skills to apply that knowledge and understanding to everyday life, and the confidence to use the skills and knowledge to make responsible financial decisions that are appropriate to the individual’s situation.” (ABC LifeLiteracy Canada, 2013) Financial literacy is a required skill to plan for retirement and to deal with and plan for everyday financial decisions. A lack of financial literacy plagues many Canadians, especially as it affects preparing for retirement. (Canadian Pension & Benefits Institute National, September 23, 2013)

Financial literacy was a topic of discussion in several interviews and at the sharing circles. Financial Literacy, as defined by Aboriginal Finance Officers Association (AFOA) of British Columbia, is the ability to make informed choices about finances and to understand how those choices affect a person’s life. Financial literacy discussion focused on two scenarios, those of day-to-day personal financial choices and the planning for retirement. To help create and understanding and have good habits around managing personal finances, the Aboriginal Finance Officers Association (AFOA) has piloted an educational program for Aboriginal people who wish to improve their personal financial situation. Financial Literacy at the personal level includes understanding the basics of using an account, using free cheque cashing services from a bank or credit union and making a family or individual budget to understand the details of where the money should go. (AFOA, 2011)

Topic 2: Promising Practices

Best practices is a term used in many industries. Promising practices seems a more accurate and more appropriate term, as not all practices fit every situation. A review of promising practices in the area of benefits and pensions could inform decisions made by ANPs in providing benefits and retirement income programs to their employees.

Communication, Education and Flexibility in Benefits and Pensions.

Regular employee communication about their benefits and retirement income program status, particularly if the communication is personalized to the individual, is a promising practice. With regular communication, the employee better understands the actual cost of their benefits to their employer and to themselves, if premiums are cost shared. Further, the employee better understands the investment the employer is making in them. Communication on benefits can be a type of branding for the organization. (Deniso, 2008)

A secure web-based tool could give employees a 'total rewards' picture of their 'worth' to the organization. The web-based tool could also include modeling tools with charts, providing a planning process for contributory pension programs and seamless integration with existing financial providers and employee systems. (Deniso, 2008)

Five tips to clearly communicate employee benefits are:

1. Survey employees to find out their needs
2. Communicate in simple terms
3. Have experts on hand
4. Communicate year-round
5. Tailor communications (use multiple media) to attract a diverse workforce. (Giddens, 2011)

Employees do not make a direct connection between financial security and their workplace benefits. This may be because the employees take their benefits for granted or do not realize the potential financial impact a disability or serious illness would have on their financial situation. (Brown, 2010)

Employees also have a problem trying to relate their own saving for retirement choices and to project what their retirement income will likely be. Providing a suite of tools to help employees understand the relationship between their benefits and retirement income programs and their future financial security is important and supports their financial literacy. (Brown, 2010)

A common concern amongst benefit brokers, employees, and employers is increasing costs for benefits. Primary among those costs are drugs costs (Dye, C., personal communication, September 27, 2012). Paying differing amounts for generic drugs versus brand named drugs is an approach that many organizations are using. These differing amounts of payouts are called tiered co-pays. Tiered co-pays that encourage the use of generic drugs may be a strategy to reduce costs. (Benefits Canada, 2009)

Another current trend is to give employees more flexibility in how their health benefits are spent. Employees can choose how some of those benefit dollars are spent through a health care spending account. The introduction of a 'healthy living account', like a health care spending account, provides funding to fund healthy active living activities. The ways in which an employee can use the account can be very flexible, a factor in attracting and retaining employees. (Grensing-Pophal, 2011)

Prevention programs can also potentially reduce costs of drugs, the benefit costing the most to insurers and ultimately to those paying benefit premiums. On-site preventative health care, such as flu-vaccinations, health screenings are showing benefits to employers by keeping employees healthier, happier and spending less time away from work. Although changing an employee's behaviour can be challenging, addressing chronic conditions by promoting health behaviours may not only reduce absences, but may potentially reduce the need for drugs to treat those conditions. (Greiff, 2008)

Topic 3: Trends in benefits and pensions

Market changes in standard benefits provision and fine tuning of benefit provision may give ANPs more options. A review of mainly ‘grey’ literature provides a context in which to choose options and maintain a benefits program. Academic literature on this topic did not address current trends.

To compare coverage with similar non-profit organizations, the Pension and Benefits project area presents the following:

- Another study on the issues of compensation in the human services sector in Regina showed similar results to this project. The proportion of agencies offering some form of benefits is high, namely 92% for compassionate leave, 78% for dental care benefits, 78% for disability insurance, 57% accident insurance and a reasonably high number provided some form of pension. (Thériault, 2005)
- Charity Village reports results are similar in that 79% of participating organizations provide health benefits¹. Four in five participating organizations provide education benefits. The average value of those benefits in terms of base salary range is from 7.5% for Chief Executives to 9.7% to 14.7% of base salary for lower level staff. In an estimated average of over 50% of the benefits offered, the employer paid the entire benefit. In a smaller percentage of organizations the employee shared the cost of the premium (25% to 36%). In an almost negligible percentage, the employee bore all of the cost of these benefits. (Charity Village, 2013)
- There is a difference in the AANDC support of Bands versus the support of ANPs. There is a program called Band Employee Benefits (BEB). “The purpose of the BEB program is to provide funding to eligible Indian employers to support the cost of the employer’s share of contributions to pension and benefit plans for eligible employees. These may include the costs of employer sponsored pension plans, CPP and additional non-statutory employee benefits. AANDC may contribute toward the cost of the eligible employer’s share of pension and benefit plans.” Limits to this support are 5.5% for pensions over and above CPP, 2% for non-statutory benefits and about 0.2% of employee payroll to cover administering an employer sponsored pension plan. It should be noted that it is a 50:50% share with employees. (Aboriginal Affairs and Northern Development Canada, 2012)
- In 2012, a survey comparison was conducted with private, for-profit companies on “British Columbia’s top employers” using 400 points of comparison. To remain competitive with employment opportunities created by boomers retiring in public-sector organizations, private companies are increasingly offering maternity top-up policies, annual paid leave days and pension plans. The re-emergence of defined benefit pension plans is noted, despite their increased cost. (Canada’s Top 100 Employers, 2012)

¹ Health benefits in this case are defined as standard and non-standard benefits.

Pensions

Pensions, or more generally, retirement income programs, have changed from the time of the 1970s and 1980s, where defined benefit pensions were abundant in Canada. With defined benefit pensions, employees could look forward to regular predictable income upon retirement. Today's retirement income picture has changed due primarily to a lower interest rate environment, to include many (often less lucrative) different options. This project considered a broad range of retirement income programs, detailed later in this report. Trends in retirement income programs affect ANPs' future plans for providing retirement income programs to their employees.

The literature presented here on pensions centers on three sub-topics: current trends in retirement income plans, the future of pensions in Canada, and the effort to engage employees in planning for retirement.

The Canadian Federation of Independent Businesses (CFIB) published a series of research papers focusing on pensions in Canada (2013). The series compares and quantifies the difference in post-retirement income and opportunities to save for retirement between federal public employees and private sector employees. As the majority of ANP employees do not receive any form of public pension, their circumstances can be compared to employees in the private sector. Here are a few alarming statistics CFIB cites, all based on Statistics Canada data:

- An employee in the private sector would need to contribute 21% of their salary to retirement savings to receive the same benefit that a federal public employee would receive, contributing only 7% of their salary.
- Federal pension participants will receive 70% of their 5 year average of their pre-retirement income, indexed to cost of living. Private sector employees with moderate incomes would need to save over \$1M to reap the same benefit from a defined contribution plan.

CFIB identified trends in growth of pensions by public employer: from 2001 to 2011 public pension pre-retirement membership in federal public pensions grew by 21.6%, provincial public pensions grew by 23.1%, municipal public pensions grew by 39.9% and other public pensions by 26%, while membership in private sector pension plans remained flat. Ninety-four percent (94%) of public pensions were defined benefit plans, while only 50% of private sector plans were defined benefit plans. By far, the largest number of employees covered by defined benefit pension plans are provincial employees across Canada, at about 1,750,000 by 2011. In 2011, the private sector subsidized the public sector pension plans by contributing, through taxes, 1.5 times the amount contributed by the federal public employees themselves. On average, in 2011, \$9,976 per year was put aside to cover an average public servant's pension. (Canadian Federation of Independent Businesses, 2013)

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Appendix D – Key Informant Questions

1. Cultural benefits
 - What types of cultural benefits does your organization offer?
 - How are these benefits administered?
 - What challenges do you have in offering cultural benefits?
2. Current pension and benefit packages
 - Does your organization offer a pension plan or group RRSP?
 - What changes would you like to see improve your organization's pension or Group RRSP package?
 - What benefits would you like to include that are currently missing from your organization's benefits package?
3. Effect of pension and benefit packages on attraction and retention
 - When hiring to fill a position, how does the pension and benefits program you have affect your ability to attract qualified or desired employees?
 - In the past year, how many employees have left your organization to join another organization with better pensions and benefits? Have you managed to replace that/those employee(s)?
4. Best practices
 - How does your organization handle benefits?
 - Do you receive benefits not documented in the employee handbook? If so, how are they administered?
 - What did you (or other person responsible for Pension and Benefits) have to do to ensure you have benefits?
 - What practices do you have that relate to pensions and benefits that you would like to share with others?
5. Three wishes
 - If you had three wishes for your organization with respect to pensions and benefits, what would you wish for?

Appendix E – Benefits and Retirement Planning Practices

Benefits Practices

Accidental Death & Dismemberment (ADD): Designed to pay benefits in the event of death or the loss of a limb or sight caused by an unintended, unforeseen, and unexpected non health related event.

Administrative Services Only (ASO) plans: An arrangement in which an organization funds its own employee benefit plan such as a pension plan or health insurance program but hires an outside firm to perform specific administrative services. For example, an organization may hire an insurance company to evaluate and process claims under its employee health plan while maintaining the responsibility to pay the claims itself.

Using this funding method, an employer will assume the cost of predictable claims while being protected by pooled stop loss insurance and is directly responsible for the cost of routine health and dental claims. This is an arrangement in which an organization funds its own employee benefit plan such as a pension plan or health insurance program but hires an outside firm to perform specific administrative services e.g. an organization may hire an insurance company to evaluate and process claims under its employee health plan while maintaining the responsibility to pay the claims itself. Essentially, the employer pays one large monthly cheque to its benefits provider; in turn, the provider pays out many small cheques to employees for their claims.

Day-to-day claims can be suitably funded on an ASO basis. Claims with the potential for very high costs (for example, life insurance, AD&D, long-term disability and catastrophic drug claims) remain insured in a traditional fully insured pool. ASO plans clearly separate routine transactions from claims that require risk insurance.

With an ASO plan, an employer pays a predictable fixed amount every month based on their previous claims history. The budgeting process each year is straightforward however, should actual claims exceed the budgeted amount, organizations are responsible for the deficit. If the claims are less than expected, the surplus is the organization's to keep.

ASO plans are certainly riskier for employers and are not well suited for non-profit organizations that rely on funding to cover wages, benefits and programs.

Cultural Benefits: Benefits that enhance the perspective, awareness, and understanding of traditions, languages, values, and spirituality within the First Nations, Inuit, and Métis cultures. These benefits include but are not limited to the following:

- Employer sponsored language classes
- In-house elder to provide authority, wisdom and to reinforce protocol, wellness

- Office cleansing, smudging and other practices
- Time off to attend cultural events, personal healing, hunting and fishing
- Availability of spiritual healers

Dental Care: Benefits offered for dental treatments

- Basic Services - usually includes check-ups, fillings, extractions, x-rays
- Major Restorative – usually includes crowns, bridges and dentures
- Orthodontic - corrections of teeth alignment. Coverage is for employee's children up to a certain age.

Extended Health Benefits: Benefits offered by the employer that are in addition to what is offered through the Medical Service Plan (MSP) in British Columbia.

Health Care Spending Account (HCSA): A tax-effective, flexible complement to employee's regular group benefit plan, providing them with an additional choice for managing their health-related expenses. Rather than giving a 'one-size fits all' benefit package, a consideration is to allow the employee to decide which benefits they would like to receive with the use of a HCSA. The HCSA is a spending account funded by the employer that employees can use to pay for health and dental expenses that are not covered by their group benefit or provincial health plan. It works like a bank account.

These credits allow plan members to be reimbursed for health-related expenses that aren't covered by their plan such as hearing aids, prescription glasses, crutch rentals or dental braces, and to top up payment for services not fully covered by the benefits plan. A HCSA works like a bank account. The employer determines the amount of annual HCSA credits per employee and allocates these credits into each plan member's account every year. The amount, in the form of credits, is calculated in the same way for every employee - either as a percentage of salary, a flat amount per employee, or a combination of both. Credits are allocated to employees on a predetermined schedule set by their employer.

These credits allow plan members to be reimbursed for health-related expenses that aren't covered by their plan such as hearing aids, prescription glasses, crutch rentals or dental braces; to top up payment for services not fully covered by the benefits plan; or to pay deductibles for covered services.

Plan sponsors allocate HCSA credits into each plan member's account every year. The plan member may use the allocated credits as needed for eligible health-related expenses not covered by provincial health plans or by the organization's regular benefits plan. This can include expenses such as:

- Deductibles or co-insurance payments for health and dental expenses
- Health or dental expenses in excess of maximum coverage amounts
- Top up payment for services not fully covered by the benefits plan

- A wide range of other health-related expenses not covered by your organization's health and dental plan that qualify as a medical expense tax credit under the Canadian Income Tax Act

The credits in an HCSA represent federal-income-tax-free dollars — \$100 from an *HCSA* pays for \$100 worth of medical expenses. Unused credits may or may not be carried over. HCSA's are managed by an independent third-party acting as the administrator and an independent trustee in accordance with Canada Revenue Agency guidelines. (Wolter Kluwer CCH Flexible Benefits Q & A, 2013)

Life Insurance: Life insurance includes basic life coverage where a specified amount is paid out to beneficiary or beneficiaries when an insured person has died. The amount covered will vary with each plan e.g. the amount could be a flat amount per employee such as \$25,000 or it can be an amount tied to the employee's annual salary such as 1, 1.5, or 2 times the annual salary. Coverage terminates when employment ends, upon the employee's death, or when the employee reaches an age limit e.g. 71. *Optional life coverage* is available to full time or part time employees which includes extra coverage that the employee can decide to take usually described as excess insurance coverage over the non-evidence limit. The employee usually pays the premium and must submit medical evidence of insurability. *Dependent life coverage* is usually a flat amount such as \$10,000 coverage for a spouse and \$5,000 for each dependent child. Coverage terminates when an employee reaches an age limit e.g. 71 or no longer has eligible dependents.

Long-Term Disability (LTD) Insurance: Coverage for an extended, non-work related illness or injury where the employee cannot work and short-term disability period is completed. Benefit payment is a percentage of the employees gross income and may or may not be taxable depending on who (employee or employer) pays the monthly premium. Optional LTD insurance is extra coverage that employee can decide to take usually described as excess insurance coverage over the non-evidence limit. Employee usually pays premium and submits medical evidence of insurability.

Medical Services Plan (MSP): Insures medically required services provided by physicians and supplementary health care practitioners, laboratory services and diagnostic procedures.

Non-Evidence Limit: This is the amount of insurance (related life, AD&D, STD, LTD benefits) an employee can be approved for without having to submit medical evidence to prove insurability.

Non-insured Health Benefits (NIHB): Health related goods and services that are not insured by provinces and territories or other private insurance plans to support First Nations people and Inuit in reaching an overall health status that is comparable with other Canadians.

Non-standard Benefits: Benefits provided to employees to make their work environment and company that much better. These cover work related expenses to support professional development or subsidize the cost of living and can include but are not limited to the following:

- | | |
|-------------------------------------|--|
| • Business use automobile insurance | • Staff recognition (e.g. lunches) |
| • Car allowance/mileage | • Tickets to events |
| • Employer provided vehicle | • Training or professional development |

- Flexible work days
- Flexible work hours
- Home internet
- Housing incentive
- Medical Services Plan (MSP)
- Paid parking
- Paid sick days
- Promotional items
- allowance
- Tuition reimbursement
- Work cell phone
- Discounts on products/services
- Food services (meals on site)
- Professional association fees
- Recreation / fitness membership
- Work clothing or equipment

Non-wage Benefit: Compensation provided to employees in addition to their normal wages or salaries intended to increase the economic security of staff members and improve worker retention.

Paid Time Off: PTO is a bank of hours in which the employee can combine sick days, vacation days, and leave days into one category of PTO. PTO gives more control towards the employee's choice of how they will allocate time off. Paid time off (PTO) ranks among the top three desired benefits, along with health benefits and retirement savings programs.

Short Term Disability (STD) Insurance: Insurance for a non-work related illness or injury where the employee cannot work for a temporary length of time or until long term disability benefits commence. Benefit payment is a percentage of the employee's gross income and may or may not be taxable depending on who (employee or employer) pays the monthly premium. See Weekly Indemnity Insurance. Optional STD is the extra coverage that the employee can decide to take usually described as excess insurance coverage over the non-evidence limit. The employee usually pays the premium and must submit medical evidence of insurability.

Standard Benefits: include but are not limited to the following:

- Accidental Death and Dismemberment Insurance (AD&D)
- Life Insurance (Dependent Child)
- Life Insurance (Self)
- Life Insurance (Spouse)
- Optional Life Insurance
- Long Term Disability Insurance (LTD)
- Short Term Disability Insurance (STD)
- Emergency Travel Assistance/Out of Province Insurance
- Dental
- Basic Dental Care
- Major Restorative Dental Care
- Orthodontic Dental Care
- Extended Health
- Semi Private Hospital Room
- Out of Province Medical Referral
- Second Medical Opinion Service
- Paramedical Practitioners Prescription Drugs
- Vision Care
- Employee Assistance Program

Vision Care: Usually covers eye exam, prescription lenses and contact lenses up to a maximum dollar amount usually every two years. This may also include prescription sunglasses and goggles.

Retirement Planning Practices

Canada Pension Plan (CPP): An earnings related social insurance program. Currently all employees in Canada are required to contribute 4.95% of their gross earnings and this amount is matched by their employer, up to a maximum dollar amount set by the Canada Revenue Agency. This retirement pension provides a monthly taxable benefit to retired contributors.

Defined Contribution Pension Plan: A plan in which the employer makes predefined contributions for the employee, but the dollar value of the pension received by the employee depends on the investment's performance.

Defined Benefit Pension Plan: A plan in which the employer guarantees that the employee will receive a pension with a defined dollar value upon retirement, regardless of the performance of the underlying investment pool.

Group RRSP: A registered retirement plan set up and administered by the employer. Employee contribution are made through payroll.

Group RRSP with Matched Contribution: An arrangement where an employer matches (at a prescribed rate) the contribution made by the employee to the employee's registered retirement savings plan. Employee contributions are made through payroll deductions.

Guaranteed Income Supplement (GIS): A monthly non-taxable benefit to Old Age Security (OAS) recipients who have a low income and are living in Canada.

Old Age Security (OAS): A monthly pension payment available to most people 65 years of age and older, and who meet the Canadian legal status and residence requirements. Employment history is not a factor in determining eligibility. Qualified Canadians can receive the OAS pension even if they have never worked or are still working.

Pooled Registered Pension Plan (PRPP): In December 2012, the Canadian federal government passed the PRPP Act regulations in order to provide Canadians who do not have access to a workplace pension plan with another retirement savings option. Unlike most workplace pension plans, the PRPP is portable, so that it moves from job to job with the person it's registered to. Investment options will be similar to those offered in a registered pension plan. In order for an employee to participate, their employer must first have a contract with a PRPP third party administrator such as a bank or insurance company. When that contract is in place, employees automatically are enrolled as members of the plan unless they choose to opt out. The employee contributions are made through payroll deductions. Employer contributions are optional.

The PRPP's are defined contribution plans. This means that an employee and employer (if they so choose to participate) contribute a certain amount of money each year towards the plan which gets invested by the administrator. The contribution limits are based on the persons registered retirement savings plan (RRSP) contribution limit. The funds in the individual's account accumulate tax-

deferred and must be used to provide retirement income. In saying that, withdrawals can be made by the plan member at any time however the amount withdrawn is counted as taxable income in the year it is withdrawn. Amounts paid to the individual must be included in their taxable income. The pension income amount received is dependent on the how much the person's investments in the plan make. Currently, the Province of BC is exploring options for pooling pensions, but it is not yet available in this province.

Self-administered/self-directed RRSP: A type of RRSP whereby the holder invests funds or contributes certain acceptable assets such as securities directly into a registered plan which is usually administered for a fee by a Canadian financial services company. The account holder is responsible for the investments within the RRSP. Taxes on earned income to the extent contributed to the plan are deferred until the eventual withdrawals from the plan.