



Your CLAN representatives are currently working with funding agencies across the community living sector. Our goal: to ensure member agencies can afford to offer retirement plan options to employees equivalent to what CSSEA members will receive in April 2010.

Because we are not bound by a collective agreement, we can provide a menu of retirement options to serve our employees. Besides planning for retirement these options also enhance our recruitment and retention efforts, and ensure the stability and security of our organizations.

CSSEA Members enrol in the Municipal Pension Plan on March 31, 2010. Employees and employers begin making contributions on April 1, 2010. Employee contributions of 7% of gross pay and employer contributions of 9% of gross pay will require a substantial funding increase. CSSEA is working with the Public Sector Employers' Council to confirm this funding. While CSSEA is assuring its members that the employer contributions will be funded by government, this is an area of concern for the employers.

CLAN Retirement Options:

CLAN representatives are exploring the marketplace to identify the Retirement Options that best meet the unique needs of our employees and our agencies. Each option has its own set of pros and cons. The options we are exploring include:

1. **Defined Contribution Pension Plan:** This style of pension plan provides the employer and employee the flexibility to choose the level of contributions they make to the plan. The contributions are locked into the pension plan, providing greater security for purpose of retirement planning. Investments are chosen by the employee from a range of options. Retirement benefits are determined by the amount contributed and the performance of the investments.
2. **Defined Benefit Pension Plan:** This pension plan provides a defined benefit to the employee upon retirement. This guaranteed retirement benefit is dependent upon investment returns of the pooled pension funds and the levels of contributions from the employer. Every three years, the performance of the funds and the demographics of the pension plan members are assessed by an actuary and contribution rates are adjusted to ensure adequate funds for retirement benefits. Therefore poor investment returns must be offset with additional employer funding.
3. **Group Retirement Savings Plan:** RRSP's provide the most flexible retirement savings option. Employers and Employees can choose the level of contributions to make. Employees can choose the investments they want for their funds. Retirement benefits are determined by the amount contributed and the performance of the investments. Retirees have more flexibility in accessing the funds upon retirement as well.
4. **Blended Options:** There are many possibilities for Employer Sponsored Retirement Plans that blend the above options to best match the needs and interests of our employees.

Stay tuned for more information on Pensions as we proceed with planning for 2010.