

## New Report Provides Strategies to Improve Understanding and Appreciation of Workplace Pension Plans

TORONTO, Thursday, March 5, 2026 — A new report from the [Pension Centre of Excellence](#) at the National Institute on Ageing (NIA) tackles how to help Canadian workers better understand and appreciate one of the most important components of their long-term financial security: their workplace retirement plans.

As Canada reflects on the conversations sparked during National Pension Awareness Week, [Understanding and Communicating the Value of Workplace Retirement Plans](#) examines why workers so often prioritize “cash today” over the deferred compensation provided by workplace pensions and savings plans, and what employers and plan sponsors can do to change this.

“Retirement planning requires people to make complex decisions about outcomes that feel distant and uncertain,” said **Bonnie-Jeanne MacDonald**, Director of Financial Security Research of the NIA and co-author of the report along with **Doug Chandler, Barbara Sanders and Alyssa Hodder**. “When behavioural and psychological biases are not accounted for, workers routinely undervalue lifelong income and overlook the full benefits of their workplace retirement plans.”

### A persistent perception gap

Drawing on leading behavioural economics research and new Canadian evidence, the report identifies recurring moments across the working life when workplace plans are misunderstood or undervalued. These include situations when:

- Job candidates focus on starting salary rather than total compensation;
- Employees fail to contribute enough to receive the full employer match;
- Workers choose cash over deferred savings in flexible benefits programs; and
- Retirees opt for lump-sum payouts instead of secure lifetime pensions.

These decisions are the result of predictable cognitive biases that distort how people perceive long-term value.

At the heart of the report is a central insight: when “money later” is given sufficient priority along with “money now,” workplace retirement plans become personally relevant. This shift can be reinforced through clear communication and intuitive tools that promote active engagement, deepen understanding and ultimately improve retirement outcomes.

### Three evidence-based solutions

Building on the NIA’s [7 Steps Toward Better CPP/QPP Claiming Decisions](#) paper series, the report outlines three practical, research-informed strategies that employers, plan sponsors and administrators can adopt to improve engagement and decision-making:

1. **Shift from an accumulation to a decumulation mindset:** The report recommends adopting the NIA's Retirement Income [Framework](#), which reframes retirement resources based on their ability to support lifelong spending rather than where the money came from, helping workers better understand the role their workplace plan plays in sustaining secure income throughout retirement.
2. **Make the full spectrum of value visible — including intangible benefits:** Having secure retirement income reduces stress, improves well-being, stabilizes families and lowers vulnerability to financial exploitation. Communicating these “invisible” benefits can significantly reshape how workers value their plans.
3. **Equip Canadians with better decision-making tools:** The report calls for modern planning tools that integrate workplace pensions, personal savings, public benefits, taxes and transfers, allowing employees to see how today's decisions affect future net spendable income at the household level.

The report offers a high-impact roadmap to strengthen plan engagement, improve decision-making and ensure employees fully understand and benefit from the value of their workplace retirement plans.

“Understanding the true value of workplace retirement plans is essential to strengthening long-term financial security in Canada,” said Mark Hazelden, Interim Executive Director of the NIA. “This research helps clarify how workplace retirement plans function as a core component of total compensation, providing employers and policymakers with practical, evidence-based tools to better communicate and realize the full value of their investments in these plans.”

*A French version of the report will also be released soon.*

## **About The National Institute on Ageing**

Founded in 2016, the National Institute on Ageing (NIA) is celebrating a decade of impact in our mission to improve the lives of older adults and the systems that support them. Over the past 10 years, the NIA has become Canada's leading voice on ageing policy — convening stakeholders, conducting research, advancing policy solutions and practice innovations, sharing information and shifting attitudes. Our vision remains clear: a Canada where older adults feel valued, included, supported and better prepared to age with confidence.

## **About the NIA's Pension Centre of Excellence**

**The Pension Centre of Excellence (PCE)** at the National Institute on Ageing is a non-partisan, research-informed and action-oriented platform focused on strengthening the retirement financial security of Canadians. The PCE brings together diverse stakeholders and experts to generate practical insights and innovative solutions. Through best-in-class research, convening,

and knowledge sharing, the PCE provides objective analysis to inform policy, industry practice, and public understanding.

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