

3 Solutions to Boost Understanding and Appreciation of Workplace Retirement Plans

SOLUTION #1: Adopt the NIA’s Retirement Income Framework

When it comes to retirement planning, workers face a complex system, limited feedback and psychological biases that tilt decisions toward short-term thinking and away from long-term security. The result is a hazy view of the value workplace retirement plans provide, making it hard for people to understand the important role they play in retirement planning.

How can we help plan members gain clarity?

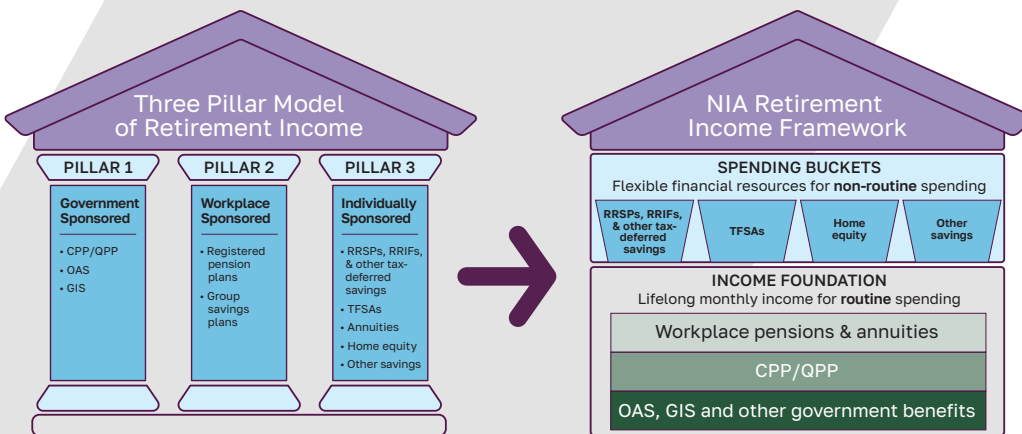
If a picture is worth a thousand words, then the traditional “three pillars” approach to the Canadian retirement income system isn’t fulfilling its purpose.

The **NIA’s Retirement Income Framework** reframes this approach from the retiree’s perspective.

It organizes resources by function rather than source, emphasizing the need to balance reliable lifelong income and flexible spending.

- 1 Income Foundation** — Predictable, lifelong monthly income for routine expenses. This includes government benefits such as the Canada Pension Plan/Quebec Pension Plan (CPP/QPP), Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), as well as defined benefit (DB) pensions and annuities.
- 2 Spending Buckets** — Flexible assets for non-routine expenses, including registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), tax-free savings accounts (TFSA), home equity and other savings.

NIA Retirement Income Framework



By shifting the focus from where the money comes from to how it’s used in retirement, this framework reduces mental effort, encourages long-term thinking and increases engagement.

[Read the full report here](#)

Source: MacDonald, B.-J., Chandler, D., Sanders, B., Hodder, A. (2026). Understanding and Communicating the Value of Workplace Retirement Plans. Toronto, ON: National Institute on Ageing, Toronto Metropolitan University