

Report for Pension Plan Survey and Focus Group December 2014

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Introduction

General Information

The Pension Services Administration (PSA) group of ABC has undertaken an initiative to better understand how retired members interact with ABC employee communications, with the intention of ultimately designing, developing and delivering additional pension communications for retired, survivors and deferred members. This includes a pension statement and possibly an electronic retiree portal.

Background

An anonymous member survey was mailed to 1,000 randomly selected retired members of the ABC Registered Pension Plan (the Plan). Members had the option to respond to the survey online or by mailing back hard copy. 10% were conducted online and the rest (90%) were completed on the hardcopy and returned by mail. A total of 369 participants completed the survey providing the feedback and data for the analysis.

We also conducted a focus group with retired members of the Plan in order to solicit input and gather more in-depth feedback on current publications, the design, production and delivery of annual pension statements for retired members, survivors and deferred members, and an online Retiree portal. PSA solicited retired volunteers from all of the bargaining groups and management through the Pension Advisory Council (PAC).

Details

In total, six participants attended the focus group held on August 13, 2014 from 10 a.m. to 12 noon at ABC's headquarters. Also in attendance were two observers (a retiree representative from the PAC and the Director of PSA) and two note takers.

A total of 369 members (37%) responded to the survey.

Research Group	Number of participants
Focus Group Session	6
Anonymous Survey	369

Report Overview

This report includes a summary of the survey results and focus group findings under the following headings:

Survey Results Feedback

This section includes the combined quantitative results from the completed surveys received, and their evaluation of various products and services:

- Section 1: Services Provided (Questions 2-5)
- Section 2: Pension Services Publications (Questions 6-7)
- Section 3: Annual Retiree Pension Statement (Questions 8-9)
- Section 4: Secure Retiree Online Services through abcpension.com (Questions 10-12)
- Section 5: Delivery Method (Question 13)
- Section 6: Additional Feedback

Focus Group Feedback

This section includes the combined qualitative feedback and input from focus group participants, through discussions about publications and sample pension statements around the following topics:

- Services and Communications
- Retiree Statements for retired members, survivors, and deferred members from the perspective of:
 - Access
 - Clarity
 - Effectiveness
 - Efficiency
 - Readability
 - Visual Appeal
- Retiree Portal

Key Findings

This section identifies the key findings that were quantified from the survey data and the qualitative analysis of the focus groups.

Recommendations

This section presents the recommendations for retiree, survivor and deferred member pension statements and a retiree portal based on data from survey respondents and focus group participants, as it pertains to:

- Access
- Clarity
- Effectiveness
- Efficiency
- Readability
- Visual Appeal

Survey Results Feedback

The number of survey participants was established in question 1. 369 individuals identified themselves as retired members of the ABC pension plan.

Section 1: Services Provided (Questions 2-5)

When rating their overall satisfaction with the processing and receipt of payment, 92% of participants felt it was very good or excellent.

Overall satisfaction when receiving tax-related documents was rated at 85% for very good or excellent.

Of the respondents who contacted the ABC Pension Centre, 81% of people rated their overall satisfaction as very good or excellent.

Of the respondents who contacted Investor Services Trust, 72% of people rated their overall satisfaction as very good or excellent.

Section 2: Pension Services Publications (Questions 6-7)

Out of the 369 people who responded to our survey, 354 respondents read at least one of the publications received from Pension Services and 15 respondents did not read any of the publications.

- 306 people read the Intouch Newsletter (86%)
- 300 people read the Report to Members (85%)
- 304 people read the Indexation Letter (86%)

Of the 306 respondents who read the Intouch Newsletter:

- 298 people (97%) agree or strongly agree that Intouch is a good way to get news about pension matters.
- 267 people (87%) agree or strongly agree that the newsletter provides useful information.

Of the 300 respondents who read the Report to Members:

- 269 people (90%) agree or strongly agree that the yearly Report to Members provides useful information about the pension plan.

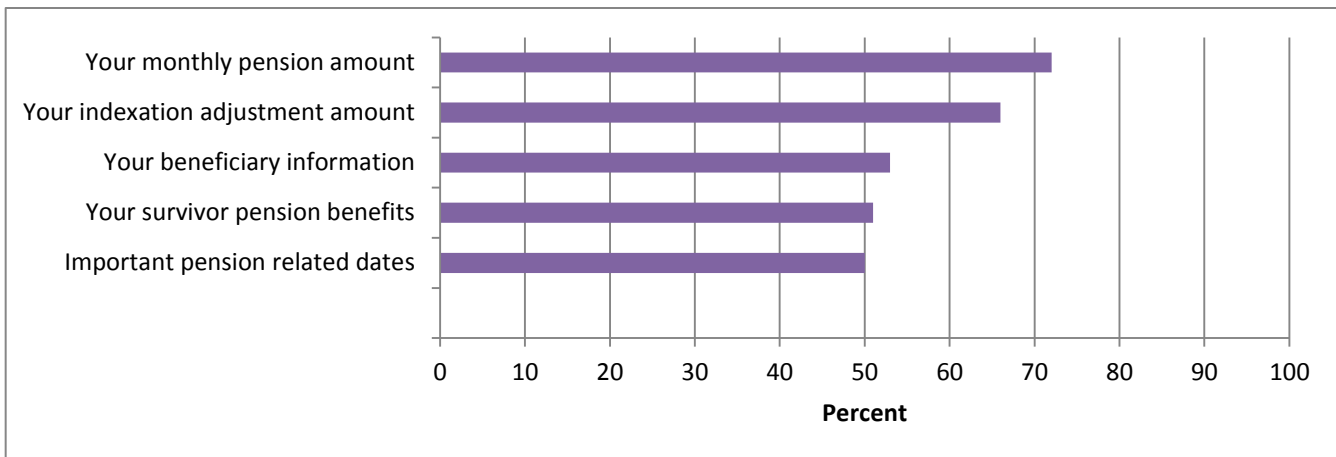
Of the 304 respondents who read the Indexation Letter:

- 288 people (95%) agree or strongly agree that the Indexation Letter is important to them.
- 221 people (73%) agree or strongly agree that the Indexation Letter helps them keep track of the dates of the monthly pension payments.

Section 3: Annual Retiree Pension Statement (Questions 8-9)

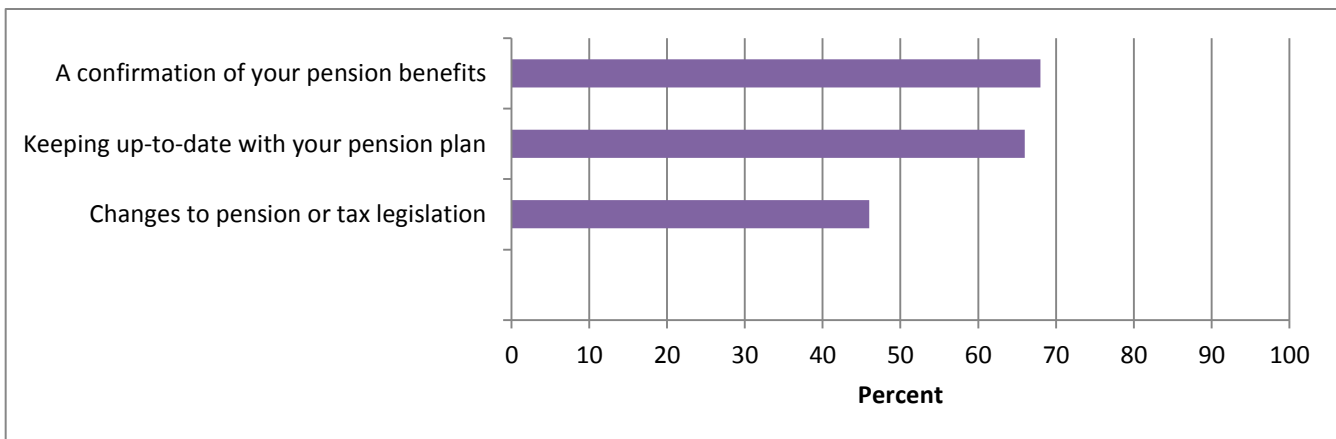
Of the 361 respondents who selected the types of information they would be most interested in seeing in their annual retiree pension statement, the top 5 are:

- Your monthly pension amount 260 of 361 (72%)
- Your indexation adjustment amount 239 of 361 (66%)
- Your beneficiary information 192 of 361 (53%)
- Your survivor pension benefits 184 of 361 (51%)
- Important pension related dates 180 of 361 (50%)



Of the 369 respondents who selected reasons why they would use the annual retiree pension statement, the top 3 are:

- Confirmation of pension benefits 250 of 369 (68%)
- Keeping up-to-date with the pension plan 244 of 369 (66%)
- Changes to pension or tax legislation 169 of 369 (46%)



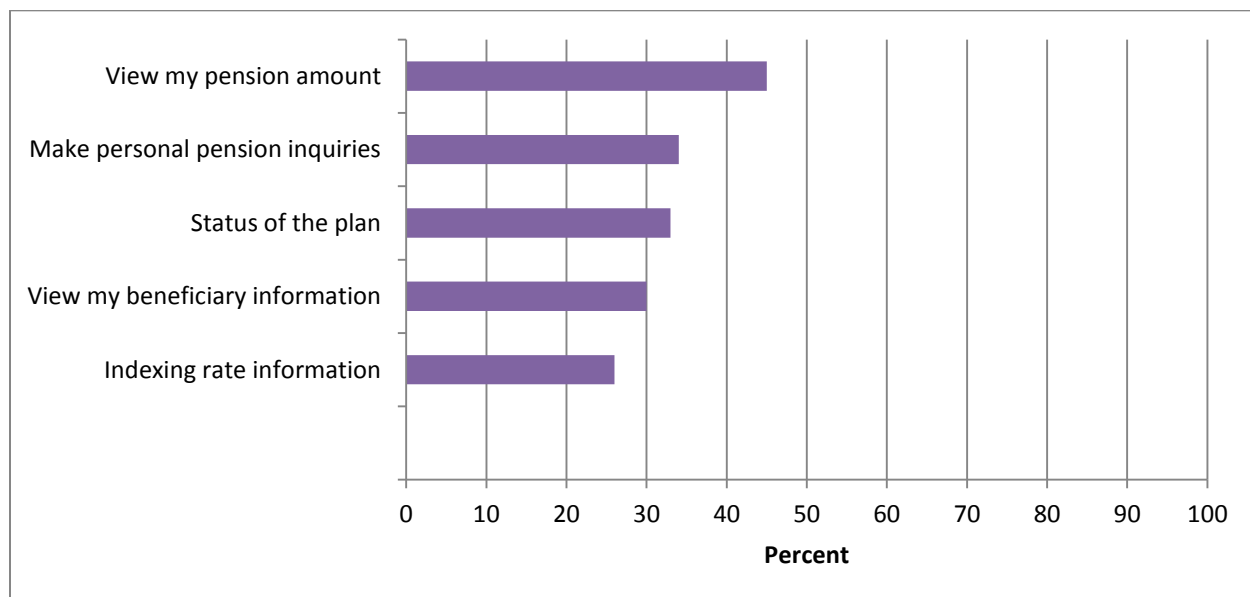
Section 4: Secure Retiree Online Services through abcpension.com (Questions 10-12)

Of the 77% of respondents who confirmed that they have access to the Internet:

- 39% are most comfortable viewing information and performing transactions,
- 32% are not comfortable with using the Internet
- 29% are most comfortable viewing information only

Of the 369 respondents who selected the features they were most interested in adding to secure retiree online services through cpcpension.com, the top 5 are:

- | | |
|-----------------------------------|------------------|
| • View my pension amount | 166 of 369 (45%) |
| • Make personal pension inquiries | 124 of 369 (34%) |
| • Status of the plan | 120 of 369 (33%) |
| • View my beneficiary information | 112 of 369 (30%) |
| • Indexing rate information | 96 of 369 (26%) |

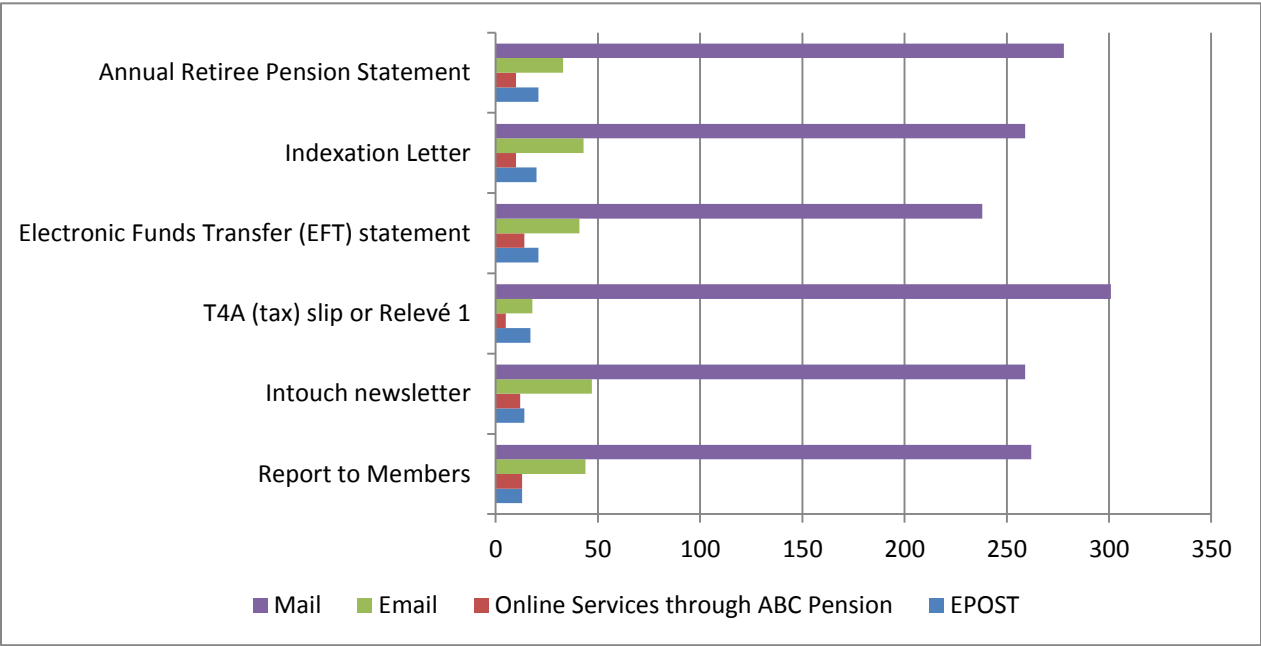


Section 5: Delivery Method (Question 13)

For all communications listed, an overwhelming majority of participants preferred to receive them by mail. Email was the second choice for method of delivery.

Communications include:

- Annual Retiree Pension Statement
- Indexation Letter
- Electronic Funds Transfer (EFT) statement
- T4A slip or Relevé 1
- Intouch newsletter
- Report to Members



Section 6: Additional Feedback

A few of the participants provided additional feedback on items relating to the survey and some requested a call back about their comments and/or questions. Where contact info was provided, PSA will review the feedback and action it accordingly.

Focus Group Feedback

Services and Communications

The group discussed the existing ABC publications, including Intouch, Report to Members, Focus On Our Business, and the indexation letter.

Every participant agreed that the personalized pension statement (PPS) for active members was important and they all read it when they received it as active members. Generally, members felt that having personalized information, including dates and numbers, was important and relevant to them. Most participants read the entire statement, and felt that the information was presented in a clear and understandable way.

"I liked it, clear information, personal information and numbers."

"I looked for retirement dates and amounts."

"I found the statements very useful and clear, helpful for figuring out when to retire."

Retiree Statements for Retired Members, Survivors, and Deferred Members

There was a discussion about regulations that will soon be passed that will require that retired members, survivors, and deferred members of all pension plans receive a yearly pension statement. Samples of three different retiree statements were passed around for the group to compare and contrast a variety of attributes, including:

- Access
- Clarity
- Effectiveness
- Efficiency
- Readability
- Visual Appeal

Access: How do members prefer to receive the statement?

All participants felt strongly that the pension statement should be received by mail. Some believed that it was important to support the services and jobs provided by ABC. Others were not confident in the technology necessary to carry out the task of delivering the statements to every member, feeling that their private information was not secure, and that not everybody has electronic access. It was noted that an electronic version could be available in addition to the mailed statement.

Clarity: What is the most important information to be included for members?

The most important information for the group was their monthly pension amount, name, and personal information. Most participants felt that, 'the more graphical sample with color' (Sample C), was the most readable and that for little to no additional cost, it was a worthwhile addition.

Effectiveness: Does it achieve the member's objectives for a pension statement?

The following points were raised by one of the participants, and firmly supported by the rest of the group:

- Include information about survivor benefits
- Include information about basic life insurance, as many people do not know that the amount decreases, or when it actually decreases
 - Basic life insurance decreases by 10% per year, starting after the first year of retirement
 - It is unclear how much is provided to the survivor
- Understanding life events and income for the survivor(s)

Efficiency: Does the statement work the way it's supposed to?

Sample C was felt to be the strongest because it kept the statement to one piece of paper (double sided) and had an appropriate font size. Improvement suggestions included moving the personal, spouse, and beneficiary information to the front and including contribution information similar to statement B.

"I like that Sample B shows employee and employer contributions; it's interesting how much is being contributed. If this information is available, please put it in the statements."

Readability: Can the member easily understand the information?

All participants felt that the tone of the language used in the sample statements was appropriate. It was noted that if there are terms or information that are necessary for a member to understand, such as solvency, it is important to explain them in a way that can be understood by everyone.

"Use simple non-accounting language."

Visual Appeal: Does the design and layout contribute to the member's experience?

All participants felt strongly that the ABC logo should be on the statement, with the associated colors. Sample C was the most appealing for all members, but some participants felt that the picture could be removed, even though they agreed it was one of the factors that attracted them to that sample. Most participants agreed that the box containing the personal information needed to be bigger and moved to the front page. The indexing information could be moved elsewhere to make more room for the personal information. Bridge information should be more prominent.

Retiree Portal

All participants felt that they would use a retiree portal to change their personal information and to access general knowledge about their pension plan. Some items that the participants felt would be useful in a portal include:

- Pension and benefits representatives contact information
- Financial planning that is relevant to pensioners
- A way to be kept informed about what is happening with the Plan
- Changes in legislation
- Indexation

Key Findings

Pension Services

The vast majority of respondents are very satisfied with pension services provided, particularly as it pertains to receiving payment and tax related documents.

The level of satisfaction was also very high but fell only slightly when it comes to those who have occasion to call ABC Pension Centre or Investor Services Trust. There doesn't appear to be any reason for concern but care should be taken to ensure satisfaction doesn't fall lower but instead brought up.

It's worth noting however that satisfaction ratings may be influenced by the fact that members who call ABC Pension Centre may already have had an unsatisfying experience that has caused them to call in the first place.

This was consistent with survey respondents and focus group attendees.

Publications

The three publications reviewed (Newsletter, Report to Members, Indexation Letter) enjoy significant readership amongst respondents. An equally high percentage believes the publications are useful and important. The positive feedback indicates any change in the delivery of the publications format or content should be reviewed carefully in order to maintain their high satisfaction.

This was consistent with survey respondents and focus group attendees.

Pension Statements

There seemed to be less certainty when it came to retiree pension statements. This is understandable because the retiree pension statement has yet to be delivered and for some, active statements may have been a long time ago. Generally however, personal pension information like monthly pension amounts and specific benefits details was the most important information to be included.

When discussing retiree pension statements with the focus group attendees, there was an obvious gravitation towards Sample C. It was also agreed that this sample demonstrated the highest degree of Accessibility, Clarity, Effectiveness, Efficiency, Readability and Visual Appeal.

Pension statement and publication delivery

Traditional ABC mail delivery was the overwhelming choice for receiving any pension documentation or publications. The reasons for this seem to be a combination of the comfort level of using the Internet, access to it and loyalty towards ABC's core service. They were however accepting that future retirees might not share this preference.

This was consistent with survey respondents and focus group attendees.

Recommendations

The survey and focus group were completed in order to gather quantitative and qualitative feedback for the design, development and delivery of 2014 personalized annual pension statement, for retired members, survivors and deferred members. The statements will be delivered in 2015. Questions regarding an online portal were also included to explore the possibility of developing a secure website for this group in the future, to complement the existing cpcpension.com website.

Below are our recommendations for the statement, as well as a portal.

Retiree Statements for Retired Members, Survivors, and Deferred Members

It is recommended that PSA proceed with the Sample C statement version as a starting point template as it was viewed to contain the highest degree of Accessibility, Clarity, Effectiveness, Efficiency, Readability and Visual Appeal.

Specifically:

Access: It is recommended that the annual retiree statements be mailed to the member's home through traditional channels but consideration should be given in the future to giving inactive members an option to have it emailed to them or accessed through a portal. The participants in both the focus group and the survey are strong supporters of traditional mail, but research suggests that retired members of the near and far future will slowly but steadily move toward a preference for electronic communications.

Any of the samples can be mailed to members' homes. A statement delivered in a branded, colourful envelope would be more easily noticed from other lettermail.

Clarity: Employee pension payment amounts, as well as personal information are deemed to be the most important information. This information should be placed in the most prominent position on the front of the statement. Bridge information should also be made prominent as well as personal member information. This information would take up the majority of the front of the statement. Indexing information as well as the remaining pension plan detail should be on the back for members who are interested in reading more.

Effectiveness: To make the statement more effective some additional information has been identified for inclusion.

- Indexation adjustment amounts
- Survivor benefits information
- Basic life insurance information
 - Basic life insurance decreases by 10% per year, starting after the first year of retirement
 - How much is provided to the survivor
- Pension contribution information by the employer if available

This information would not be as prominent as member pension contributions, payment amounts and personal information but would be secondary information on page two.

Efficiency: To ensure maximum usability of the statement, it's recommended to keep the statement to one piece of paper (double sided). Fonts should be large enough to accommodate members whose eyesight has diminished. Chunking of information is important to keep the content organized. Content length must be kept short and concise in order to maintain a large enough text size but still include all the types of information deemed necessary.

Readability: Verbal tone should be kept simple and friendly. Technical terms should be avoided wherever possible. Content should be directed at the member. i.e. 'This is your ABC Retiree Statement'

instead of 'This statement is for all ABC retirees'. It was agreed that the tone of the samples was appropriate.

Provide definitions for technical terms for members who need them. Consider a URL to access them online or a phone number to have a printed brochure mailed to their house.

Visual Appeal: Some attendees of the focus group suggested graphical elements weren't necessary and wouldn't be necessary in contributing to the positive experience of the statement. Observation during the focus group suggested otherwise. All members, without exception, gravitated to the sample with the highest level of graphic design (Sample C).

It is recommended that appropriate graphic design be used to support content organization and hierarchy, readability, contrast and brand support and awareness. Simplicity and restraint however should be exercised to avoid design elements that don't contribute to effective usability and communication.

Summary

The ABC retiree, survivor and deferred pension statement should be a one-page, two-sided statement designed to appeal personally to members with simple, language spoken directly to members. The information should be presented in order of importance. Starting from the most important to the least important and chunked into small easily digestible portions for easy understanding.

Visually, the statement should be branded with ABC logos and colours. Other graphic elements should be used to define information or create contrast, including images if they add value. Font sizes should be large enough for those who may have diminishing eyesight.

Content on the first page would include pension payment amounts, bridge information and personal information. Indexing information, indexation adjustment amounts, pension plan details, survivor benefit information, and basic life insurance information and employer contributions if available would be on the second page.

Retiree Portal

There is reason to believe that this current group of participants would have limited use of a member information portal, even though they agreed that having access to financial planning and news and information about the pension plan would be a reason to log on. In the future, a retiree portal would allow ABC to create and sort groups based on members' information receiving preferences as well as maintain current member personal information.

Based on research conducted by Statistics Canada, Canadians aged 65 or older use the Internet the least but are the fastest growing Internet user age group in the country. This suggests that retiring members in the near and farther future will have a greater level of comfort with electronic media and could find a retiree's portal very useful.

A retiree portal would provide members with a scalable and flexible member self-service tool that would include their online pension statement, other pension and benefits information, personal information editing capabilities and community and social media tools. For ABC, a retiree portal provides a delivery channel for the pension statements, a member information management tool and an email communication engine. It also provides an engaging destination to stay connected to retirees.