common good retirement plan

A consultation paper on the proposed design for a national, portable retirement plan for the Canadian nonprofit sector
COMMON GOOD RETIREMENT INITIATIVE

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THE COMMON GOOD RETIREMENT PLAN

**Purpose:** The Common Good Retirement Plan aims to strengthen retirement security of those working in Canada’s nonprofit and charitable sector, primarily through exploring the creation of a nationally portable, high-quality collective retirement plan for the sector. This paper advances the initiative by engaging with nonprofit sector stakeholders on the topic of retirement security and on the proposed design of the Common Good Retirement Plan, with a view to ensuring the plan best meets the needs of sector stakeholders.

**Coalition:** A coalition of prominent nonprofit sector leaders, foundations, and retirement security specialists is spearheading the Common Good Retirement Initiative.

**Proposed design:** Common Good is intended to be a nationally portable, high-quality retirement plan that combines the principles of the world’s best pension plans with a more flexible design to reflect the needs of the nonprofit sector workforce. Established as a not-for-profit corporation, Common Good would have the following key features:

- Overseen by a board of directors with a legal duty to put plan members’ interests first
- Established as a Group TFSA/RRSP
- Membership either mandatory or voluntary
- Open to sector employees, freelancers, and spouses
- Employees’ contributions would be flexible, and employer contributions optional
- Curated set of professionally selected investment options, including smart defaults
- Post-retirement options to turn savings into a stream of income
- Simple, digital-first member and employer service

**Launch prerequisites:** To launch Common Good, the initiative needs confirmed support from at least 50 employers who are publicly committed to offering the
plan to employees, should it proceed. The initiative also requires sufficient funding to cover implementation costs and costs associated with scaling the plan, in addition to a high level of interest from employers and workers in the sector. A decision will be made in Fall 2018 on whether to move forward with implementation.