

Course Title: Preparing a group annuity proposal adapted to the needs of an individual client, an organization or an enterprise  
Competency: 02-307  
Instructor: To be announced

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#### Overview

Through this course you will:

- Acquire an overall knowledge of group annuities.
- Learn to prepare a market survey and plan recommendation.

#### Reference Material

The Pension Puzzle: Your Complete Guide to Government Benefits, RRSPs, and Employer Plans. Bruce Cohen and Brian Fitzgerald. 3<sup>rd</sup> edition, 2007.

#### Material to Prepare

Prior to Class 1: To be determined

Prior to Class 2: To be determined

Prior to class 3: To be determined

\* Thoroughly preparing and understanding the material at hand prior to each class is an important determinant in the successful completion of this course. Each class will serve as a discussion forum and provide concrete applications of the material. Your lack of preparation might affect your ability to participate in class discussions.

#### Evaluation Method

Participation	10%
Mid-term exam	45%
Final exam	45%

#### Course Content

##### Class 1: Types of group annuities

##### 1. Introduction to group annuities

- Definition
- Historical context
- Sources of retirement income

##### 2. Public plans

- Quebec Pension Plan: Retirement Pension, Survivor Benefits & Disability Benefits
- Old Age Security Program: Old Age Security Pension, Guaranteed Income Supplement, Allowance & Survivor Allowance

##### 3. Individual Registered Retirement Savings Plan (RRSP)

#### 4. Group plans

- Group Registered Retirement Savings Plan (Group RRSP)
- Deferred Profit Sharing Plan (DPSP)
- Defined Contribution Pension Plan (DC Pension Plan)
- Simplified Pension Plan (SPP)
- Defined Benefit Pension Plan (DB Pension Plan)

#### 5. Other plans

- Combination Plan
- Hybrid Pension Plan
- Retirement Compensation Arrangement
- Retiring Allowance
- Top-Hat Plan

### Class 2: Characteristics and framework of group annuities

#### 1. Characteristics of group annuities

- Underwriting
- Investment
- Administration
- Fund management
- Communication
- Financial advice to plan members

#### 2. Legal framework

- Government roles: Federal & provincial
- Historical snapshot of provincial legislation on pension plans
- January 2001 reform
- The Supplemental Pension Plans Act
- Federal legislation on pension plans (Pension Benefits Standards Act)
- Canadian Association of Pension Supervisory Authorities
- Joint Forum of Financial Market Regulators

#### 3. Fiscal framework

- 1990 reform
- Pension adjustment (PA)
- Maximum contributions
- Payroll taxes

#### 4. Mid-term examination

### Class 2: The sales process

#### 1. Prospecting

- Prospecting styles: product-oriented vs. service-oriented
- Prospecting methods: written (mailing campaigns & email), telephone (cold calling) & networking
- Potential group annuity clients: existing vs. targeted clients

#### 2. Needs analysis

- Meeting your potential client
- Fact find
- Identifying expectations

- Identifying needs
- Presentation of needs analysis
- Action plan

### 3. Specifications

- Stating objectives
- Client options
- Client data
- Information requested from suppliers
- Drafting specifications
- Selecting potential suppliers
- Submitting specifications
- Implementing proposals

### 4. Market analysis (quantitative & qualitative)

- Reviewing proposals
- Summarizing key characteristics

### 5. Recommendation

- Comparative grid
- Selecting the provider

### 6. Implementation

- Client acceptance of proposed conditions
- Meeting plan members
- Implementation exchanges with selected provider
- Presentation of needs analysis

### 7. After-sales service

- Maintaining client relationships
- Periodic client meetings
- Evaluating client satisfaction

### 8. Modifications or terminations

- Supplemental pension plans
- Group RRSP
- Deferred Profit Sharing Plan

### 9. Final examination