

Discovering the value of a workplace pension: questions to ask your employer

If you are an employee, whether new or existing, who hasn't enrolled in your company pension plan yet, you might feel intimidated by the process or confused by the pension-related lingo. However, it is important to discover the value of your workplace pension and learn how it can help you achieve the retirement you want. To help you get the process started, here are some questions you should ask your employer about your workplace pension plan.

General questions to ask:

- Do you offer a pension or other retirement benefits plan?
- What type of pension plan do you offer (e.g., defined benefit or defined contribution or target benefit)?
- Am I automatically enrolled in the plan? If not, how do I enroll?
- How are contributions made and when?
- How much do I have to contribute each month?
- Who do I contact for information about my workplace pension?
- Can I view and track my pension online?
- How do I calculate what I will receive when I retire?
- At what age may I start drawing a pension?
- May I access funds prior to retirement?
- Can I designate a beneficiary for the pension? How does it work?

- What happens to my pension if I leave my employer?

Additional questions to ask for defined contribution (DC) plans:

- Is there a required minimum contribution?
- What is the maximum I can contribute?
- As an employer, do you match my contributions?
- What investment options are available?
- Can I get help in selecting investments?
- Is there a risk if the markets go down?

Additional questions to ask for defined benefit (DB) plans:

- Who contributes to the plan? How do the contributions work?
- Am I required to do anything after I join the plan?
- How are the funds invested?
- What pension amount can I expect to receive?

Additional questions to ask for target benefit (TB) plans:

- How is my pension benefit calculated and what factors can cause it to change?
- If the plan's funding level changes, will my benefits increase or decrease?
- How often is the plan's funding status reviewed?

- How will I be informed about changes to my plan's funding status?
- Who manages the plan's investments?