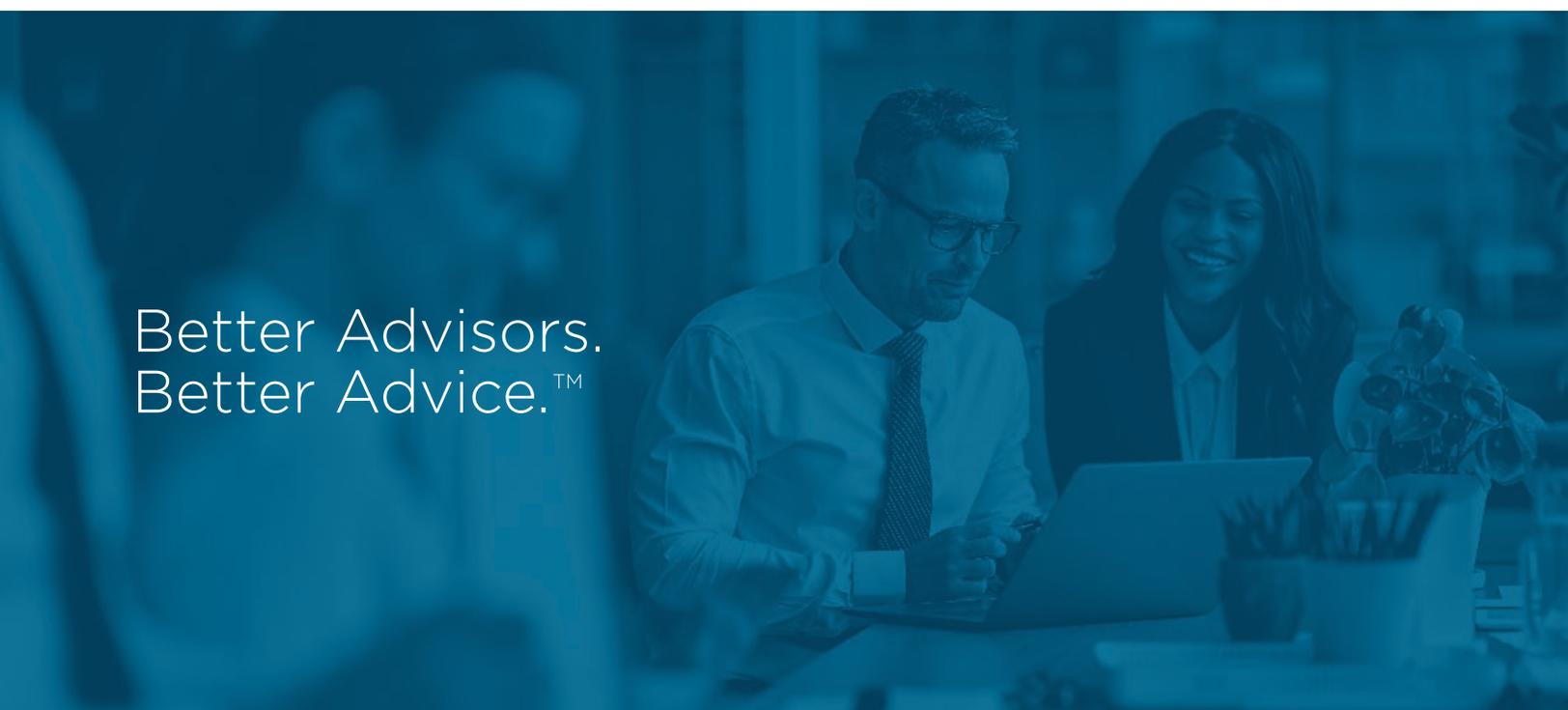


THE **BENEFITS**
ALLIANCE
GROUP

**AN INVESTMENT TOWARD
ENHANCED CONSUMER OUTCOMES**

Better Advisors.
Better Advice.™



Who We Are

The Benefits Alliance Group (BA) is a national organization comprised of 30 independent member firms comprising 240 Advisors and 500 staff employed by those firms. Collectively we administer over 8,000 employee benefits plans, covering approximately 550,000 employees, with over \$1.4 Billion in group insurance premiums. We also administer over 1,500 group retirement plans with over \$3.5 Billion in retirement plan assets.

We are highly selective in who qualifies to join BA, and prospective firms are peer nominated. Given the important role that Group Advisors play in the lives of all Canadians from coast, to coast, to coast, only the best Group Advisors who are committed to the highest levels of professionalism are invited into our membership.

BA is an industry advocate promoting professionalism and excellence in client service, and from a policy perspective, we want to ensure that all Canadians receive the best advice available.

Our mission is to represent the best interests of our clients and their employees. We are committed to continuing education and professional development to ensure our members provided the highest standards of service and excellence.

An Important Step Towards Professionalism

Opt-in

Prior to the *Financial Professionals Title Protection Act* (the Act) anyone could call themselves a Financial Advisor or Financial Planner. The absence of any legal or regulatory control over title use exposed consumers to risk as there were no educational or licensing requirements establishing standards for those holding out, nor safeguards for the use of these titles.

The Act ensures that only those who have achieved the appropriate level of education and training, and who are members in good standing of an approved credentialing body will now be able to use the titles, Financial Advisor and Financial Planner. This is a positive outcome for consumers and the industry.

The *opt-in approach* being implemented, wherein licensees are not forced to work towards higher professional standards beyond licensing, preserves choice and minimizes regulatory overstepping through mandating a requirement that all licensees aspire to the professional standards required to use the titles Financial Advisor and Financial Planner. The result, licensees can select to work to a higher standard, and consumers can select who will best meet their needs. The opt-in approach ensures that the requirements for entry into the industry is not negatively impacted through the establishment of a high professional threshold, resulting in fewer people being attracted to the industry. The opt-in approach not only meets the needs of licensees and professional Financial Advisor and Planners, but does so without the unintended consequence of negatively impacting the flow of people into the financial services industry which was a concern raised by some stakeholders.

The move away from a product centric process to one more focused on the needs of the individual or group of consumers is an appropriate professional evolutionary development. To maximize the benefits, care must be taken to ensure that consumer can easily identify and understand the services they need and the Financial Advisor or Planner who can meet those needs.

Opportunity to Enhance Solution

Consumers are increasingly reliant on the service of professional Financial Advisors and Planners. The Act provides assurance and protection to the client that if their financial expert is using the title Financial Advisor or Planner that they can rest assured that their financial expert has met the higher professional standards required by governments, regulators, and approved credentialing bodies.

An area requiring closer examination is consumer understanding of the titles Financial Advisor and Financial Planner. A better understanding leads to better consumer choice, and optimal consumer outcomes. This chain of causation can be easily optimized with very little effort on the part of governments or the regulators. The solution of greater understanding and enhanced outcomes for consumers can be addressed through guidance, and the work of the approved credentialing bodies with the oversight of the Financial Services Regulatory Authority (FSRA) through the approval of *Supplemental Titles* (a matter that will be elaborated on shortly).

Then What is the Issue or Problem?

Financial services and the provision of financial advice is a complex area and one that is critical to the long-term financial health of all Ontarians and Canadians.

Licensees authorized to use the title Financial Advisor and Planner through holding an approved credential, having satisfied the educational requirements established by accredited credentialing bodies so designated by the FSRA, represents an important development in the professionalization of advice by Financial Advisors and Financial Planners.

Let's focus for a moment on the role the Financial Advisor plays in assisting a very broad group of consumers. It is the breadth of the services that a Financial Advisor provides that makes a concise definition challenging to articulate. And as the FSRA and government are hearing from countless voices representative of consumers, consumer advocates, professional associations, individual advisors, advisor tied to companies, companies, SROs, and trade associations, the scope of the roles filled by Financial Advisors in addressing risk, investment, insurance, healthcare, pensions, retirement, to name just a few, cannot be neatly fit into a simple all-encompassing definition.

BA believe that the goal of the reforms taking place must be consumer centric - and that is clearly the path being followed by the FSRA. The Government's and FSRA's desire to enhance the quality of professionals and as a consequence the outcomes achieved for clients of these professionals is the correct approach.

Why is this?

The complexity stems from the breath of needs and services that a client may require. No two clients are alike - each individual or group has unique characteristics and circumstances that must be addressed. It is this breadth of services provided by Financial Advisors and Planner that makes defining what a Financial Advisor does so difficult. Some Financial Advisors will provide general services and advice, while others may provide bespoke services and advice to their clients, and yet others may choose to specialize and focus on a particular subset of services and advice to a more targeted group of clients.

While the initial step of protecting the titles Financial Advisor and Financial Planner assist consumers and clients in recognizing licensees who are committed to higher professional standards, the details of those higher standards are not clear to the average consumer. Because of the Act, consumers now know that they can trust that title users are professional and have undertaken the appropriate training and are under the oversight of a professional credentialing body. This is very much like the use of LL.B. or JD by lawyers, or MD by doctors. The consumer does not need to understand the rigor behind the designations, as they know that they can trust in the designation granting credentialing body and universities to ensure that the user of the designation has earned the right to hold out as a professional and their conduct is overseen by a governing body.

Under the Act, consumers know that there are added protections to ensure the quality of services they will receive from anyone holding out as a Financial Advisor and Planner. Consumers can place their faith in these titles and those holding out, based on the knowledge that governments, regulators, and credentialing bodies are ensuring that title holders are held to a higher standard, remain committed to continuing education, and adhere to a professional code of conduct that is enforced by the credentialing bodies, regulators and administrative tribunals.

What are the Positive Takeaways from the New Act and Rules on which we can Build?

How does this benefit the industry, Financial Advisors and Planners, and consumers:

- It preserves choice:
 - o Financial Advisors can elect to pursue approved designation allowing for the use of the titles Financial Advisor and Financial Planner;
 - o It does not restrict or impede the industry's ability to recruit entrants into the financial services sector as this is an *opt-in* program;
 - o Industry choice is preserved – No one is forced to enhance their professionalism to qualify to use the title Financial Advisor or Planner. Upgrading professionalism remains the choice of the individual professional, and if one is tied to a particular company, it is the corporation's choice to determine if their licensees are required to take courses beyond the licensing level; and
 - o Consumer choice is preserved – consumers are not obliged to use the services of a Financial Advisor or Financial Planner. Choice resides with the consumers. Not all consumers need or want to use a Financial Advisor or Financial Planner. For some consumers a qualified licensee will be able to provide the service they desire.

A Clear Career Path for Those Joining the Financial Services Industry

In no way does this positive initiative by the Ontario Government and the FSRA disrupt the flow of people into the financial services industry. Quite the contrary, it works to enhance the attractiveness of the financial services industry as a career given that there is now a defined career path for entrants should they elect to pursue higher levels of professionalism. In all, the initiative is a win, win, win, win, win scenario – for licensees, consumers, regulators, governments, and companies. But first and foremost, consumers remain at the center of this initiative and are the greatest beneficiaries.

Better advisors mean better advice. Consumers deserve nothing less, and now they have options.

Let's Make It Easier For Consumers

The Enhancement – *Supplemental Titles*

The decision to raise the professional bar for those who self-select to pursue this option can be enhanced further through a very minor modification that will assist with consumer understanding and assist consumers in identifying what service they need and who is best suited to meet that need.

As noted above, the scope of the services provided by those qualified to use the titles Financial Advisor and Financial Planner is broad. This elusiveness can result in **frustration and confusion** in consumers quickly and easily identifying a Financial Advisor or Financial Planner who can meet their needs. This, in turn, undermines one of the key objectives of the Act – *to assist consumers in identifying Advisors that can help optimize their financial goals and ensure enhance financial health and wellbeing.*

The Solution

A simple solution that would assist in removing confusion and ensuring the best possible outcome for consumers is the inclusion of *Supplemental Titles* to accompany the primary title Financial Advisor or Financial Planner. Consumer interests are served through meaningful *Supplemental Titles* that would only be available for use by qualified Financial Advisors and Financial Planners. For example, a Financial Advisor or Financial Planner could add to their business card, and website the appropriate approved *Supplemental Title*:

- **FA, Investment Advisor;**
- **FA, Insurance Advisor;** or
- **FA, Group Advisor.**

Supplemental Titles:

- Makes the identification of a Financial Advisor's or Financial Planner's specialization clear to the public; and
- **Enhances consumer understanding of what services to expect from the Financial Advisors or Financial Planners that they engage.**

Not all Financial Advisors or Financial Planners may want to specialize, and that is perfectly acceptable as generalists play a very important role too. Like the practise of law, not all lawyers want to hold out as specializing in a particular area of law. In medicine, not all doctors want to pursue specializations. Financial Advisors and Financial Planners should be no different. But the *Supplemental Title* would be very helpful to consumers and can be achieved simply.

Controlling the Use of Supplemental Titles

Regulatory oversight is necessary to ensure that Supplemental Titles do not proliferate. Standards for Supplemental Title use will need to be set and approved by credentialing bodies in conjunction with the FSRA, as well as the OSC and SROs. Key characteristics for approval to use a *Supplemental Title* would include:

- That the title must serve a proper purpose;
- The title must demonstrate a meaningful specialization; and
- Achieving the specialization would require that appropriate qualifications be earned through study, experience, examination, and continuing education.

The use of *Supplemental Titles* must be reserved for those who have earned the right to identify their specialization.

As is the case with other professions with supplemental or specialist titles, they could be achieved through:

- Concentrated certification programs; and/or
- The number of years of practice and sitting a qualifying examination set by a qualified credentialing body;

In all cases, the *Supplemental Title* would only be available to those in the industry who hold the right to use the titles Financial Advisor or Financial Planner and remain in good standing with an approved credentialing body.

Client Focused Reforms (CFR)

The Ontario Government's Capital Markets Modernization Taskforce Final Report notes that there is a need for regulators from the insurance sector and securities sector to work more closely given the increased product, service, and regulatory convergence that is taking place. The Report also notes the need for titles to appropriately reflect, in a general way, the services that a consumer can expect from their Advisor or Planner:

"... [t]o assist with investor awareness, the Taskforce recommends that they work with the SROs to develop a regime **that will clarify titles for all registrant categories** and will **provide additional clarity to investors** with respect to proprietary channels."

The idea that CFR in the securities sector has also identified titles as critical to providing "additional clarity to investors" is entirely consistent with what BA is recommending, and is consistent with the purpose and objectives of the Act and draft Rule. There is alignment between the discrete financial sectors and overwhelming support by the stakeholders they regulate.

The goal should be the enhanced benefits and outcomes for consumers with minimal regulatory disruption. We again emphasize that the inclusion of *Supplemental Titles* that are approved and assist consumers in identifying the services they required is entirely compatible with the purpose and scope of the Act, and that the inclusion of approved *Supplemental Titles* can be achieved through guidance by the FSRA and other regulatory bodies in the financial services sectors.

Let's Look at this in a Little More Detail

The Act itself provides for the protection of two titles. The first is the title of Financial Advisor and the second is Financial Planner.

The Act does not address limiting titles that would supplement or accompany the Financial Advisor or Financial Planner titles

The limitations in the Act relate to those who:

1. Have not qualified for an approved credential, offered by an approved credentialing body, allowing for the use of the title Financial Advisor or Financial Planner; and
2. Use of a title that may confuse consumers - comparable to the Financial Advisor or Financial Planner title.

Now is the time to focus on understanding risk and identifying opportunity. One risk is consumer understanding and identifying the right professional to address their needs.

The focus of BA is to have the FSRA and Government recognize that:

- There is an opportunity to further enhance consumer understanding and benefit through a very simple inclusion that does not require legislative or rule changes but can be addressed through **Guidance**.

The Ask is Simple:

That the FSRA and Government recognize the utility in allowing for the use of *Supplemental Titles* that serve a consumer purpose and benefit. For example:

- John Smith FA, Insurance Advisor;
- John Smith FA, Investment Advisor; or
- John Smith FA, Group Advisor.

There is great deal of utility in consumers understanding the services that they can expect from their Financial Advisor. And *Supplemental Titles* provide additional consumer understanding. It really is that simple.

This simple inclusion will assist consumers and clients in not just identifying whom to turn to in addressing their unique needs, but it will also enhance the learning curve for all consumers at no cost to the regulators, governments, or stakeholders.

What are *Supplemental Titles*?

There are far too many titles being used in the financial services sector and without question many are unhelpful or misleading to consumers and clients.

The protection provided by qualifying who can use the titles Financial Advisor and Financial Planner is focused on the consumer. The consumer will now have a starting point and can identify a recognized professional who has committed to and attained the appropriate training, education, and adherence to professional standards, and code of conduct to be granted use of these titles.

By simply identifying a professional Financial Advisor or Financial Planner consumers know that they are dealing with the right kind of professional.

The *Supplemental Title* takes an additional step that benefits the consumer.

- The first step is to identify the professional Financial Advisor or Financial Planner.
- The second step is to be able to identify from within this broad group of Financial Advisors and Financial Planners, who will best meet the client's need.

The solution as indicated above is to allow Financial Advisors or Financial Planners to state their specialization.

However, to ensure that we do not see a proliferation of confusing or meaningless titles, the credentialing bodies and FSRA would ensure that only specializations that have appropriate and stringent educational requirements qualify. And above all, that the use of *Supplemental Titles* must serve a real consumer interest, need, and outcome.

This supports our belief that:

Better Advisors means **Better Advice**
And *better advice* means *better outcomes* **for clients**.
Consumers are the **winners**.

To maximize the benefits available to consumer and clients, the simple step of working collaboratively to ensure that appropriate *Supplemental Titles* are allowed should be a non-issue.

This concept addresses existing concerns and realities within the financial services sector. It is consistent with the CSA review on the use of titles in their ongoing review of Client Focus Reforms. And it is a logical and practical extension of the principles that has spurred the FSRA to implement their current reforms that have culminated in the Act which protects the use of professional titles.

Key high level underlying principles for title protection and credentialing are:

1. *Consumer confidence, and*
2. *Regulatory effectiveness and efficiency.*

These two guiding principles are addressed as consumer confidence is always enhanced through greater clarity and understanding. *Supplemental Titles* will assist with consumer understand and will boost consumer confidence as they will feel more assured that they have identified the right professional to assist with their financial needs and financial wellbeing.

BA's proposal also meets the need to ensure that regulation is both effective and efficient. The use of *Supplemental Titles* fits neatly within the existing framework established by the Ontario Government and the FSRA. The benefits associated with the use of *Supplemental Titles* will assist in achieving the Act's purpose – enhanced consumer outcomes – it fills a gap in the most efficient manner possible. And again, *Supplemental Titles* will be operated in an *opt-in* manner.

There are no negative or unintended consequences.

The use of approved *Supplemental Titles* will assist with consumer and client understanding of the services that they can expect from their Financial Advisor or Financial Planner.

What will that Framework look like?

Prior to an analysis of what the framework would look like, it's important to first establish how the positive outcomes of *Supplemental Titles* use will be accomplished.

Supplement Titles will:

- Serve the public interest through the use of principles-based and outcomes-based regulation;
- Avoid prescriptive requirements as much as possible; and
- Avoid introducing undue burden to new entrants to the financial services sector, credentialing bodies and title users.

BA believes that the forgoing analysis and commentary clearly established that the inclusion of *Supplemental Titles* does serve the public interest, through principles and outcomes based regulation that is tailored to achieve a specific outcome without causing harm to the market or introducing barriers to entry for licensees into the financial services sector.

The framework can be worked into the existing draft Rules which provides in section 4 that the CEO of the FSRA can approve more than one credential offered by each credentialing body for the use of the title Financial Advisors or Financial Planners.

The section also provides that the CEO can establish the criteria for credentials to be approved including:

- Examination requirements;
- Codes of ethics and professional standards; and
- Continuing education requirements.

The section goes on in broad terms to outline what is required when one applies to be a credentialing body. In part, the Rule states that the expectations of the CEO include:

- A summary of, and copy of policies and procedures relating to the granting of credentials, including an outline of the processes for acceptance into the credentialing program and granting/recertification of credentials; and
- Explanation of any exemptions/advanced standing that may be granted by the credentialing body.

To ensure the integrity of the credential and the use of *Supplemental Titles*, the FSRA's expectation is that the credentialing body's governance and structure be robust enough to protect its certification process from undue or improper influence, and sustain the integrity of its credentialing program to ensure only qualified individuals are granted a credential. The application must demonstrate that the

credentialing body have controls to ensure only qualified and competent individuals are granted and allowed to hold a credential. Further, the application must show that their process for credentialing is fair and admittance into the credentialing program is based on competency and ability to serve the public interest.

In order for a credential to qualify for the use of the Financial Advisor or Financial Planner title the Draft Rule establish the standards in broad terms. The application for a qualifying credential for the use of the titles Financial Advisor or Financial Planner must demonstrate, in part:

- An overview of the various competencies the credential will instill and test;
- Description of the professional expectations for a credential holder;
- Detailed explanation of how applicants will be educated and tested on a standard of care for dealing with clients;
- Description of educational requirements related to financial planning, advising, investments or associated matters to provide the technical knowledge, professional skills and competencies required to hold each credential;
- A copy of the course curriculum for the relevant credential;
- A template/sample examination;
- The nature, content, format and frequency of the continuing education requirements to be imposed by the approved credentialing body;
- A description of how it intends to ensure compliance with its code of ethics and continuing education requirements; and
- A description of the requirements to maintain “good standing”, as well as how standing will be monitored, supervised and enforced by the approved credentialing body.

The program must be designed and administered to ensure that an individual using the credential will deal with their individual clients competently, professionally, fairly, honestly and in good faith.

The program must provide the technical knowledge, professional skills and competencies that would reasonably be expected of an individual providing Financial Advice or Planning services to a client. Further, the program of study should relate to the products and services being provided.

These same elements should inform decisions with respect to *Supplemental Titles*. As previously noted, only licensees who have qualified to use the title Financial Advisor or Planner should qualify to use approved *Supplemental Titles*,

BA supports the Certified Employees Specialist (CEBS) certification as setting the standard for qualifying Supplements Titles and the use of the additional title “**Group Advisor**” as it is consistent with the principles established by the FSRA.

The FSRA Threshold that the CEBS Must Meet

The educational requirements to qualify a program for approval as a credential for the use of the Financial Advisor or Planner title are to reflect:

- The existing financial services marketplace and regulatory environment;
- Ethical practices and professional conduct;
- How to deal with conflicts of interest;
- Collecting personal and financial information;
- Identifying client objectives, needs and priorities; and
- How to provide suitable financial and investment recommendations to clients.

The Rule further provides that the credentialing body shall not issue an approved Financial Advisor or Planner credential to individuals unless the individual has passed a documented examination process that adequately tests all components of the educational curriculum that was created.

The approved credentialing body shall require that any individual to whom it has issued an approved Financial Advisor or Planner credential must comply with a code of ethics and professional standards, and that they remain in good standing with the approved credentialing body.

BA believes that the Certified Employee Benefits Specialist (CEBS) designation meets the requirements to qualify as a Financial Advisor or Planner and for the inclusion of a *Supplemental Title* - **Group Advisor**.

A Closer Look at the Certified Employee Benefits Specialist (CEBS)

The CEBS consist of merging the Group Benefits Associate program of study and the Retirement Plans Associate program of study path, each consisting of two courses connected through a bridging course.

- **Group Benefits Associate (GBA)** is for Financial Advisors or Planners working with health and other group benefits. The courses reflect the up-to-date and relevant information – including updates on health care reform needed to effectively design, administer and communicate group benefits to clients.
- **Retirement Plans Associate (RPA)** is for Financial Advisors or Planners working with defined contribution and defined benefit plans or are involved with the management of plan assets. The courses reflect the most current and relevant information needed to effectively design and manage retirement plans for clients.

The **CEBS designation** is a credential that is recognized for the depth and relevance of critical knowledge achieved. It draws from the GBA and RPA curriculum to build a total benefits perspective and is achieved by successfully completing all five required courses and passing a final national examination.

Education Pathway

*GBA 1 - GBA 2 - **GBA/RPA 3 - RPA 2 - RPA 1***

- Italics alone - denotes the courses related to the Group Benefits Associate (GBA) designation
- Bold Italics - denotes courses related to the Retirement Plans Associate (RPA) designation
- Bold and underlined Italics - denotes the bridging course
- Successful completion of the 5 courses are required to earn the CEBS designation

About the Certified Employee Benefit Specialist Designation

In collaboration with its academic partners, The Wharton School of the University of Pennsylvania and Dalhousie University in Halifax, Nova Scotia, the CEBS program has been designed to present a focused curriculum in group and retirement benefits culminating in a credential that is attainable in under three years.

CEBS offers credential opportunities that help Financial Advisors and Planners to do their jobs better, adds value to their professional services and enhances client outcomes. CEBS is committed to maintain high academic standards and its standing as the “mark of excellence” in professional credential education.

The CEBS takes a focused and in-depth approach to the plan design, funding and administration of group and retirement plans. It takes the theory, process and principles underlying plan management and ties them together with case-based applications. The cases represent different plan sponsor environments, problems or scenarios and are an opportunity to apply the knowledge to determine an outcome or solution.

The CEBS course materials are textbook based, required readings, and a study guide. New to the program is electronic access to the study guide materials and practice exam, as well as other education and industry resources. The online course materials are housed in their learning management system and there are options for online learning with instructors.

The study materials are essential to mastering the material tested on the national CEBS examination.

The case-based applications entitle Benefits in Action give learners an opportunity to explore on-the-job benefit problems/challenges and use the knowledge that they have learned to work through the scenarios and develop a resolution or action plan. Throughout the case work, other assessment tools are interspersed to help the learner move through the exercise.

Practice Exams

The purpose of the practice exams are to gauge a candidate's mastery of the course content while preparing for the national exam.

To earn the CEBS designation, a Financial Advisor or Planner will need to master five courses covering group and retirement plans:

- Two group courses;
- Two retirement courses; and
- One course that bridges these two specializations and includes principles and practices that are applicable or essential to both areas.

Further, each Financial Advisor and Planner wanting to hold out and use the *Supplemental Title* **Group Advisor** would be required to pass the national exam for each of the five courses.

To earn the GBA, one needs to complete both group courses together with the bridge course.

To earn the RPA, one needs to complete both retirement courses together with the bridge course.

The bridge course contains materials that applies to both the group and retirement areas when designing, funding and managing employee benefit plans.

Continuing Education

CEBS graduates are required to earn 30 continuing professional education credits every two years.

Pursuing the CEBS designation is an important step that distinguishes Financial Advisors and Planners who have specialized, and who have committed to a three year program of study resulting in achieving the CEBS designation. Upon attaining the CEBS designation a Financial Advisor or Planner cements their place as leaders, with a level of knowledge and expertise that will further the interests and outcomes of their clients.

Course Descriptions

GBA 1

Managing Benefit Plans Part 1

Benefit plans can be designed, funded and administered by plan sponsors in any number of ways. The overall plan management function (e.g. who makes key decisions, legislative requirements that apply, who is accountable for results) varies depending on the plan sponsor as well as factors such as complexity and comprehensiveness of coverage, group size, whether benefits are insured, and service providers involved. Regardless of the type of plan sponsor or nature of the benefits plan, some common principles and process apply. This course examines what is entailed in benefit plan management decisions and factors that impact design, funding and administration options available to plan sponsors.

Topics covered in this course:

- Managing Risk in Benefit Plans;
- Leveraging the Benefits Plan Management Function;
- Applying Functional Analysis to Benefit Plans;
- Designing Benefit Plans;
- Administering Benefit Plan Claims;
- Processing Benefit Plan Claims
- Applying the Time Value of Money to Group Insurance;
- Initial Pricing of Group Insurance Products;
- Establishing Renewal Rates for Group Insurance; and
- Marketing a Group Insurance Plan.

GBA 2

Managing Benefit Plans Part 2

With a grounding in overall benefits plan management principles and processes, this course drills into design, funding and administration considerations by plan type. It explores unique factors that influence options and decision making in life, STD, LTD, dental, EHC and EAP plans. The course also considers how flex design can be used to address diverse plan member benefits needs as well as plan sponsor costs and utilization challenges.

Topics covered in this course:

- Managing Death Benefits;
- Managing Short-term Income Replacement Benefits;
- Managing Long-Term Disability Benefits;
- Managing Disability Plan Effectiveness;
- Leveraging the Tax Regime in Health and Dental Plan Management;
- Managing Extended Health Care Benefits;
- Managing Dental Benefits;
- Managing Employee/Member Assistance and Wellness Programs; and
- Managing Flexible Benefit Plan.

GBA/RPA 3

Navigating the Plan Environment (Bridge Course)

Sponsors do not make decisions about their benefits and retirement plans in a vacuum. They are influenced by their “context” - various factors, conditions and circumstances in their environment. This course looks at two factors in the plan environment that impacts most plan sponsors - the compensation system and the social security system. Benefits plans, regardless of type, are typically developed within the constraints and opportunities inherent in the sponsor’s chosen compensation strategy and in constraints and opportunities inherent in government- sponsored benefit programs provided through Canada’s social security system. The bridge course also introduces tools for building contextual knowledge. Decision making and risk management models and processes explore how awareness of thinking processes and their resulting biases can improve professional effectiveness in a range of plan contexts and benefits roles.

Topics covered in this bridge course:

- Optimizing Social Programs in Planning for Retirement and Health Security;
- Optimizing the Canada Pension Plan/Quebec Pension Plan for Income Security;
- Optimizing Canada's Social Security System-Employment Insurance and Workers' Compensation;
- Optimizing Canada's Social Security System-Health Care;
- Driving Plan Sponsor Strategy with Reward and Compensations System;
- Understanding How Behavioural Economics Impacts Decision Making;
- Thinking Through a Risk Management Lens;
- Establishing Risk Governance and Culture;
- Integrating Risk Management Into Strategy Setting and Execution; and
- Optimizing Risk Communication, Reporting and Monitoring to Improve Decision Making.

RPA 2

Managing Retirement Planning Part 2

Investment of plan assets is a critical component of retirement plan management. Decision making is context driven; investment performance objectives are set to reflect a plan's unique funding requirements. With the Plan's performance objectives as a guide, and with awareness of which classes of assets can best facilitate their attainment, investments and investment managers can be selected. Once selected, they can be monitored and evaluated. Investment measurement, and portfolio management techniques are addressed. Examination of investment-specific legislation and regulations, roles and responsibilities of key stakeholders, management of issues in each step of the investment cycle, reporting and communication practices and industry tools and guidelines that support sound plan investment management bring a practical application.

Topics covered in this course:

- Navigating the Investment Environment of Employer-Sponsored Retirement Plans;
- Inventorying the Major Asset Classes;
- Managing Investment Risk and Return;
- Constructing an Investment Portfolio;
- Assessing the Impact of Investor Behaviour and Market Anomalies on Advice Management;
- Evaluating Active Management Performance;
- Leveraging Managed Funds to Achieve Investment Objectives;
- Complying with Legislative and Best Practices in Plan Asset Investment;
- Developing the Statement of Investment Policy;
- Implementing the Defined Benefit Pension Plan Investment Policy; and
- Implementing the Capital Accumulation Plan Investment Policy.

RPA 1

Managing Retirement Plans Part 1

Retirement plans can be designed, funded and administered by plan sponsors in any number of ways. The overall plan management function (e.g. who makes key decisions, legislative requirements that apply, who is accountable for results) varies depending on the type of vehicle used to provide pensions – registered or nonregistered, defined benefit or defined contribution, or hybrid. Regardless of the type of retirement plan, some common principles and process apply. This course examines what is entailed in retirement plan management decisions and factors that impact design, funding and administration options available to plan sponsors and governance requirements.

Topics covered in this course:

- Designing Registered Pension Plans;
- Designing Registered Retirement Savings Plans and Deferred Profit-Sharing Plans;
- Leveraging the Tax Regime in Plan Design;
- Complying with Pension Standards Legislation;
- Establishing Effective Governance;
- Administering Retirement Arrangements;
- Optimizing Plan Funding;
- Complying with Financial Accounting Requirements;
- Managing Retirement Plan Assets;
- Addressing Special Provisions: Multi-Employer Pension Plans;
- Managing Special Situations-Corporate Reorganizations, Plan Terminations and Surplus; and
- Nonregistered Plans.

In all cases the courses rely on learning modules that provide structured coverage and highlight key elements and critical takeaways of the assigned readings. The learning modules draw on readings from textbooks and journal articles written by leading academics and expert practitioners.

Applications are designed to make candidates think about how what they are learning translates to the work world. Two types of applications are provided throughout the CEBS courses - Benefits in Action and Integrated Cases (Capstone Cases).

Ensuring Fairness and Accessibility

Exam Accommodations Policy

CEBS will attempt to assist candidates requesting testing accommodations to the extent that it is reasonably able. If a candidate has a disability or other need that may affect their ability to take the CEBS examination under standard conditions, requests for accommodations are made at the same time the examination application is submitted. The request is reviewed, and every attempt is made to ensure the fair treatment of all candidates.

CEBS Principles of Conduct

In order to support the basic objectives of high levels of competence, performance and ethical conduct, all persons who seek or obtain the CEBS designation are expected to comply with the letter and spirit of these Principles of Conduct.

- **Principle 1:** In all professional, business or fiduciary relationships, a CEBS shall act with honor and integrity in dealing with the public, plan participants, employers, clients and other professionals.
- **Principle 2:** A CEBS shall continually strive to maintain and improve the knowledge, skills and competence needed for effective performance in the profession. This not only includes the initial acquisition of professional knowledge and skill but also requires continuing learning and development.
- **Principle 3:** When serving an employee benefits plan, whether in a fiduciary capacity or otherwise, A CEBS shall apply care, skill, prudence and diligence in accordance with the “prudent person rule”.
- **Principle 4:** A CEBS shall not allow the pursuit of financial gain or other personal benefit to interfere with the best interest of the plan participants, beneficiaries, employers and clients.
- **Principle 5:** In business, professional or fiduciary activities, a CEBS shall avoid any activity or conduct that constitutes a dishonest, deceitful, fraudulent or knowingly illegal act.
- **Principle 6:** A CEBS shall maintain knowledge of and comply with the enforcement of laws, regulations and codes that foster the highest level of competence, performance and ethical conduct as it pertains to employee benefits plans.
- **Principle 7:** A CEBS shall respect confidential relationships that may arise in business or professional activities.
- **Principle 8:** A CEBS shall honor the integrity and respect the limitations placed on the use of the CEBS designation.
- **Principle 9:** A CEBS shall only recommend for CEBS candidacy those individuals known by the member who engage in practices that conform with the Principles of Conduct.

Precertification Standards of Personal and Professional Conduct

Application for Registration.

- **Form.** An applicant for registration in the CEBS program shall file with the CEBS Program Director a properly executed application on a form or forms specified by CEBS, Inc. of the International Foundation of Employee Benefits Plans and the Wharton School of the University of Pennsylvania or their designees (hereafter referred to as governing bodies) and shall agree to comply with the standards of personal and professional conduct specified thereon. Such forms shall include a statement that the applicant has not engaged in activities mentioned in the third bullet below.
- **Additional Information.** The governing bodies or the CEBS Program Director acting on their behalf, as a condition to consideration of an application for registration, may require the applicant to file additional information.
- **Denial of CEBS Applications and Registration Status.** The governing bodies may deny an application for enrollment or subsequently revoke or suspend such enrollment if they are informed that during the 15-year period prior to completion of the application and on or after the candidate's 18th birthday, he or she has engaged in any conduct that would bring discredit to the CEBS program. Such conduct would include but would not be limited to:
 - Engaging in conduct evidencing fraud, dishonesty or breach of trust as found in an adjudication, decision, or determination by a court of law, duly constituted licensing or accreditation authority (other than the governing bodies), or by any agency, board, commission, hearing examiner, administrative law judge, or other official administrative authority.
 - Giving false or misleading information, or participating in any way in the giving of false or misleading information, to a federal or provincial agency or any officer or employee thereof, in connection with any matter pending or likely to be pending before them, knowing such information to be false or misleading, as found in adjudication, decision, or determined by a court of law, a duly constituted licensing or accreditation authority.
 - Being disbarred or suspended from practice as an actuary, attorney, or accountant.
 - Willfully failing to make a tax return in violation of the revenue laws, or evading, attempting to evade, or participating in any way in evading or attempting to evade any federal tax or payment thereof, knowingly counseling or suggesting to a client or prospective client an illegal plan to evade taxes or payments thereof, or concealing assets of himself or herself or another to evade taxes or payment thereof, as found in an adjudication, decision, or determination by a court of law.
 - Providing false or misleading information, or deliberately omitting unfavourable information, in any application, submission or certification to the governing bodies of the CEBS Program Director.
 - Engaging in conduct evidencing fraud, dishonestly, misrepresentation or violation of these standards, policies or other rules, adopted from time to time by the governing bodies of the CEBS program.

Registration Status

The governing bodies shall register each applicant who meets the requirements for the program, as determined by the governing bodies. Registration may be revoked or suspended for such conduct as outlined in above or for any violation of the examination rules. Registered status permits the CEBS candidate to take the various examinations required for the CEBS designation.

Denial of CEBS Designation

The governing bodies may withhold the CEBS designation from a candidate who has passed all the prescribed examinations and has fulfilled all other requirements for the designation if they are informed that the candidate, has engaged in any conduct that would bring discredit to the CEBS program.

Notification and Appeal Procedure

If the governing body propose to deny an application for enrollment, revoke or suspend registration status, or deny the CEBS designation, the CEBS Program Director notifies the applicant in writing of the proposed action and the reasons, and advise of his or her right to request reconsideration. The applicant may, within 30 days from the date of the written proposed action, file a written request for reconsideration, together with his or her reasons to the governing body. The governing body can also offer an applicant the opportunity to make a personal appearance before the governing body within a reasonable period of time. In the absence of a request for reconsideration within the aforesaid 30 days, the proposed actions shall, without further proceeding, constitute the final decision of the governing bodies

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