

Case Studies and Application

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International Foundation 
OF EMPLOYEE BENEFIT PLANS

Case Study A: Retirement Focus; Large Employer



**ACQUISITION OVERVIEW
AND ISSUES SYNOPSIS**

OCTOBER 2026



BLUE STEEL
GLOBAL STEEL MANUFACTURER



US-BASED
Operating in 5 states



NASDAQ-TRADED



WORLDWIDE PRESENCE
Norway, South Korea and Germany

ACQUISITION *FOCUSED*



BLUE STEEL
GLOBAL STEEL MANUFACTURER

Finance Objectives

Not stripping for parts

Find and unlock value

3-year timeframe to improve efficiencies and profitability

HR Objectives

Global compensation strategy

Embrace DEI

Programs built to recruit from non-manufacturing sectors



**MAGNUM
STEEL**

Last large Canadian-owned steelmaker, specializing in rolled steel products

Two plants:

Lake Erie Works—Nanitoke ON (2.9m tonnes/yr)

Hamilton Works—Hamilton ON (2.6m tonnes/yr)

500 Canadian employees

Union (United Steelworkers)

Exempt (Management and Office staff)

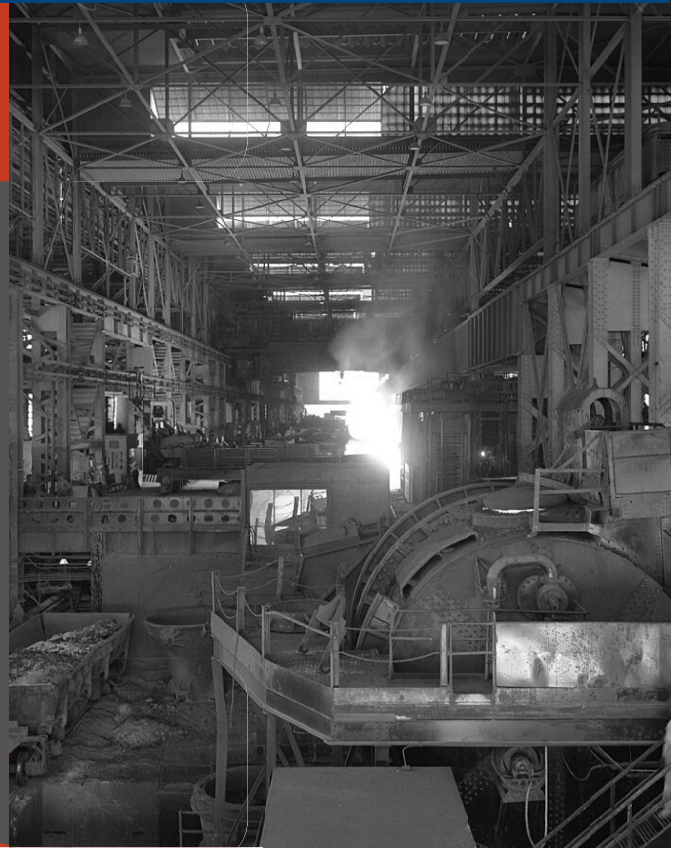
Acquisition Price = \$675 Million

CURRENT OVERALL ISSUES

No longer an “Employer of Choice” in their geographical area

Piled on debt to maintain relevant in competitive global market

Struggling with attraction/retention of employees at both plant locations



CURRENT PENSION ISSUES



DC PLAN FOR **ALL** STAFF, EFF. AUGUST 1984

UNION, EXEMPT and EXECUTIVE CLASSES



PLAN IS **NOT VALUED** BY NEW/POTENTIAL HIRES



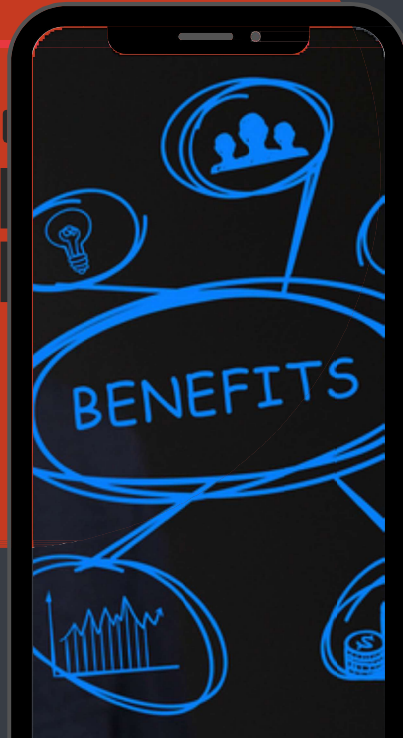
LAYOFFS OVER DECADES = **DORMANT** ASSETS and **INACTIVE** MEMBERS



CUMBERSOME FILINGS and ADMIN FOR LEAN HR TEAM

CBA **EXPIRES** JANUARY 2028; WILL BE NEGOTIATED IN 2027

CURRENT **BENEFIT** ISSUES



Current plan has Union and Exempt classes **Not reviewed in years = antiquated design:**

- Brand-name Rx
- High deductibles
- Flat disability schedule

Goal isn't to cut costs—but create plan that is attractive and sustainable

No perks for Executive class No flexibility



BLUE STEEL

GLOBAL STEEL MANUFACTURER

HR Team—We **NEED** Your Help!

Benefits and retirement programs must be reviewed for cost, sustainability, attractiveness and effectiveness

Acquisition does not guarantee keeping current plan; however, Blue Steel sees the value in engaged employees and less turnover to improve operations

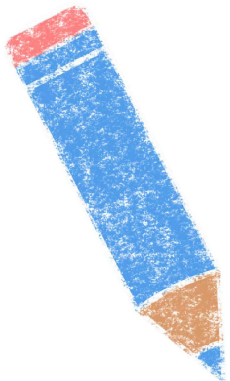
Benefits must meet Blue Steel's global standards and better align with their DEI philosophy

Goal: To stabilize Canadian operations and return to profitability within three years for the benefit of our shareholders

Case Study B

Benefits Focus;

Small/Mid-Market Employer

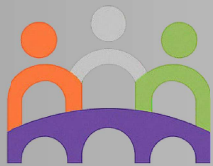


BrightBridge
COMMUNICATIONS



Let's Grow!





BrightBridge
COMMUNICATIONS



#1-Rated US Elementary School Digital Learning Platform



46 Employees: Denver in-office (20) + fully remote (26)



All staff have Benefits + 401K program, both above Benchmarking



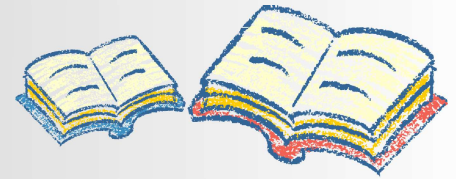
Forward-thinking total rewards philosophy

DECEMBER 1, 2026



LittleLink
DIGITAL





Who's LittleLink?

- Elementary school education resources
- HQ = Boston, MA
- We are buying their **Canadian** division
- No Canadian HQ, all staff are remote
- 10 employees currently via PEO

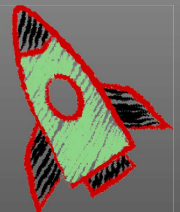


Current PEO Benefits Plan

- Insurer = Sun Life Financial
- Life, AD&D, Health + Dental
- Below benchmarking; staff complain

Current PEO Retirement Plan

- Also with Sun Life
- 3% RRSP match

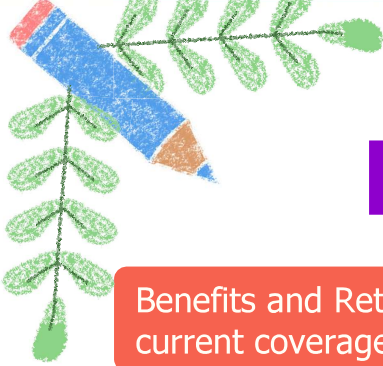


Who's nextGEN?

- Top-rated digital education platform for Canadian high schools (grades 8-12)
- HQ = Toronto, ON
- We have acquired the whole company
- 8 employees, no contractors
- All work/ reside in Toronto

Current Benefits Plan

- Insurer = Canada Life
- Life, AD&D, Dependent Life, LTD, EHC, DEN, EAP, HSA/LSA Combo
- Hasn't been benchmarked, but no one complains
- Advisor is actively involved + does great work as per nextGEN
- No retirement plan in place



HR OBJECTIVES



Benefits and Retirement program **MUST** be live by Dec 1; must match/exceed current coverage levels

All Canadian banking/payroll will be ready to go in November (PEO will end)

Jeff (SVP, Sales) is relocating to Toronto; work visa will be effective Dec. 1st and may apply for PR. Jeff is single and will be on Canadian payroll

Acquisition agreements state there must be **NO** break in coverage

We are looking to grow our Canadian workforce, so compensation philosophy **MUST** attract in current labour market



Summary



- No Canadian headquarters
- All staff currently hired/paid via PEO
- all will be T4'd employees by Dec 1
- 10 employees, all work remotely
- work / reside in BC, ON & QC
- all benefits insured via PEO
- Life, AD&D, Health & Dental
- Insurer = Sun Life
- low employee satisfaction
- not benchmarked
- retirement plan offered via PEO
- Group RRSP; 3% match; immediate vesting
- Provider = Sun Life
- not benchmarked
- Corporate HQ = Toronto, ON
- All staff work in-office
- All staff reside in ON
- 8 employees, no contractors / TFWs
- in-house policy
- Life, AD&D, Dep Life, LTD, Health, Dental, EAP, HSA/LSA (combo)
- Insurer = Canada Life
- employees satisfied
- not benchmarked
- advisor attached; is involved
- retirement plan not offered

Mandate / Misc Info

- Project must be completed by Dec 1st
- All banking + payroll will be completed in November; PEO staff will be employees on Dec 1st
- No break in coverage; plan must meet / exceed what's already in place
- US employee, Jeff, is relocating to ON via TFW. Is single, will be on Canadian payroll, may apply for PR in future.
- **Case Study Focus:** structure benefits / retirement programs, **payroll info is FYI only to guide you.**

Instructor's Takeaway Notes:

We have less than 2 months to complete this project – efficiency is top of mind. This would be my plan of attack:

Plan Design-related work:

- Use nextGEN plan with Canada Life as the policy moving forward for now
- ask current advisor to compare both plan designs, do benchmarking, and then amend Canada Life policy to have better-of for each benefit element
- confirm corporate structure, policyholder name, and affiliated companies to be listed
- confirm whether separate billing divisions are required for Accounting / Payroll
- confirm with insurer re: potential limitations on coverage for Jeff as a TFW
- confirm with insurer re: grandfathering of Life/AD&D/LTD benefits; prior auth Rx approvals; etc.
- keep copy of LittleLink's coverage booklet & last billing statement to confirm employee coverages if needed for items such as dental Prior Extraction, etc.
- confirm premium split + keep in mind taxability of benefits (particularly in QC)
- ask advisor to implement Group RRSP program for all staff (doesn't need to be same provider)

Communications-related work:

- design communications to both companies re: upcoming changes. "Cheerlead" benefits that are being enhanced for either group.
- enrol LittleLink employees onto Canada Life plan
- enrol all employees onto new Group RRSP program; transfer balances from LittleLink's plan with PEO
- communicate in writing to Jeff re: any limitations to coverage via PEO. Keep copy in employment file.
- communicate in writing to any staff who are eligible for Life/AD&D/LTD benefits above non-evidence maximum. Keep copies in employment files.
- make benefit / retirement materials available when received from Canada Life / Group RRSP provider

Blue Steel

Case Study Worksheet

Only consider group retirement plan related items as part of the Blue Steel Total Rewards Team.

Blue Steel Team:	-
How to align Magnum's retirement plan with your compensation philosophy?	-
What should be done with Magnum Steel's current registered pension plan to get more value?	-
What solutions would you put in place to address the legacy pension issues?	-
What other features would an updated retirement plan design for Magnum Steel include?	-
Existing Magnum Steel employees: what do they need to do in light of any changes?	-
Employee communications – considerations	-
Time frame for any plan changes – considerations	-

Blue Steel

Case Study Worksheet

Only consider group retirement plan related items as part of the Blue Steel Total Rewards Team.

Blue Steel Team:	
How to align Magnum's retirement plan with your compensation philosophy?	- Consider all stakeholders: current, future and past - Recognize the need to modernize the plan to better engage current and prospective employees - Provide more flexibility and a better benefit to increase attraction of new workers to an long-standing industry - Reassure and engage current employees for better productivity and profitability
What should be done with Magnum Steel's current registered pension plan to get more value?	- Review benchmarking data to understand plan's current competitiveness when it comes to contribution formula and eligibility - Terminate the plan in favor of a more flexible solution, like a Group RRSP. - Conduct a plan marketing to ensure competitive fees in the new plan. - Choose a custom fund line-up that appeals to all employee demographics (DEI considerations.) - Review plan member engagement metrics - Provide retirement planning for employees over the age of 50+
What solutions would you put in place to address the legacy pension issues?	- Group RRSP would reduce overall administration costs, as there would be no inactive members or need for filing and other compliance - Group RRSP would provide more flexibility to Magnum and their current and prospective employees - Possible payroll and HCM file integration with record-keeper for new plan - Plan promotion and education sessions to highlight changes
What other features would an updated retirement plan design for Magnum Steel include?	- More flexibility than a registered pension plan and more choice for employees - Immediate vesting and no locking-in for Group RRSP - Shorter waiting periods/immediate eligibility - Ability to withdraw funds for Home Buyers Plan and/or Lifelong Learning Plan - More socially responsible investment options - Spousal plan option - Group Tax Free Savings Account for voluntary contributions - Plan advisor support and instruction on retirement planning tools - Financial wellness education
Existing Magnum Steel employees: what do they need to do in light of any changes?	- Determine what to do with their existing Magnum registered pension plan assets (locked-in and not locked-in) once portability options letters are issued - Enroll in new Blue Steel plan if they will remain employed - Review existing and new investment options - Attend education sessions and review educational content provided by Blue Steel in light of changes to learn more about the new plan
Employee communications – considerations	- Communication well in advance of any changes for plan members, to clearly articulate the rationale for change and the benefits of a new plan design. - Simplified communication to provide employees with easy-to-understand next steps. - Pension plan termination notice should have effective date of plan termination. - Enrolment details for new plan to be provided to employees in advance of start date, so there is no interruption of retirement savings coverage
Time frame for any plan changes – considerations	- Establish a clear timeline for the transition and coordinate with all relevant stakeholders - The changes will take time: setting up a Group RRSP for example will take at least 3-4 months to implement and the registered pension plan termination. - All plan members need at least 60 days notice to termination the registered pension plan (RPP) and regulators (FSRA) will need to be notified as well. - The termination of the pension plan is subject to regulator approval (FSRA) and this can take some time before the portability options letters are issued to plan members. - Final registered pension plan filing due within 180 days of termination.