

**Innovative approach will increase availability of pension plans
for employees in small business sector**

Winnipeg, December 16, 2010 . . . The Great-West Life Assurance Company supports the proposed framework for Pooled Registered Pension Plans (PRPP) developed by the federal government for consultation with the provinces.

“This innovative approach would increase the availability of pension plans to working Canadians, especially those working for smaller companies, and help ensure that they save adequately and effectively for their retirement,” said Bill Kyle, Great-West Life’s Executive Vice-President, Wealth Management.

PRPPs will benefit Canadians by making pension coverage more broadly available:

- The PRPP provides a plan structure to pool smaller employers’ assets together to allow the plan to benefit from economies of scale.
- The proposed PRPP structure makes it administratively attractive to the sponsoring employer as a majority of the complex pension administration will be performed by the financial institution providing the plan.
- Effective retirement savings requires that employees keep their contributions in the plan so they can benefit from tax-effective compound growth. The PRPP proposes using a pension structure which allows locking in which will help ensure monies set aside remain in the plan for retirement.
- The auto-enrollment feature proposed under the PRPP will promote higher retirement savings participation rates among the employees of these plans.
- The auto-escalation feature proposed under the PRPP will result in higher average retirement savings account balances among the employees of these plans.

Great-West Life administers over 17,000 group retirement plans with total plan membership of over 1.2 million in Canada. In the United States, Great-West is the fourth-largest group retirement plan record keeper based on total participants and Putnam Investments adds to the organization’s North American presence in this market. Together, the companies serve over 6 million group retirement plan members.

Bill Kyle is available for comments on this topic. Contact:

Marlene Klassen, APR
Assistant Vice-President, Communication Services
204.946.7705