

Instructions for using the Pension Incentives Calculator.  
Version: Pension\_plan\_incentives\_v3\_1.xls

When downloading this file: You should not change the name of this file unless you are also prepared to change the coding of the associated macros, as the file name is entered in the code.

1. When you first open the workbook in Microsoft Excel, you will see the worksheet labelled 'Calculator'. These instructions are repeated on the worksheet labelled 'instructions.'
2. The other worksheets have been left visible for those who are interested in figuring out how the calculations are made. Most users will simply ignore the sheets labelled PSPP, OTPP, Steel, Ford, List, and Parameters. It is recommended that users do not attempt to change anything in these sheets.
3. To use the incentives calculator:
  - a. Ensure you are viewing the sheet 'Calculator.'
  - b. Use the drop-down menu to select a pension plan.
  - c. Use the drop-down menu to select your current age (as low as age 50).
  - d. Use the drop-down menu to select your years of pensionable service with the company.
  - e. Use the drop-down menus to select your current and highest salary.  
If you try to continue without entering this information, you will receive an error message.
  - f. Click on 'Calculate Retirement Benefits'.
4. You will now see the results. The three graphs describe the benefits individuals receive given retirement at each age. There is a brief description of the pension plan at the bottom right hand corner of the page. Please see the C.D. Howe Commentary "Understanding the Impact of Retirement Incentives in Defined-benefit Pension Plans" for more information
5. To try a new plan or consider different information, simply click on the 'Reset the Program' button and start over.

Notes: Users of this program are asked to rename the workbook if any changes are made to the program, to avoid confusion with the original. The author of this program does not make any claims about the accuracy of formulas. If individuals are interested in learning more about their pensions, they are advised to speak with representatives of their employers or unions.

Author: Tammy Schirle, Wilfrid Laurier University, email: tschirle@wlu.ca

Acknowledgements: The author thanks Ryan Marr and Christopher Wallbank, Economics and Finance Students at Wilfrid Laurier University, for their research assistance. They played a large role in the development of this simulation model.

Last updated: April 29, 2008.