# GLP-1s can lead to better retirement outcomes: actuary

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Joe Nunes explains how GLP-1s like Ozempic could reshape retirement but only if longer lives are healthier ones

Joe Nunes

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In the world of defined benefit pensions, actuaries forecast the future cost of promised payouts and one of the key unknowns is how long people will live. But while investment returns remain the most significant factor in funding pensions, longevity carries its own financial weight, according to one actuary.

“When people live a year or two longer than expected, there’s a cost there,” said Joe Nunes, co-founder and executive chairman of Actuarial Solutions Inc.

Nunes explained what’s complicating those calculations today is the persistence of higher-than-expected death rates in Canada, well after the height of the COVID-19 pandemic.

“I thought what was going to happen is we were going to have elevated mortality in 2020, 2021, maybe even 2022 but I thought we’d see declining mortality in years four, five, six,” he said.

Instead, mortality remains elevated, with reasons still largely unclear. However, one contributing factor that’s played a big role in longevity and mortality assumptions are GLP-1 agonists.

Nunes is cautiously optimistic about the impact GLP-1 drugs like Ozempic could have on public health and, by extension, retirement planning. Originally developed to manage diabetes, these medications are now being used more broadly due to their unintended but effective role in curbing appetite and promoting weight loss, ultimately leading to longer, healthier lives.

While newer brands such as Wegovy are specifically designed for weight loss and may be more effective for that purpose, Nunes sees a broader public health shift underway.

“Essentially, the way they work is they curb appetite, so you don’t feel like eating, you digest more slowly, and therefore you just consume fewer calories,” he said. “We’re having legitimate, tangible success on helping people with obesity. “

That success matters because obesity not only increases mortality risk but also leads to a range of chronic conditions, including joint and heart problems. Nunes noted the contrast between unexplained elevated mortality rates post-COVID and the rising adoption of these drugs and believes we could be entering a phase where those trends diverge.

“We may be seeing an era of people using these drugs to help manage their weight and I think there's going to be all sorts of ancillary health benefits from that,” he said. “Some of the reporting is that it helps people with anxieties and stresses, and in particular, addiction habits. People are finding that they're able to curb some of those habits because of the nature of the drug. I wonder if we’re about to kind of have a little bit of a spike in the opposite direction, where all of a sudden, mortality starts to come down.”

Nunes points out that as individuals live longer and stay healthier into retirement, their financial needs may increase significantly. For those relying on defined contribution plans, longer life expectancy means stretching retirement savings over more years, potentially requiring a much larger nest egg than originally planned.

“If you’re suddenly expected to live five years longer, now you maybe need 10 or 20 or 30 or 50 per cent more money saved up,” he said. While a longer, more active retirement is a positive outcome, he cautions that “it may be a more expensive retirement” as well.

Nunes believes employers need to weigh how best to support employee health and engagement, and that GLP-1 drugs could become a useful option within a broader wellness strategy. He sees a divide between large and small employers.

After all, bigger organizations often have the HR capacity to implement comprehensive health programs, while smaller businesses, constrained by tighter budgets and workforce demands, may struggle to strike the right balance. Nunes underscored that affordability will be key to broader adoption.

While he’s cautious not to overstep into medical advice, he emphasized that any integration of these treatments should be carefully considered as part of a company’s overall benefits strategy.

“Every employer has to make a calculation around, how do I engage my workforce? How do I help my workforce stay healthy and stay present?” he said. “The more the cost of this stuff can come down, the more easily [it will] be accessible.”

That’s why Nunes urged plan sponsors to take a more proactive and strategic approach to reviewing their group benefits offerings, particularly as new health tools like GLP-1 drugs emerge. While he underscored that he doesn’t consult in group benefits directly, Nunes says those managing HR or finance should initiate a deeper review of their plan design with brokers or consultants.

“Many plans don’t have access to an Ozempic or especially the weight loss-specific drugs like Wegovy and maybe they should.”

He stressed that benefit plans need to evolve with shifting employee needs and treatment options. That may involve trade-offs, such as adjusting orthodontic coverage in exchange for coverage of more impactful health tools.

He also advocates for a broader, wellness-driven conversation; one that’s not just reacting to annual rate hikes. He encourages employers to engage professionals who can help tailor benefits to both business needs and employee wellbeing.

“It could be worth spending more money on health benefits if what that does is reduces absenteeism,” he said, adding that employee satisfaction with their benefits could also support retention.

Outdated longevity expectations

Reflecting on his nearly four decades in the field, Nunes believes that life expectancy assumptions have gradually shifted upward, noting that mortality tables that were used 40 years ago had a five-year life expectancy for that retiree. As a result, pension plans may have historically underfunded based on outdated longevity expectations.

Still, the shift has been incremental, not drastic as he acknowledged life expectancy hasn’t jumped from 75 to 100 but has nudged upward from about 80 to 85. That’s manageable, he said, in part because strong investment returns over the last few decades have offset increased longevity costs, though Nunes warns that past performance offers no guarantees.

“I don’t know whether that’ll continue for the next 40 years,” he said.