

Registered Pension Plan (RPP) and Retirement Savings Coverage (Canada)

By Number (2010)

The total number of active RPP members increased steadily from 5.4 million in 2000 to 6.1 million in 2010, an increase of 12% over the last 10 years.

By Sex (2010)

The 6.1 million active RPP members were almost evenly split between males and females in 2010. The proportion of female members increased from 45% in 2000 to 50% in 2010, while the proportion of male members decreased from 55% to 50% over the same period. Female members increased from 2.4 million to 3.0 million, while male members remained relatively constant around 3.0 million over the last decade. Only 2.2 million active female members were covered twenty years ago (in 1991).

As a Percentage of Labour Force (2010)

The number of active RPP members as a percentage of the labour force declined slightly from 34% in 2000 to 32% in 2010.

As a Percentage of Paid Workers (2010)

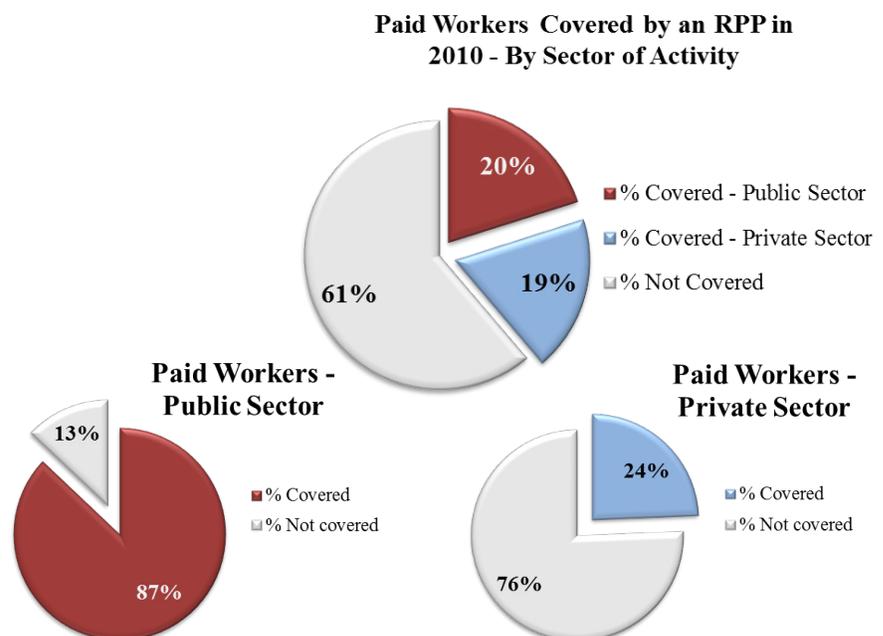
The proportion of paid workers covered by an RPP declined from 41% in 2000 to 39% in 2010, a drop of 2 percentage points in the last 10 years. Although the number of active RPP members has increased in the last 10 years (5.4 million in 2000 to 6.1 million in 2010), the number of paid workers has grown at a faster pace, which explains the decline in the proportion of paid workers with an RPP.

While the RPP coverage as a percentage of paid workers declined significantly for men, from 42% in 2000 to 37% in 2010, the coverage for women increased from 39% to 40% over the same period. As a proportion of paid workers, the coverage for women has been higher than the coverage for men since 2004.

By Sector of Activity (2010)

The RPP coverage in the public sector remained relatively constant around 87% of public sector employees from 2000 to 2010, while the number of active members increased from 2.5 to 3.1 million.

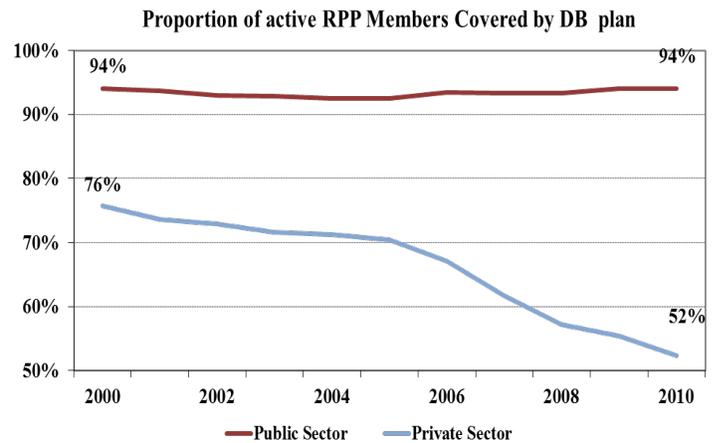
The RPP coverage in the private sector decreased from 28% to 24% of private sector employees from 2000 to 2010, while the number of active members remained constant around 2.9 million.



By type of benefits – Defined Benefit Plan, Defined Contribution Plan and Other Plans (2010)

In addition to the decline in RPP coverage, there has been a shift from Defined Benefit (DB) to Defined Contribution (DC) plans and other plans. Overall, the proportion of active RPP members in DB plans has declined from 84% to 74% over the last ten years.

While the reduction in DB coverage has been significant in the private sector (from 76% to 52%), it has not occurred in the public sector (stable at 94%). The graph on the right shows the evolution of DB coverage for active RPP members in the public and private sectors from 2000 to 2010.



Since 2004, there has been a trend, particularly in the private sector, to convert DB plans into plans where employees are covered either by a DB or a DC component. The number of active members in this type of plan increased from 18 thousand in 2004 to 477 thousand in 2010. Of these members in 2010, 2% were in the public sector while the remaining 98% were in the private sector.

Retirement savings – Registered Retirement Savings Plans & Tax-Free Savings Accounts (2010)

The number of tax filers contributing to a Registered Retirement Savings Plan (RRSP) decreased from 6.3 million to 6.0 million between 2000 and 2010. The share of tax filers contributing to a RRSP also decreased from 29% to 24% over the same period. The percentage of RRSP contributors aged less than 45 years old declined between 2000 and 2010, particularly in the 35 to 44 age group which saw a decrease from 30% in 2000 to 24% in 2010. Conversely, all age groups above 45 years of age saw an increase in the percentage of RRSP contributors over the same period, particularly for those aged between 55 and 64 (an increase from 14% in 2000 to 21% in 2010). The average age of RRSP contributors increased from 43 to 45 over this period.

Percentage of RRSP contributors by Age group

	Age Groups						Total	Average Age
	Under 24	25-34	35-44	45-54	55-64	65+		
2000	5%	21%	30%	28%	14%	2%	29%	43
2010	3%	19%	24%	30%	21%	4%	24%	45

The number of Canadians contributing to a Tax-Free Savings Account (TFSA) increased from 4.8 million in 2009 to 6.7 million in 2010, a 40% increase.

Conclusion

The number of active plan members covered by an RPP has increased over the last 10 years, with the number of women increasing faster than for men. However, the number of active members as a percentage of the labour force has decreased slightly in the last ten years. The proportion of active members in DB plans is decreasing at a faster pace in the private sector than in the public sector.

From 2000 to 2010, there has been a decreasing share of tax filers contributing to a RRSP. The number of Canadians contributing to TFSAs has increased significantly from 2009 to 2010.



Source of Information

- Various Statistics Canada data tables;
- Information provided by the Income Statistics Division, Pension Plans in Canada, Statistics Canada; and,
- Canada Revenue Agency's Departmental Performance Report for the period ending March 31, 2011.

Contact Information

For more information about the Office of the Chief Actuary or the Office of the Superintendent of Financial Institutions Canada, please

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