



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

## RPP By Number (2012)

The total number of active RPP members increased steadily from 5.5 million in 2002 to 6.2 million in 2012, an increase of 12% over the last 10 years.

## RPP By Contributory Status (2012)

The proportion of active RPP members participating in a contributory pension plan increased from 74% in 2002 to 85% in 2012.

## RPP By Sex (2012)

The 6.2 million active RPP members were evenly split between males and females in 2012. The proportion of female members increased from 46% in 2002 to 50% in 2012, while the proportion of male members decreased from 54% to 50% over the same period. Female members increased from 2.6 million to 3.1 million, while male members increased slightly from 3.0 million to 3.1 million over the last decade. Only 2.2 million active female members were covered twenty years ago (in 1992).

## RPP As a Percentage of Labour Force (2012)

The number of active RPP members as a percentage of the labour force stood at 33% in both 2002 and 2012.

## RPP As a Percentage of Employees (2012)

The proportion of employees covered by a RPP declined from about 40% in 2002 to about 38% in 2012, with a drop of over one percentage point in the last 10 years. Although the number of active RPP members has increased in the last 10 years (5.5 million in 2002 to 6.2 million in 2012), the number of employees has grown at a faster pace, which explains the decline in the proportion of employees with a RPP.

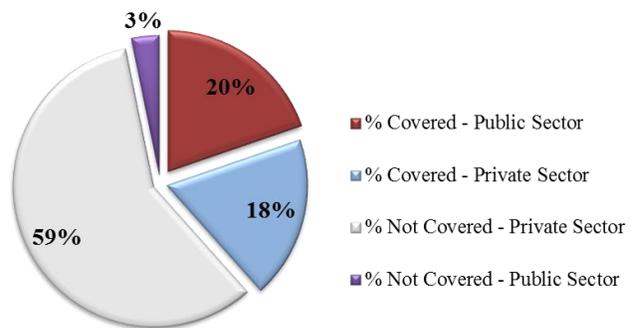
While the RPP coverage as a percentage of employees declined for men, from 40% in 2002 to 37% in 2012, the coverage for women increased from 39% to 40% over the same period. As a proportion of employees, the coverage for women has been higher than the coverage for men since 2004.

## RPP By Sector of Activity (2012)

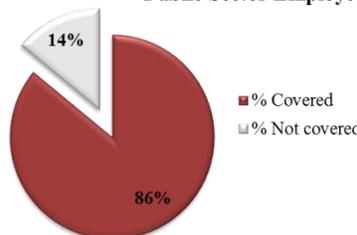
The RPP coverage in the public sector stood at 86% in both 2002 and 2012, while the number of active RPP members in the public sector increased from 2.6 million to 3.2 million.

The RPP coverage in the private sector decreased from 27% in 2002 to 24% in 2012, while the number of active RPP members in the private sector remained constant at around 3.0 million.

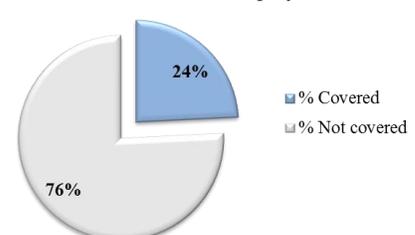
Distribution of Employees in 2012 - By Sector and RPP Coverage



RPP Coverage - Public Sector Employees



RPP Coverage - Private Sector Employees

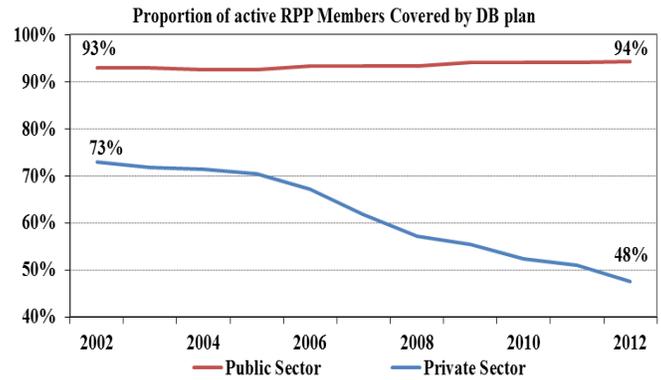




### RPP By Type of Plan – Defined Benefit Plan, Defined Contribution Plan and Other Plans (2012)

In addition to the decline in employee RPP coverage, there has been a shift from Defined Benefit (DB) plans to Defined Contribution (DC) plans and other plans. Overall, the proportion of active RPP members in DB plans has declined from 82% to 72% over the last ten years.

While the reduction in DB coverage has been significant in the private sector (from 73% to 48%), it has not occurred in the public sector (slight increase from 93% to 94%). The graph on the right shows the evolution of DB coverage for active RPP members in the public and private sectors from 2002 to 2012.



Since 2004, there has been a trend whereby employers, particularly those in the private sector, have been either establishing or converting to a new type of DB and DC plan. These plans may be for different classes of employees or one benefit type may be for current employees and the other for new employees. The number of active members in this type of plan increased from 18 thousand in 2004 to 579 thousand in 2012. Of these members in 2012, 2% were in the public sector while the remaining 98% were in the private sector.

### Other Types of Tax-Assisted Plans Offered by Employers (2012)

In addition to the 6.2 million active RPP members in 2012, approximately 1.5 million individuals participated in an employer-sponsored Group Registered Retirement Savings Plan (RRSP) and/or a Deferred Profit Sharing Plan (DPSP). This group of 1.5 million individuals excludes active RPP members who are also participating in an employer-sponsored Group RRSP and/or DPSP given that they are already included in the 6.2 million.

When adding the individuals participating in an employer-sponsored Group RRSP and/or DPSP to the number of active RPP members, the 2012 coverage rates for employer-sponsored tax-assisted plans increase from 33% of the labour force to 40% of the labour force, and from 38% of employees to 48% of employees. Assuming that all those individuals are in the private sector, the theoretical 2012 coverage rate for employees in the private sector increases from 24% to 36%.

### Retirement Savings – RRSP & Tax-Free Savings Accounts (2012)

The number of tax filers contributing to a RRSP (group and individual) was 6.0 million in both 2002 and 2012. However, the share of the labour force contributing to a RRSP decreased from 36% to 32% over the same period. As shown in the table below, this decreasing share was observed in all age groups, except for the 65+ age group which has remained fairly stable. Furthermore, the age distribution of RRSP contributors has changed such that the average age of RRSP contributors increased from 43 to 46 over the last ten years.

#### Proportion of the Labour Force Contributing to a RRSP by Age Group

	Age Groups						Total	Average Age of Contributors
	Under 25	25-34	35-44	45-54	55-64	65+		
2002	9%	35%	39%	44%	55%	48%	36%	43
2012	6%	28%	34%	38%	46%	49%	32%	46

The proportion of tax filers contributing to a RRSP also varies by income range. In 2012, 63% of tax filers with total income in excess of \$80,000 contributed to a RRSP.

By the end of 2012, approximately 8.7 million Canadians had assets in a Tax-Free Savings Account (TFSA), compared to 4.4 million at the end of 2009. The share of tax filers with assets in a TFSA has almost doubled since 2009, increasing from 18% in 2009 to 34% in 2012.



## Conclusion

The number of active RPP members has increased over the last 10 years, with the number of women increasing faster than for men. Despite this, the number of active RPP members as a percentage of the labour force is the same as it was ten years ago and the number of active RPP members as a percentage of employees has decreased. The proportion of active RPP members in DB plans has decreased over the last ten years due to a significant decrease in DB coverage in the private sector.

From 2002 to 2012, there has been a decreasing share of the labour force contributing to a RRSP. The share of tax filers who have assets in a TFSA has almost doubled since its inception in 2009.

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## Source of Information

- Various Statistics Canada data tables;
  - Information provided by the Income, Pensions and Wealth Division, Statistics Canada; and,
  - Information provided by the Intelligence, Statistics and Data Directorate, Canada Revenue Agency.
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## 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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