



The Daily

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More and more women in the paid workforce are being covered by registered pension plans in both the public and private sectors, according to new data. In fact, women accounted for the net increase in the total membership of these plans during 2002.

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MAJOR RELEASES

Employer-sponsored pension plans

January 1, 2003

More and more women in the paid workforce are being covered by registered pension plans (RPPs) in both the public and private sectors, according to new data. In fact, women accounted for the net increase in the total membership of these plans during 2002.

The number of men belonging to an RPP edged down 0.1% to 2.96 million, while the number of women increased 2.4% to just under 2.57 million.

Men accounted for 57.7% of RPP memberships at the end of 1992, and women 42.3%. By the end of 2002, the proportion of men had declined to 53.6%, while the share of women had increased to 46.4%.

In total, more than 5.52 million workers were covered by 14,376 registered pension plans (RPPs) at the end of 2002, up 1.0% from a year earlier and the fifth consecutive annual increase.

However, this growth did not keep pace with employment, which increased by about 4% in 2002 in the wake of a robust economy.

RPPs are retirement benefit programs that are provided voluntarily by employers or by unions in both the public and private sectors. At the end of 2002, nearly two in five paid workers were participating in an RPP. These figures were obtained mainly from administrative data supplied by the pension supervisory authorities. The remaining data were derived from direct surveys and different sources.

Public sector accounts for two-thirds of new women members

The number of women belonging to RPPs has grown steadily over the last five years. During 2002, nearly two-thirds of the growth in RPP membership among women occurred in the public sector, where the number of women increased 2.7%, compared with just 1.9% in the private sector.

Women made significant gains in public administration, educational and health care services, retail trade and finance, insurance and real estate.

According to data from the Labour Force Survey, employment among women aged 25 and older increased 4.2% during 2002.

The trend in male membership was different. The number of men belonging to an RPP was down 0.1% between 2001 and 2002, the second straight annual drop.

Note to readers

Data on Employer-sponsored Pension Plans such as Registered Pension Plans (RPPs) and Retirement Compensation Arrangements (RCAs) are now available.

RPPs are established by employers or unions for employees. These data come from Pension Plans in Canada Survey at January 1, 2003 which provides information on terms and conditions, membership and contributions.

There are two main types of RPPs: defined contribution and defined benefit plans. A defined contribution plan is an RPP that specifies the employee's contributions, if the plan is contributory, and the employer's. In contrast, a defined benefit plan is an RPP that defines the benefits to be paid according to a formula stipulated in the plan text. The employer contributions are not predetermined, but are a function of the cost of providing the promised pension.

The statistics on RPPs are derived largely from administrative data provided by the 10 pension supervisory authorities, 9 provincial and 1 federal. Statistics on RCAs are based on administrative data from the T3-RCA tax returns provided by Canada Revenue Agency.

The reference date for data relating to the number of RPPs and their terms and conditions is January 1 (in this case January 1, 2003), the effective date of most new plans or amendments to existing plans. Contributions and membership data are as of the plan year-end in the previous calendar year, in this case December 31, 2002. In this text, because the focus is on membership, we refer to the reference period as 2002.

This slight drop occurred entirely in the private sector, whereas in the public sector, the number of males covered rose slightly.

The largest increases in the number of RPP male members occurred in construction, community, business and personal services, finance, insurance and real estate, and educational and health care services.

Decline in RPP coverage rates for men

Coverage represents the percentage of paid workers that are covered by a registered pension plan. Participation is restricted to paid workers having an employer-employee relationship, so the self-employed with unincorporated businesses, unpaid family workers and the unemployed are not eligible.

At the end of 2002, 39.6% of paid workers were covered by an RPP, down from 40.6% a year earlier.

Coverage rates for men declined from 41.8% in 2000 to 39.9% in 2002, even though the number of male paid workers in the labour force increased.

Coverage rates for women remained stable at about 39.2% from 1999 to 2002. Female membership,

in fact, increased at the same rate as the number of female paid workers.

Four in five RPP members belong to a defined benefit plan

The vast majority of RPP members belong to "defined benefit plans", which are RPPs that define the benefits to be paid according to a formula stipulated in the plan text.

At the end of 2002, there were just over 4.5 million members covered in 6,777 defined benefit plans, or 82% of RPP members of all types of RPPs.

The majority of the members of defined benefit plans are employed in the public sector. The number of members in defined benefit plans in the public sector has increased since 1998, after declining in previous years.

In the private sector, the number of members in defined benefit plans hit a low in 1997, one year earlier than in the public sector. This was followed by an increase in membership until 2001 when the membership began to decline again.

A second type of RPP is the defined contribution plan, which specifies the employee's contributions, if the plan is contributory, and the employer's. The vast majority (83%) of members in these plans were working in the private sector in 2002.

During the 1990s, defined contribution plans experienced great change in both the number of plans and members. Since 1992, the number of these plans has fallen by about 16%, or from 8,713 to 7,347 plans. However, the number of members rose sharply to more than 830,000 in 2002, some 1.8 times higher than in 1992.

Substantial jump in both employee and employer contributions

At the end of 2002, total annual contributions stood at \$23.5 billion, up 14% from 2001 or nearly \$3.1 billion higher (in 2002 constant dollars). This was the largest annual increase since 1991.

While both total contributions of employers and employees grew, the largest increase occurred in contributions paid by employers. Between 2001 and 2002, employer contributions rose 18% while employee contributions increased only 5%.

In fact, many employers had to make special payments (for example, for actuarial deficiencies and unfunded liabilities) in addition to their normal contributions in 2002.

This situation is consistent with the findings of the biennial Census of Trusteed Pension Funds, which covers employer pension plans funded under a trusteed arrangement. There are 3,045 such plans, covering some 4.5 million workers, or 82% of all RPP members. These plans are defined benefit and defined contribution trusteed plans only.

According to that study, employer contributions increased substantially because plan managers had realized that contributions had to increase, or to start again, after a period of a "contribution holiday," to avoid or at least reduce unfunded liabilities.

The increase in employee contributions was mainly attributable to the end of the "contribution holiday" period and, to a lesser extent, to an increase in membership in contributory plans. Normally, there is very little growth year-to-year in employee contributions.

Retirement compensation arrangements

Retirement compensation arrangements (RCAs) are a type of retirement income program supplementary to a registered pension plan.

Since pension contributions are tax sheltered, federal legislation limits the annual pension benefit which an employer can pay to a retiree. This limit applies to registered defined benefit pension plans. Currently, the limit is \$64,155. If an employer has a union or contractual agreement with an employee to provide an amount exceeding the limit, the employer must use another mechanism to meet the pension commitment to the employee.

The employer can set up a RCA trust with the Canada Revenue Agency. Typically, employers limit membership in a RCA to senior executives. In 2001 there were 2,051 registered trusts, with approximately 12,000 members. The value of the trusts was \$5.3 billion. The median distribution was \$84,000, that is half the beneficiaries received more than that amount, and half less than it.

Definitions, data sources and methods: survey number 2609.

The report *Pension Plans in Canada* (13F0026MIE2004001, free) is now available online. From the *Our products and services* page under *Browse our Internet publications*, choose *Free then Finance*.

Summary data tables are also available in *Pension Plans in Canada: Key Tables* (74-508-XWE, \$50). See *How to order products*.

Data on workers covered by a registered pension plan from 1993 to 2002 are also available online in the Canadian Statistics module. From the *Canadian statistics* page, choose *The people*, then *Labour, employment and unemployment*, and *Employment insurance and pensions*.

For more information, contact Client Services (1-888-297-7355; 613-951-7355; fax: 613-951-3012; income@statcan.ca, Income Statistics Division. ■

OTHER RELEASES

Employer pension plans (trusteed pension funds)

First quarter 2004

Trusteed pension funds closed out the first quarter of 2004 with assets much higher than they were just 12 months earlier when they had hit a four-year low.

As of March 31, 2004, trusteed pension funds had assets worth \$652.9 billion, 22.9% higher than the \$531.2 billion at the same time in 2003, which was the lowest level since 1999.

Assets rose 4.6% in the first quarter compared with the last quarter of 2003, the fourth quarterly gain in a row.

Pension funds are heavily invested in stocks and equity investment funds. As a result, changes in stock prices on Canadian and other stock exchanges have a direct impact on the value of pension fund assets.

The Standard and Poor's/Toronto Stock Exchange Composite Index (TSX) measured 8,586 at the end of the first quarter, up 35% over March 2003 and a 4.4% gain over the three-month period ending December 2003.

At the end of the first quarter of 2004, stocks and equity investment funds accounted for 36% of pension fund assets. The remaining assets consisted of bonds (36%), real estate (5%), short term (5%), mortgages (2%), and miscellaneous (16%). The "miscellaneous" category consists mostly of foreign equity investment funds.

Pension funds had revenues of \$18.2 billion and expenditures of \$14.2 billion between January and March, for a cash flow of \$4.0 billion. This was down considerably from the \$14.5 billion cash flow of the previous quarter, but it was the fourth positive cash flow in a row.

Cash flow varies considerably from quarter to quarter, partially due to accounting practices in the industry, but primarily because of profits or losses from the buying and selling of stocks.

Profits hit \$5.9 billion, which were very high compared with most quarters during the last three years. However, losses on stock sales were also very high at \$5.7 billion.

As a result, most of the funds' positive cash flow came from contributions and other forms of investment income, such as interest and dividends. Almost all the losses were limited to a few very large funds.

Employer contributions, which have been on the rise since early 2002, were high at \$4.7 billion, but well below the record \$6.8 billion in the fourth quarter 2003.

Employer contributions typically fall in the first quarter compared with the previous quarter.

About 5.5 million Canadian workers belong to employer pension plans. Of these, about 4.5 million are members of trusteed plans. (Data in this release refer only to the trusteed plans.)

The remaining one million workers with employer pension plans are covered by the consolidated revenue funds of the federal and provincial governments, or by insurance company contracts or Government of Canada annuities.

Available on CANSIM: tables 280-0002 to 280-0004.

Definitions, data sources and methods: survey number 2607.

For more information about the current survey results and related products and services, or to enquire about the concepts, methods, or data quality of this release, contact Client Services (613 951-7355 or 1 888 297-7355; fax: 613 951-3012; income@statcan.ca), Income Statistics Division. ■

Consumption of Energy Survey 2003

Hospitals in Canada consumed energy at a higher rate than universities and colleges in 2003, according to a new survey of energy use in these institutions.

Data released today from the first Consumption of Energy Survey conducted in the winter of 2004 provide aggregate information about energy consumption by type of energy by hospitals, universities and colleges in Canada.

The survey, conducted on behalf of the Office of Energy Efficiency at Natural Resources Canada, measures the energy intensity at the educational campus or hospital level.

Energy intensity is the total energy consumed, in gigajoules (GJ), by a hospital, university or college divided by the total area of buildings located on the institution's campus or complex (excluding indoor parking and mechanical areas). Lower energy intensities are considered more efficient than higher intensities.

At the national level for 2003, the survey found that hospitals had the highest gross energy intensity at 2.65 GJ/m² while colleges had the lowest at 1.48 GJ/m². Universities had a gross energy intensity of 2.04 GJ/m².

Gross energy intensity is simply the total energy consumed by type of institution at the national level, divided by the corresponding national total of area in square metres.

One possible explanation for the relative difference in gross energy intensity may be the different nature of business conducted in hospitals, universities, and colleges.

The elevated energy intensity of hospitals is likely a direct result of having to operate large quantities of medical equipment, as well as lighting, virtually around the clock. On the other hand, the teaching focus of colleges and the research focus of universities may partially explain the intensity differences between these two institutions.

Canada's regionalized weather directly affects energy consumption. Energy intensities for British Columbia's hospitals, universities and colleges are, on average, the lowest in Canada.

The Prairies have, on average, the highest energy intensities in Canada. For example, the gross energy intensity for hospitals in British Columbia is 2.40 GJ/m², whereas the Prairies have a gross energy intensity of 3.13 GJ/m².

Based upon the results of this survey, Natural Resources Canada will produce an analytical publication which will be made available on the Office of Energy Efficiency Web site.

Definitions, data sources and methods: survey number 5034.

For more information, or to enquire about the concepts, methods or data quality of this survey, contact David Ogden (613-951-1564; dave.ogden@statcan.ca) or Yves Gauthier (613 951-0188; yves.gauthier@statcan.ca), Small Business and Special Surveys Division.

For more information about Natural Resources Canada's energy efficiency programs, consult the Office of Energy Efficiency Web site (www.oeenrcan.gc.ca). ■

Annual Survey of Manufactures: Products Shipped by Canadian Manufacturers 2002

The Annual Survey of Manufactures collects information on products shipped by Canadian manufacturers. Data on products shipped by the sawmills industry (NAICS 321111) are now available for Canada, the provinces and the territories for reference year 2002.

Definitions, data sources and methods: survey number 2103.

To order this data or to obtain further information about the concepts, methods and data quality of this release, please contact the dissemination officer at (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Crude oil and natural gas

July 2004 (preliminary)

Provincial crude oil and marketable natural gas production data for July 2004 are now available.

These data will soon be available in CANSIM tables 126-0001 and 131-0001.

Definitions, data sources and methods: survey number 2198.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Pension and Wealth Research Paper Series:
Pension Plans in Canada, January 1, 2003, no. 1
Catalogue number 13F0026MIE2004001
(free).

Cereals and Oilseeds Review, July 2004, Vol. 27,
no. 7
Catalogue number 22-007-XIB (\$12/\$120).

Retail Trade, July 2004, Vol. 76, no. 7
Catalogue number 63-005-XIE (\$18/\$166).

Pension Plans in Canada: Key Tables,
January 1, 2003
Catalogue number 74-508-XWE (\$50).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

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Catalogue 11-001-XIE (PDF available at www150.statcan.gc.ca)



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
MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

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- **Short-term Expectations Survey** 2
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