



Registered Pension Plans (RPP) and Other Types of Savings Plans – Coverage in Canada

RPP By Number (2015)

The total number of active RPP members increased steadily from 5.7 million in 2005 to 6.3 million in 2015, an increase of 10% over the last 10 years.

RPP By Contributory Status (2015)

The proportion of active RPP members participating in a contributory pension plan increased from 79% in 2005 to 86% in 2015.

RPP By Sex (2015)

The 6.3 million active RPP members were evenly split between males and females in 2015. The proportion of female members increased from 48% in 2005 to 50% in 2015, while the proportion of male members decreased from 52% to 50% over the same period. Female members increased from 2.7 million to 3.1 million, while male members increased slightly from 3.0 million to 3.1 million over the last decade. Only 2.3 million active female members were covered twenty years ago (in 1995).

RPP As a Percentage of Labour Force (2015)

The number of active RPP members as a percentage of the labour force decreased slightly from 33% in 2005 to 32% in 2015.

RPP As a Percentage of Employees (2015)

The proportion of employees covered by a RPP declined from 39% in 2005 to 38% in 2015, a drop of one percentage point in the last 10 years. Although the number of active RPP members has increased in the last 10 years (5.7 million in 2005 to 6.3 million in 2015), the number of employees has grown at a faster pace, which explains the decline in the proportion of employees with a RPP.

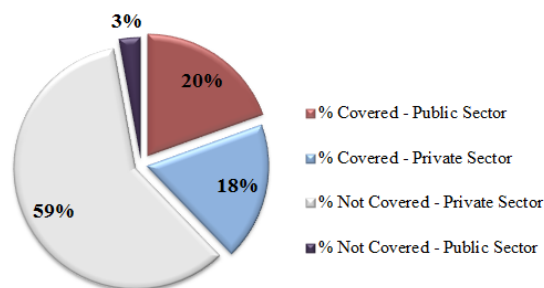
While the RPP coverage as a percentage of employees declined for men, from 38% in 2005 to 36% in 2015, the coverage for women increased slightly from 39% to 40% over the same period. As a proportion of employees, the coverage for women has been higher than the coverage for men since 2005.

RPP By Sector of Activity (2015)

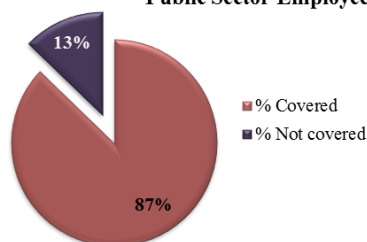
The RPP coverage in the public sector increased from 84% in 2005 to 87% in 2015, while the number of active RPP members in the public sector increased from 2.7 million to 3.2 million.

The RPP coverage in the private sector decreased from 26% in 2005 to 24% in 2015, while the number of active RPP members in the private sector remained constant at around 3.0 million.

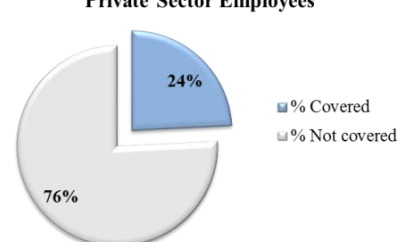
Distribution of Employees in 2015 -
By Sector and RPP Coverage



RPP Coverage -
Public Sector Employees



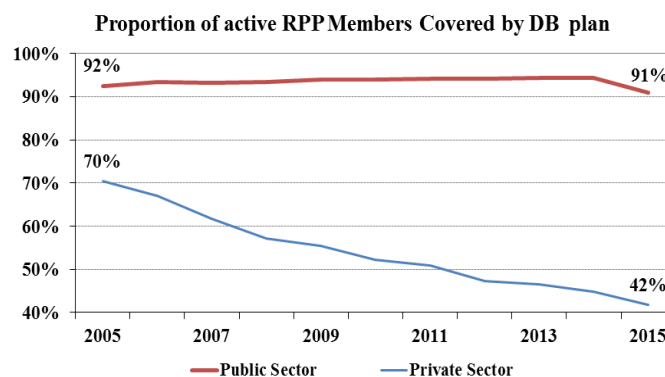
RPP Coverage -
Private Sector Employees



**RPP By Type of Plan – Defined Benefit Plan, Defined Contribution Plan and Other Plans (2015)**

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 81% to 67% over the last ten years.

While the reduction in DB coverage has been significant in the private sector (from 70% to 42%), it has not occurred in the public sector (slight decrease from 92% to 91%). The graph on the right shows the evolution of DB coverage for active RPP members in the public and private sectors from 2005 to 2015.



Since 2005, 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 40,000 in 2005 to 711,000 in 2015. Of these members in 2015, 10% were in the public sector while the remaining 90% were in the private sector.

Estimation of Other Types of Tax-Assisted Plans Offered by Employers (2015)

In 2012, there were 6.2 million active RPP members, which represented 33% of the labour force and 38% of employees. In addition, approximately 1.5 million individuals participated in an employer-sponsored Group Registered Retirement Savings Plan (RRSP) and/or a Deferred Profit Sharing Plan (DPSP) in 2012. This group of 1.5 million individuals excludes active RPP members who were also participating in an employer-sponsored Group RRSP and/or DPSP given that they are already included in the 6.2 million.

Assuming that the number has not changed from 2012 to 2015, the estimated 2015 coverage rates for employer-sponsored tax-assisted plans increase from 32% to 40% of the labour force when adding the individuals participating in an employer-sponsored Group RRSP and/or DPSP to the number of active RPP members. In proportion of employees, the percentage changes from 38% to 47%. Assuming that all those individuals are in the private sector, the theoretical 2015 coverage rate for employees in the private sector increases from 24% to 35%.

Statistics Canada plans to release a new edition of its Survey of Financial Security, on which the present results are based. New estimates should therefore be available once the data of the new survey becomes available, currently scheduled for the end of 2017.

Registered Retirement Savings Plans (RRSP) (2015)

The number of tax filers who contributed to a RRSP (group and individual) was 6.1 million in 2005 and 6.0 million in 2015. The proportion of tax filers who contributed to a RRSP decreased from 26% to 23% over the same period. As shown in the table below, this decreasing share was observed in the four youngest groups, while the proportion of tax filers aged 55 and up remained the same. Furthermore, the age distribution of RRSP contributors has changed such that the average age of RRSP contributors increased from 44 to 46 over the last ten years.

Proportion of Tax Filers Who Contributed to a RRSP by Age Group and Year

	Age Groups						Total	Average Age of Contributors
	Under 25	25-34	35-44	45-54	55-64	65 and over*		
2005	8%	32%	36%	40%	31%	5%	26%	44
2015	6%	26%	33%	36%	31%	5%	23%	46

*the proportion of the labour force aged 65 and over who contributed to a RRSP stood at 57% and 41% in 2005 and 2015 respectively



The proportion of tax filers who contribute to a RRSP also varies by total income class. As shown in the table below, this proportion increases with the tax filer's total income. In 2015, 59% of tax filers with total income of \$80,000 or more contributed to a RRSP.

Proportion of Tax Filers Who Contributed to a RRSP by Total Income Class and Year

	Total Income Class					Total
	Less than \$20,000	\$20,000-40,000	\$40,000-60,000	\$60,000-80,000	\$80,000 or more	
2005	5%	38%*	38%*	38%*	71%	26%
2015	2%	14%	32%	46%	59%	23%

*Before 2007, income classes \$20,000-40,000, \$40,000-60,000 and \$60,000-80,000 were grouped together.

Tax Free Savings Account (TFSA) (2015)

Since 2009, Canadians also have the option to contribute to a TFSA. As of the end of 2015, there were 12.7 million TFSA holders, which represents 49% of tax filers.

The number of TFSA holders who contributed to a TFSA increased from 4.5 million in 2009 to 7.9 million in 2015, which represents 19% and 30% of tax filers respectively. The tables below show the proportion of tax filers who contributed to a TFSA by age group and by total income class in both 2009 and 2015.

Proportion of Tax Filers Who Contributed to a TFSA by Age Group and Year

	Age Groups						Total
	Under 25	25-34	35-44	45-54	55-64	65 and over	
2009	9%	15%	15%	18%	24%	26%	19%
2015	20%	33%	27%	29%	33%	36%	30%
2015 contributors (million)	0.6	1.4	1.1	1.3	1.5	2.0	7.9

Proportion of Tax Filers Who Contributed to a TFSA by Total Income Class and Year

	Total Income Class					Total
	Less than \$20,000	\$20,000-40,000	\$40,000-60,000	\$60,000-80,000	\$80,000 or more	
2009	11%	18%	24%	26%	30%	19%
2015	20%	28%	35%	40%	44%	30%
2015 contributors (million)	1.7	1.9	1.7	1.0	1.6	7.9

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 and as a percentage of employees has slightly 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 2005 to 2015, there has been a decreasing share of tax filers contributing to a RRSP. However, the share of tax filers contributing to a TFSA has increased between 2009 and 2015.

Source of Information

- Various Statistics Canada data tables;
- Information provided by the Income, Pensions and Wealth Division, Statistics Canada; and,
- Canada Revenue Agency TFSA statistics.



Contact Information

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