



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

RPP By Number (2016)

The total number of active RPP members increased steadily from 5.8 million in 2006 to 6.3 million in 2016, an increase of 9% over the last 10 years.

RPP By Contributory Status (2016)

The proportion of active RPP members participating in a contributory pension plan increased from 81% in 2006 to 88% in 2016.

RPP By Sex (2016)

Out of the 6.3 million active RPP members in 2016, 3.2 million were women while 3.1 million were men. This means that in 2016, women accounted for just over half of the overall RPP membership. The share of RPP membership for women has been increasing through time. Thirty years ago (in 1986), only 35% of active RPP members were women. This proportion increased to 44% in 1996, 48% in 2006 and just above 50% in 2016.

RPP As a Percentage of Labour Force (2016)

The number of active RPP members as a percentage of the labour force decreased slightly from 33% in 2006 to 32% in 2016.

RPP As a Percentage of Employees (2016)

Although the proportion of employees covered by a RPP stood at 38% in both 2006 and 2016, there has been a drop of close to one percentage point on an unrounded basis during this period.

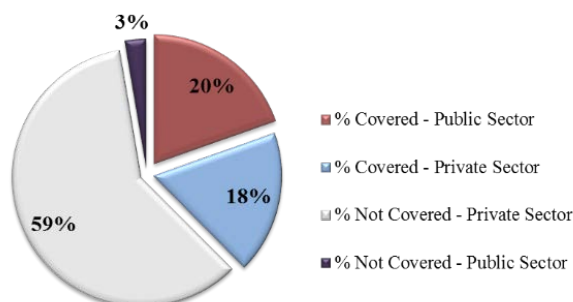
While the RPP coverage as a percentage of employees declined for men, from 38% in 2006 to 36% in 2016, the coverage for women increased slightly from 39% to 40% over the same period. As a proportion of employees, the coverage for women has been higher than the coverage for men since 2005.

RPP By Sector of Activity (2016)

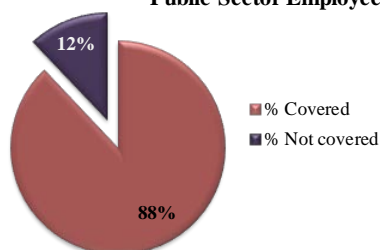
The RPP coverage in the public sector increased from 84% in 2006 to 88% in 2016, while the number of active RPP members in the public sector increased from 2.7 million to 3.3 million.

The RPP coverage in the private sector decreased from 26% in 2006 to 23% in 2016, while the number of active RPP members in the private sector remained constant at around 3.0 million.

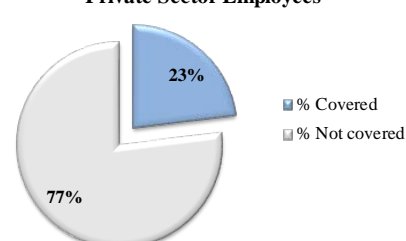
Distribution of Employees in 2016 -
By Sector and RPP Coverage



RPP Coverage -
Public Sector Employees



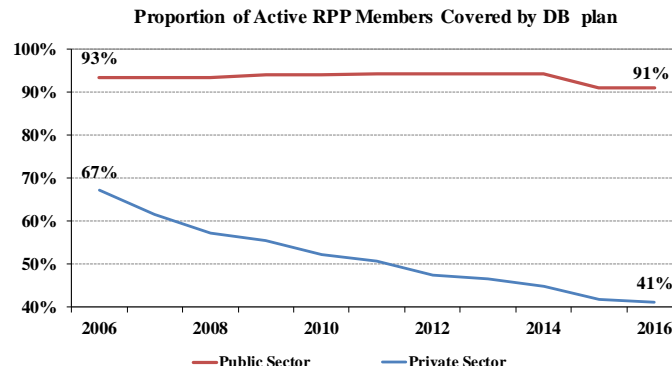
RPP Coverage -
Private Sector Employees



**RPP By Type of Plan – Defined Benefit Plan, Defined Contribution Plan and Other Plans (2016)**

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 80% to 67% over the last ten years.

While the reduction in DB coverage has been significant in the private sector (from 67% to 41%), there has only been a slight decrease in the public sector (from 93% to 91%). The graph on the right shows the evolution of DB coverage for active RPP members in the public and private sectors from 2006 to 2016.



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 18,000 in 2004 to 719,000 in 2016. Of these members in 2016, 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 (2016)

In 2016, there were 6.3 million active RPP members, which represented 32% of the labour force and 38% of employees. In addition, approximately 1.6 million individuals participated in an employer-sponsored Group Registered Retirement Savings Plan (RRSP) and/or a Deferred Profit Sharing Plan (DPSP) in 2016. This group of 1.6 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 6.3 million.

The estimated 2016 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 (for an estimated total of 7.9 million individuals). In proportion of employees, the percentage changes from 38% to 47%. Assuming that all those individuals are in the private sector, the theoretical 2016 coverage rate for employees in the private sector increases from 23% to 35%.

Registered Retirement Savings Plans (RRSP) (2016)

The number of tax filers who contributed to a RRSP (group and individual) decreased from 6.2 million in 2006 to 5.9 million in 2016. The proportion of tax filers who contributed to a RRSP decreased from 27% to 23% over the same period. As shown in the table below, this decreasing share is observed in all age groups. 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*		
2006	8%	33%	36%	40%	32%	4%	27%	44
2016	6%	25%	34%	36%	30%	6%	23%	46

*the proportion of the labour force aged 65 and over who contributed to a RRSP stood at 56% and 45% in 2006 and 2016 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 2016, 60% 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	
2006	5%	37%*	37%*	37%*	70%	27%
2016	2%	13%	31%	45%	60%	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 2006 to 2016, 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

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

- Visit our Web site at www.osfi-bsif.gc.ca, or
 - Toll-Free line: 1-800-385-8647
 - Local calls (Ottawa and Gatineau): (613) 943-3950
-