



Report on the Administration of the Members of Parliament Retiring Allowances Act for the Fiscal Year Ended March 31, 2025

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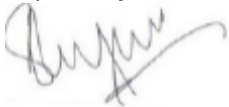
Report on the Administration of the Members of Parliament Retiring Allowances Act for the Fiscal Year Ended March 31, 2025

Her Excellency the Right Honourable Mary Simon, C.C., C.M.M., C.O.M., O.Q., C.D.,
Governor General and Commander-in-Chief of Canada

Excellency:

I have the honour of submitting to Your Excellency the *Report on the Administration of the Members of Parliament Retiring Allowances Act for the Fiscal Year Ended March 31, 2025*.

Respectfully,



The Honourable Shafqat Ali, P.C., M.P.
President of the Treasury Board

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About this report

This report provides information on the administration of the *Members of Parliament Retiring Allowances Act* (MPRAA) for the fiscal year ended March 31, 2025. It is tabled in Parliament in accordance with section 67 of the MPRAA.

The MPRAA governs the Members of Parliament Pension Plan, which provides retirement allowances to eligible individuals who have served as parliamentarians.

About the plan

The Members of Parliament Pension Plan offers a source of lifetime retirement income for eligible parliamentarians. ¹ In the event of a plan member's death, it also provides benefits to the eligible survivor and dependent children.

Established in 1952, the plan is a contributory defined benefit pension plan. This means that both the employer (the Government of Canada) and the plan member contribute to it and that the benefits are specified in the plan document, in this case, the MPRAA and its regulations.

Membership in the plan has been mandatory since 1965 for members of the Senate, and since 2000 for members of the House of Commons. Both active plan members and the Government of Canada contribute to the plan, at rates set by the Chief Actuary of Canada. Since 2017, they have been contributing equally.

Fiscal year highlights

Plan benefits and contributions

Average annual retirement allowance	\$82,318
Benefits paid [*]	\$57.9 million
Plan member and government contributions [†]	\$41.5 million
[*] Benefits paid include <u>retirement allowances</u> , <u>survivor benefits</u> , <u>withdrawal allowances</u> and <u>pension divisions</u> . Transfers to Canada Revenue Agency are not included.	
[†] Interests credited to the accounts are not included.	

Membership demographics

Active plan members	437
Retired plan members	571
Survivors and dependent children	194
Total	1,202

Benefits

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- [Retirement allowance](#)
- [Withdrawal allowance](#)
- [Disability pension](#)
- [Survivor benefits](#)

A plan member's benefits are based on the number of years of pensionable service at retirement, when that service was accrued, the age at which they start receiving benefits, and whether they retire because of a disability.

When a member dies, their eligible survivor and dependent children also receive benefits under the plan.

Members may receive their benefits in one of the following ways:

- a retirement allowance
- a withdrawal allowance
- a disability pension

Retirement allowance

Plan members who have six or more years of pensionable service receive a retirement allowance when they retire.

The earliest age at which a retirement allowance may be paid without a reduction is 65 for pensionable service accrued on or after January 1, 2016.

A member can choose to start receiving a retirement allowance at age 55, but the allowance will be reduced by 1% for every year the member is under age 65.

Table 1 shows the age at which different retirement benefits are available to eligible plan members based on when the service was accrued.

Table 1. Retirement benefits

When service was accrued	Type of benefit	Age payable
On or before July 12, 1995	Immediate unreduced retirement allowance	any age
From July 13, 1995, to December 31, 2015	Immediate unreduced retirement allowance	55
On or after January 1, 2016	Immediate unreduced retirement allowance	65
	or Immediate and permanently reduced retirement allowance	55

Withdrawal allowance

Plan members receive a withdrawal allowance if they:

- have not completed six years of pensionable service
or
- are disqualified from the Senate or expelled from the House of Commons

The withdrawal allowance is a reimbursement of all the member's contributions paid under Part I and Part II of the MPRAA, plus interest, calculated at the rate of 4%, compounded annually.

Disability pension

A parliamentarian who becomes eligible for a disability allowance under the [Canada Pension Plan \(CPP\)](#) or [Québec Pension Plan \(QPP\)](#) may be entitled to a monthly disability pension under the MPRAA. There are no age requirements associated with the MPRAA disability pension entitlement.

The disability pension is calculated in the same way as a pension benefit that would have been payable to a plan member at age 65.

Survivor benefits

When a plan member with at least six years of pensionable service dies, their eligible spouse or common-law partner may receive a [survivor benefit](#). Eligible dependent children may receive a [child benefit](#).

Table 2 provides an overview of the different survivor benefits.

Table 2. Survivor benefits

At the time of death, if the member had...	the plan may pay...	and the benefit is...
a spouse or common-law partner	a survivor benefit	a monthly allowance equal to 60% of the plan member's basic retirement allowance , payable immediately, for the lifetime of the spouse or common-law partner
dependent children	a child benefit	a monthly allowance equal to 10% of the plan member's basic retirement allowance , payable to each child until age 18, or until age 25 if the child is a full-time student, to a maximum of 30% of the plan member's basic retirement allowance
dependent children, but no spouse or common-law partner	a child benefit	a monthly allowance equal to 20% of the plan member's basic retirement allowance , payable to each child until age 18, or until age 25 if the child is a full-time student, to a maximum of 80% of the member's basic retirement allowance
no eligible survivor or dependent children	a minimum benefit	a lump-sum payment equal to the total of the plan member's contributions over and above allowances already paid, plus interest , calculated at the rate of 4%, compounded annually; this payment is payable to the plan member's estate

If the plan member did not have six years of pensionable service and was therefore not eligible for a retirement allowance, a withdrawal allowance is paid. If there is no eligible person to whom this benefit may be paid, it is paid to the estate.

Indexation

Retirement allowances, survivor benefits and disability pensions under the plan are indexed annually to cover increases in the cost of living, as determined by the Consumer Price Index (CPI).

The indexation rate was 2.7% for calendar year 2025 and 4.8% for calendar year 2024.

Calculation of benefits

A plan member's benefits are based on their years of pensionable service and their average annual sessional indemnity or average annual pensionable earnings, depending on when the service was accrued.

Benefits for pensionable service accrued on or after January 1, 2016, are coordinated with the CPP and QPP. This means that a plan member's retirement allowance has two separate components:

- a lifetime pension benefit, payable until the plan member's death
- a bridge benefit, payable until the plan member reaches age 60

The bridge benefit is an amount payable in addition to a plan member's monthly pension. It continues until the age of 60 or until a member becomes entitled to a disability pension under the CPP or QPP.

The Chief Actuary of Canada sets both the member contribution rates and the CPP coordination factor for the bridge benefit. The Chief Actuary regularly reviews both figures and adjusts them, if necessary, as part of their triennial actuarial valuation report, which is tabled in Parliament.

The most recent triennial actuarial valuation report, tabled in Parliament on November 24, 2023, adjusts the CPP/QPP coordination factor from 0.4% to 0.684% as of January 1, 2025. This will result in an adjustment to the calculation of the lifetime pension benefit and the bridge benefit for pensionable service earned on or after January 1, 2025, in order to maintain the approximated 3% total benefit rate between the Members of Parliament Pension Plan and the CPP/QPP.

To be eligible for the bridge benefit, plan members must:

- have at least six years of pensionable service
- have earned pension benefits on or after January 1, 2016
- be in receipt of a retirement allowance before age 60

Table 3 shows how the retirement allowance is calculated. Table 4 shows how the bridge benefit is calculated.

Table 3. Calculation of retirement allowance

Lifetime pension benefit (maximum 75% accrual [±])				
For pensionable service earned before January 1, 2016				
3% (or applicable rate)	× (multiplied by)	Average annual sessional indemnity	× (multiplied by)	Years of service credited before 2016
For pensionable service earned between January 1, 2016, and December 31, 2024				
2.6% up to AMPE [‡] 3% above AMPE	× (multiplied by)	Average annual pensionable earnings	× (multiplied by)	Years of service credited between 2016 and 2024
For pensionable service earned after December 31, 2024				
2.316% up to AMPE 3% above AMPE	× (multiplied by)	Average annual pensionable earnings	× (multiplied by)	Years of service credited after 2024

- * The maximum accrual rate does not include additional service credits before January 1, 2016.
- † AMPE: Average of the year's maximum pensionable earnings

Table 4. Calculation of bridge benefit

Bridge benefit (payable on service earned after 2015)				
For pensionable service earned between January 1, 2016, and December 31, 2024				
0.4%	× (multiplied by)	Average annual pensionable earnings up to AMPE *	× (multiplied by)	Years of service credited between 2016 and 2024
For pensionable service earned after December 31, 2024				
0.684%	× (multiplied by)	Average annual pensionable earnings up to AMPE	× (multiplied by)	Years of service credited after 2024
* AMPE: Average of the year's maximum pensionable earnings				

Plan provisions for prime ministers

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- [Survivor allowance](#)

Retirement allowance

A prime minister who holds office for at least four years is entitled to a special retirement allowance in addition to their Members of Parliament Pension Plan benefit. Former prime ministers can receive a retirement allowance at age 67 or upon ceasing to hold office, whichever is later.

Table 5 shows the basic formula for calculating a prime minister's retirement allowance.

Table 5. Calculation of prime minister's retirement allowance *

3%	× (multiplied by)	Prime minister's salary on the date plan membership ends, or at age 67, whichever is later	× (multiplied by)	Years of service as prime minister
* The retirement allowance cannot exceed two thirds of the prime minister's salary at the time the payment of the retirement allowance begins.				

Survivor allowance

An eligible spouse or common-law partner may receive a survivor allowance equal to 50% of the retirement allowance payable to the former prime minister for service as prime minister.

Plan financial status

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- [Actuarial valuation](#)
- [Member contributions](#)
- [Retirement compensation arrangement](#)
- [Government of Canada contributions](#)
- [Interest](#)
- [Credits and debits to the accounts](#)

Accounts

Two accounts are maintained in the Public Accounts of Canada to record transactions under the plan:

- Members of Parliament Retiring Allowances (MPRA) Account
- Members of Parliament Retirement Compensation Arrangements (MPRCA) Account

The **MPRA Account** records the transactions related to the benefits payable under the plan when these benefits are permitted under the [Income Tax Act](#) for registered pension plans.

The **MPRCA Account** records the transactions related to the benefits payable under the plan when the benefits exceed the limits established by the *Income Tax Act*.

The MPRCA Account is registered with the Canada Revenue Agency. Transactions are recorded annually between the MPRCA Account and the Canada Revenue Agency either to remit a 50% refundable tax in respect of the net contributions and interest credits or to credit a reimbursement based on the net benefit payments. For the fiscal year ended March 31, 2025, the MPRCA Account remitted a refundable tax of \$15,410,609.

MPRA and MPRCA account data is presented in the [Account transaction statements](#).

Actuarial valuation

As required by the [Public Pensions Reporting Act](#), the Chief Actuary of Canada conducts an actuarial valuation of the pension arrangements established under the MPRAA at least every three years.

This valuation presents an estimate of the balance sheet on an actuarial basis, which means that it presents the account balances and liabilities and any resulting excess or shortfall. The actuarial valuation also projects the current service cost for each of the three years following the valuation date.

The [most recent actuarial report](#) for the plan, which has a valuation date of March 31, 2022, was tabled in Parliament on November 24, 2023.

Member contributions

Plan members must contribute to the plan for as long as they remain parliamentarians.

Contributions are based on pensionable earnings. The coordination of benefits with the CPP and QPP means that plan members pay different contribution rates on different portions of their pensionable earnings. They pay one rate on the portion that is below the [year's additional maximum pensionable earnings](#) (YAMPE), another rate on the portion that is at or above the YAMPE up to the [earnings limit](#) (EL), and another rate on the portion that is above the EL (see tables 6 and 7).

Contributions are made until they reach the maximum benefit accrual rate of 75%. Once they have reached that maximum, the contribution rate drops to 1% of pensionable earnings for the remainder of their service.

Some plan members, such as speakers, Cabinet ministers, leaders of the opposition and parliamentary secretaries, receive additional allowances and salaries. They make contributions based on these additional amounts in the same manner and at the same rates as indicated in tables 6 and 7.

Table 6 shows plan member contribution rates to the MPRA Account for calendar year 2025.

Table 6. Plan member contribution rates to the MPRA Account (applied to pensionable earnings), calendar year 2025

Under age 71			Age 71 and above
Below YAMPE	YAMPE to EL	Above EL	
11.32%	16.08%	0.00%	0.00%

Prime ministers must contribute at the applicable contribution rate based on their salary received as prime minister, in addition to their contributions as a member of the House of Commons.

If eligible, a plan member can choose to make contributions on prior service in Parliament, but they must pay interest on these contributions.

Retirement compensation arrangement

The *Income Tax Act* defines the limit on which benefits can be earned under a registered pension plan during a calendar year. Retirement compensation arrangements provide benefits on pensionable earnings that exceed that limit. On January 1, 2016, the EL formula was revised to reflect the coordination with the CPP and QPP.

Plan members under age 71 contribute a portion of their pensionable earnings, up to the EL for that year, to the MPRA and MPRCA accounts until they have earned a retirement allowance equal to 75% of the average pensionable earnings. Once a plan member has reached the EL for the calendar year, they contribute a certain percentage to the MPRCA Account as established under the MPRAA.

Table 7 shows plan member contribution rates to the MPRCA Account for calendar year 2025.

Table 7. Plan member contribution rates to the MPRCA Account (applied to pensionable earnings), calendar year 2025

Under age 71			Age 71 and above
Below YAMPE	YAMPE to EL	Above EL	
7.65%	7.65%	21.80%	21.80%

Government of Canada contributions

Every month, the Government of Canada is required to make contributions to the MPRA and MPRCA accounts. These contributions match those made by plan members toward benefits earned during the month. The government's contribution rates are presented as a percentage of the pensionable payroll.

The Government of Canada's current service contribution rates are as follows:

- MPRA Account: 12.34%
- MPRCA Account: 9.46%

Interest

Every quarter, the Government of Canada credits interest on the balance of the MPRA and the MPRCA accounts at a rate set under the *Members of Parliament Retiring Allowances Regulations*. The interest is the effective quarterly rate derived from the valuation interest rate used in the most recently tabled valuation report. For the fiscal year ended March 31, 2025, the quarterly interest rate was 0.79%.

Credits and debits to the accounts

If there is an unfunded actuarial liability in either the MPRA Account or the MPRCA Account, the MPRA Account or the MPRCA Account must be credited with such amounts that, in the opinion of the President of the Treasury Board, on the basis of actuarial advice, would be necessary to meet the total costs of all allowances and other benefits payable under the plan. Conversely, if the balance of the accounts is greater than the actuarial liability, the President of the Treasury Board has the authority, based on actuarial advice, to debit amounts from the MPRA Account or the MPRCA Account.

For the fiscal year ended March 31, 2025, no actuarial adjustments had to be made to the MPRA and MPRCA Accounts to meet the total cost of all allowances and other benefits payable under the plan.

Account transaction statements

Members of Parliament Retiring Allowances Account statement

Fiscal year ended March 31 (\$ thousands)

	2025	2024
Opening balance	644,187	630,157
Receipts and other credits		
Member contributions: current service	10,818	11,067
Member contributions: arrears of principal, interest and mortality insurance	13	16
Government contributions: current service	11,043	11,067
Actuarial adjustment	0	8,300
Interest	20,296	16,064
Total receipts and other credits	42,171	46,514
Payments and other charges		
Retirement allowances	32,786	32,308
Withdrawal allowances, including interest	21	175
Transfers to other pension funds	816	0
Total payments and other charges	33,623	32,483
Closing balance	652,735	644,187
Note: Due to rounding, the totals may not correspond with the sum of the component figures.		

Members of Parliament Retirement Compensation Arrangements Account statement

Fiscal year ended March 31 (\$ thousands)

	2025	2024
Opening balance	268,211	239,875
Receipts and other credits		
Member contributions: current service	9,480	8,962
Member contributions: arrears of principal, interest and mortality insurance	63	68
Government contributions: current service	10,096	8,962
Actuarial adjustment	0	26,900
Interest	8,677	6,104
Total receipts and other credits	28,315	50,995
Payments and other charges		
Retirement allowances	22,795	21,727
Withdrawal allowances, including interest	176	102
Transfers to other pension funds	1,317	0
Refundable tax ¹	15,411	830
Total payments and other charges	39,699	22,659
Closing balance	256,827	268,211
<p>1 Transactions are recorded annually between the MPRCA Account and the Canada Revenue Agency either to debit a 50% refundable tax in respect of the net contributions and interest credits or to credit a reimbursement based on the net benefit payments.</p>		

Roles and responsibilities

▼ In this section

- [President of the Treasury Board](#)
- [Treasury Board of Canada Secretariat](#)
- [Public Services and Procurement Canada and the Senate of Canada](#)
- [Chief Actuary of Canada](#)

President of the Treasury Board

The President of the Treasury Board is responsible for the overall management of the plan on behalf of the Government of Canada, the plan's sponsor.

Treasury Board of Canada Secretariat

The Treasury Board of Canada Secretariat:

- develops policy recommendations for the funding, design and governance of the plan
- provides strategic direction, program advice and interpretation
- drafts required legislative authorities
- prepares annual report for tabling in Parliament

Public Services and Procurement Canada and the Senate of Canada

Public Services and Procurement Canada and the Senate of Canada:

- are responsible for the day-to-day administration of the plan, including all communications with plan members
- develop and maintain the plan's pension systems, books of accounts, records, and internal controls
- prepare account transaction statements for reporting in the Public Accounts of Canada

Chief Actuary of Canada

The Chief Actuary of Canada:

- provides an annual actuarial valuation of the plan for accounting purposes
- performs a funding valuation once every three years
- sets parliamentarians' contribution rates and coordination factors for the plan
- assists the President of the Treasury Board in making informed decisions regarding the financing of the pension benefit obligation

Glossary

actuarial valuation

An actuarial analysis that provides information on the financial condition of a pension plan.

average annual pensionable earnings

The best consecutive 5-year average of a member's annual pensionable earnings to be used in the calculation of retirement allowances for service accrued on or after January 1, 2016. The average annual pensionable earnings may be drawn from any consecutive period in the member's pensionable service history. Pensionable earnings for this purpose include the cumulative total of the sessional indemnity and any additional allowances or salary payable to a member in a calendar year.

average annual sessional indemnity

The best consecutive 5-year average of a member's annual sessional indemnity to be used in the calculation of retirement allowances for service accrued before January 1, 2016. The average annual sessional indemnity may be drawn from any consecutive period in the member's pensionable service history. Sessional indemnity for this purpose is the equivalent to a monthly salary and is payable in accordance with the *Parliament of Canada Act*.

average maximum pensionable earnings (AMPE)

The average of the year's maximum pensionable earnings as set by the CPP and the QPP for the year of retirement and the four preceding years.

benefit accrual rate

The rate at which a plan member's retirement benefits for the year are accumulated. It applies to retirement allowances and survivor benefits, but not to withdrawal allowances.

Canada Pension Plan (CPP)

A mandatory earnings-related pension plan to provide basic retirement income to Canadians who work in all the provinces and territories except Quebec, which has its own plan (see Québec Pension Plan) for persons who work in that province.

child benefit

An allowance payable to an eligible dependent child in the event of a plan member's death. To be eligible, a child must be under 18 years of age. Children between 18 and 25 may receive allowances if they are enrolled in school or another educational institution full-time and have attended continuously since the age of 18 or the date of the plan member's death, whichever occurs later.

Consumer Price Index (CPI)

A measure of price changes published monthly by Statistics Canada. The CPI price sample is obtained from a selection of geographical areas, representative goods and services, and types and locations of retail outlets, to estimate price changes experienced by Canadians. Increases in the CPI are also referred to as cost of living increases.

earnings limit (EL)

The maximum earnings for which pension benefits can be earned during a calendar year under a registered pension plan, as defined by the *Income Tax Act*. The EL for calendar year 2025 was \$204,100 and \$197,400 for service from January 1, 2016, to December 31, 2024. The EL for calendar year 2024 was \$189,700.

indexation

The automatic adjustment of pensions to reflect changes in the cost of living, as determined by the Consumer Price Index.

pension division

The division, pursuant to the *Pension Benefits Division Act*, of a member's accumulated pension benefits between the member and a spouse or partner in the event of the breakdown of a marriage or a common-law relationship.

pensionable service

Periods of service credited to a member of the Members of Parliament Pension Plan. This service includes any complete or partial periods of purchased service (for example, service buyback or elective service).

Québec Pension Plan (QPP)

A pension plan similar to the Canada Pension Plan that covers individuals working in the province of Quebec. It is administered by Retraite Québec.

retirement allowance

A benefit payable on a periodic basis to a pension plan member until their death, unless payment of the benefit is suspended.

survivor benefit

A benefit paid to a plan member's eligible survivor. An eligible survivor is the person who was married to the member or was living in a common-law relationship with the member for at least one year before the member's death or one year before they ceased to be a parliamentarian, whichever comes first.

year's additional maximum pensionable earnings (YAMPE)

The maximum earnings for which contributions can be made to the CPP and the QPP during the year. Enhancements to the CPP and QPP introduced this higher limit in 2024. The YAMPE was \$81,200 for calendar year 2025.

Footnotes

- 1 In this report, “parliamentarians” refers to members of the Senate and members of the House of Commons, and “plan members” refers to both active and former parliamentarians. Where necessary, members of the Senate and members of the House of Commons are referred to separately.
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