

# Pension plans in Canada, as of January 1, 2011

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Membership in registered pension plans (RPPs) in Canada amounted to 6,065,750 in 2010, an increase of 42,000 or 0.7% from 2009. Membership increased in public sector plans, but declined in private sector plans.

Membership in public sector pension plans rose 1.8% to 3,140,970, while the number of members in private sector plans declined 0.5% to 2,924,790.

As a result, the public sector accounted for 52% of total membership in RPPs, up from 46% a decade earlier. In the early 1980s, membership in the private sector represented almost 60% of total members.

Women accounted for three-quarters of the increase in RPP membership. In 2010, they represented 62% of membership in the public sector and 37% in the private sector.

On an industry basis, membership rose in public administration (+38,650), educational services and health care (+17,410) and finance, insurance and real estate (+8,410). The biggest decline occurred in the manufacturing sector, where membership fell by 21,480 in 2010, following a drop of 62,000 the year before.

As of January 1, 2011, there were 19,463 registered pension plans in Canada, up 1.8% from the same date the year before. As in past years, increases came mainly from plans with only one member.

## **Participation of women continues upward trend**

The participation of women in RPPs continued its long-term upward trend in 2010. Their membership increased 1.0% to 3,028,730, breaking the three-million mark for the first time. Among men, it rose 0.4% to 3,037,020.

In 2010, men accounted for 50.1% of total membership, while the percentage of women rose to 49.9%, a record level. In the early 1970s, men accounted for almost 75% of total membership in RPPs.

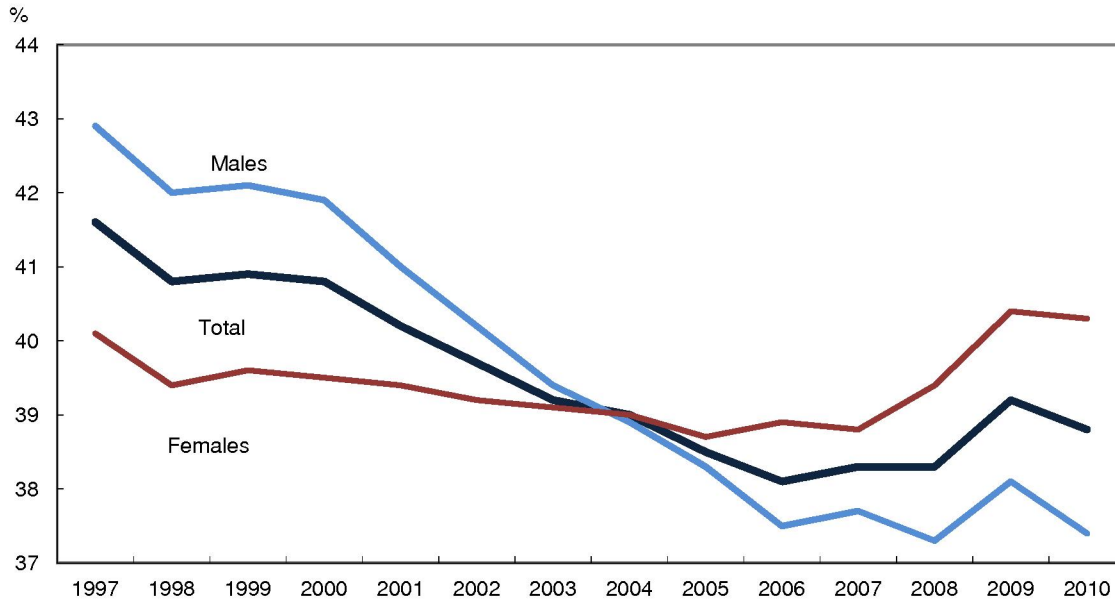
The pension coverage rate, that is, the proportion of all employees covered by an RPP, was 38.8% in 2010, down from 39.2% the year before.

The pension coverage rate for women remained at 40.3%, while the rate for men was slightly lower, at 37.4%. The rate for women was higher because of the high proportion of women employed in the public sector, where most female employees (88.8%) were covered by a pension plan.

In the private sector, the proportion of employees covered by an RPP continued a downward trend. In 2010, the coverage rate was 24.4%, down from 24.8% the previous year.



**Chart 1**  
**Percentage of employees covered by a registered pension plan**



**Defined benefit plans remain the most important plan type**

In 2010, more than 4,484,000 employees were in a defined benefit pension plan, down 1.0% from 2009. They accounted for 74% of employees with an RPP, compared with more than 84% a decade earlier.

Membership in defined contribution plans, the other most frequent type, increased 0.8% or 7,360 to 969,210. These plans accounted for 16% of all RPP membership. Nearly 85% of members in defined contribution plans were in the private sector.

Hybrid plans continued their upward trend. In 2010, more than 612,530 employees belonged to these plans, up 15% from 2009. To reduce the cost of their pension plans, a number of employers closed the defined benefit component to new employees and added a defined contribution component. Existing employees have the option to remain members of the defined benefit component. In 2010, these hybrid plans accounted for about 10% of total pension plan membership.

**Employer and employee contributions have increased**

In 2010, total employer and employee contributions to RPPs increased to a record high of \$54.2 billion. Employer contributions for unfunded liabilities accounted for \$10.8 billion of the total, down from the high of \$12.6 billion in 2009. When payments for unfunded liabilities are excluded, employers contributed 63% and employees, 37%.

The market value of assets in RPPs totalled \$1.2 trillion in 2010, up 10.6% from the previous year. Employer pension plans have recovered all losses experienced during the recent economic downturn. Assets declined 12% in 2008.

On a solvency basis, close to 3,550 RPPs reported actuarial information for the three-year period ending January 1, 2011. Over 84% of these RPPs were underfunded, compared with 81% of the RPPs that reported in the three-year period ending January 1, 2010. The median solvency funded ratio (the ratio of the market value of plan assets to liabilities) was estimated at 85% for the period ending January 1, 2011.

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**Note to readers**

Registered pension plans (RPPs) are established by employers or unions for employees. These data come from the Pension Plans in Canada Survey as of January 1, 2011.

A defined benefit plan defines the benefits to be paid according to a formula stipulated in the plan text. The employer's contributions are not predetermined, but are a function of the cost of providing the promised pension.

A defined contribution plan specifies the contributions made by the employer, as well as by the employee if the plan is contributory. Pension benefits paid are a function of accumulated contributions and investment returns.

A hybrid plan is a RPP with two components, a defined benefit component and a defined contribution component.

Membership is defined as active members of the pension plan currently making contributions to the pension plan or for whom contributions are being made.

A plan has a solvency deficiency when its assets divided by its liabilities (values determined as if the plan had terminated) is less than 1.

In the data received for 2010, one of the registered pension plans was reclassified. As a result, there is a small shift in the number of members in the public and private sectors in 2009. Data for the public and private sectors for 2009 have been revised.

**Table 1**  
**Registered pension plan membership, by sector and type of plan**

|                            | 2009 <sup>1</sup><br>(number) | 2010<br>(number) | 2009 to 2010<br>(net change) | 2009 to 2010<br>(% change) |
|----------------------------|-------------------------------|------------------|------------------------------|----------------------------|
| <b>All sectors: Total</b>  | <b>6,023,741</b>              | <b>6,065,751</b> | <b>42,010</b>                | <b>0.7</b>                 |
| <b>Males</b>               | <b>3,025,544</b>              | <b>3,037,017</b> | <b>11,473</b>                | <b>0.4</b>                 |
| <b>Females</b>             | <b>2,998,197</b>              | <b>3,028,734</b> | <b>30,537</b>                | <b>1.0</b>                 |
| Defined benefit plans      | 4,529,059                     | 4,484,011        | -45,048                      | -1.0                       |
| Males                      | 2,162,425                     | 2,124,889        | -37,536                      | -1.7                       |
| Females                    | 2,366,634                     | 2,359,122        | -7,512                       | -0.3                       |
| Defined contribution plans | 961,845                       | 969,207          | 7,362                        | 0.8                        |
| Males                      | 564,082                       | 570,199          | 6,117                        | 1.1                        |
| Females                    | 397,763                       | 399,008          | 1,245                        | 0.3                        |
| Hybrid plans <sup>2</sup>  | 532,837                       | 612,533          | 79,696                       | 15.0                       |
| Males                      | 299,037                       | 341,929          | 42,892                       | 14.3                       |
| Females                    | 233,800                       | 270,604          | 36,804                       | 15.7                       |
| <b>Public sector</b>       | <b>3,084,211</b>              | <b>3,140,965</b> | <b>56,754</b>                | <b>1.8</b>                 |
| <b>Males</b>               | <b>1,166,954</b>              | <b>1,188,948</b> | <b>21,994</b>                | <b>1.9</b>                 |
| <b>Females</b>             | <b>1,917,257</b>              | <b>1,952,017</b> | <b>34,760</b>                | <b>1.8</b>                 |
| Defined benefit plans      | 2,898,969                     | 2,953,976        | 55,007                       | 1.9                        |
| Males                      | 1,087,751                     | 1,110,650        | 22,899                       | 2.1                        |
| Females                    | 1,811,218                     | 1,843,326        | 32,108                       | 1.8                        |
| Defined contribution plans | 143,364                       | 151,562          | 8,198                        | 5.7                        |
| Males                      | 56,404                        | 61,593           | 5,189                        | 9.2                        |
| Females                    | 86,960                        | 89,969           | 3,009                        | 3.5                        |
| Hybrid plans <sup>2</sup>  | 41,878                        | 35,427           | -6,451                       | -15.4                      |
| Males                      | 22,799                        | 16,705           | -6,094                       | -26.7                      |
| Females                    | 19,079                        | 18,722           | -357                         | -1.9                       |
| <b>Private sector</b>      | <b>2,939,530</b>              | <b>2,924,786</b> | <b>-14,744</b>               | <b>-0.5</b>                |
| <b>Males</b>               | <b>1,858,590</b>              | <b>1,848,069</b> | <b>-10,521</b>               | <b>-0.6</b>                |
| <b>Females</b>             | <b>1,080,940</b>              | <b>1,076,717</b> | <b>-4,223</b>                | <b>-0.4</b>                |
| Defined benefit plans      | 1,630,090                     | 1,530,035        | -100,055                     | -6.1                       |
| Males                      | 1,074,674                     | 1,014,239        | -60,435                      | -5.6                       |
| Females                    | 555,416                       | 515,796          | -39,620                      | -7.1                       |
| Defined contribution plans | 818,481                       | 817,645          | -836                         | -0.1                       |
| Males                      | 507,678                       | 508,606          | 928                          | 0.2                        |
| Females                    | 310,803                       | 309,039          | -1,764                       | -0.6                       |
| Hybrid plans <sup>2</sup>  | 490,959                       | 577,106          | 86,147                       | 17.5                       |
| Males                      | 276,238                       | 325,224          | 48,986                       | 17.7                       |
| Females                    | 214,721                       | 251,882          | 37,161                       | 17.3                       |

1. Data for the public and private sectors for 2009 have been revised.

2. Included in this category are registered pension plans having a defined benefits and defined contribution components.

Note(s): Related CANSIM table 280-0016.

**Available without charge in CANSIM: tables 280-0008 to 280-0014 and 280-0016 to 280-0027.**

**Definitions, data sources and methods: survey number 2609.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or the Media Hotline (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).