

Registered retirement savings plan contributions, 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, March 9, 2021

Just over 5.9 million Canadians contributed to a registered retirement savings plan (RRSP) in 2019, down 1.5% from a year earlier. However, the amount they contributed rose 1.8% to \$44.3 billion for a median contribution of \$3,260. Contribution figures in this release could be affected by changes in tax rules specific to the 2019 tax year which permitted later tax filing because of the COVID-19 pandemic (please see "Note to readers" for more information).

Data on RRSPs are derived from the preliminary version of the T1 Family File. While data from this release do not yet reflect the potential impact of the COVID-19 pandemic on RRSP contributions, they do provide useful insight into the economic well-being of Canadians prior to the pandemic, and could serve as a baseline for measuring the impact of the pandemic on various aspects of the economy in the future.

Registered retirement savings plan contributions rise in most provinces and territories

RRSP contributions rose in seven provinces and two territories in 2019, led by the Northwest Territories (+4.9%), Quebec (+4.3%) and Yukon (+3.1%). The largest declines were in Nova Scotia (-15.1%), Nunavut (-5.7%) and Saskatchewan (-4.7%).

The large decline in Nova Scotia came on the heels of a 23.4% increase in 2018, which was mainly attributable to a one-time payout for long service in certain parts of the provincial public sector. These payouts were considered wages, but employees with available room could reduce their tax rate by contributing to their RRSPs. Despite the large drop in 2019, RRSP contributions in Nova Scotia (\$785 million) remained above 2017 levels (\$749 million).

Nationally, the median contribution in 2019 was \$3,260, up 4.2% from a year earlier. Median contributions ranged from \$3,900 in Nunavut to \$2,400 in Manitoba, and rose at the fastest pace in the Northwest Territories (+6.3% to \$3,520) and Ontario (+6.1% to \$3,500).

Although total (+1.1%) and median (+2.0%) RRSP contributions increased in Alberta in 2019, they rose at a slower pace compared with the other large provinces (Quebec, Ontario and British Columbia), reflecting in part the slumping energy sector following the 2014 collapse in oil prices.



Table 1
Registered retirement savings plan contributors, Canada, provinces and territories

	Contributors			Total Contributions		Median contributions	
	2019	2018 to 2019	2019	2019	2018 to 2019	2019	2018 to 2019
	number	% change	% of tax filers	thousands of dollars	% change	dollars	% change
Canada	5,912,000	-1.5	21.8	44,268,370	1.8	3,260	4.2
Newfoundland and Labrador	61,780	-4.4	15.4	513,755	0.7	3,600	2.9
Prince Edward Island	19,250	-2.1	16.9	132,445	1.5	2,980	2.4
Nova Scotia	117,820	-6.7	16.5	785,360	-15.1	2,700	-13.7
New Brunswick	92,130	-0.9	15.6	613,235	2.3	2,830	4.8
Quebec	1,613,120	0.6	25.0	11,467,905	4.3	3,000	4.2
Ontario	2,153,310	-2.6	20.8	16,967,380	1.7	3,500	6.1
Manitoba	184,940	-3.5	19.4	1,087,930	-3.8	2,400	0.0
Saskatchewan	171,100	-3.9	20.9	1,039,160	-4.7	2,710	0.4
Alberta	724,190	-1.8	24.0	5,482,780	1.1	3,500	2.0
British Columbia	759,400	-0.6	20.5	6,065,030	2.9	3,800	3.3
Yukon	6,620	-3.6	24.2	51,515	3.1	3,560	2.6
Northwest Territories	6,340	-3.9	21.8	46,470	4.9	3,520	6.3
Nunavut	2,010	-4.3	10.1	15,405	-5.7	3,900	4.3

Source(s): Table 11-10-0044-10.

Vancouver and Toronto have the highest median contributions among the census metropolitan areas

Vancouver (\$4,300) and Toronto (\$4,200) had the highest median RRSP contributions among the census metropolitan areas (CMAs) in 2019, followed by Calgary (\$4,090) and St John's (\$4,000). The CMAs of Belleville and Winnipeg had the lowest median contributions (both at \$2,400).

Tax filers in the CMA of Québec (30.1%) were the most likely to contribute to an RRSP in 2019, followed by those in Calgary (26.6%) and Montréal (26.0%). Tax filers in Abbotsford–Mission (17.2%), Belleville (17.6%) and St. Catharines–Niagara (17.7%) were the least likely to contribute.

Table 2
Registered retirement savings plan contributors, census metropolitan areas

	Contributors			Total contributions		Median contributions	
	2019	2018 to 2019	2019	2019	2018 to 2019	2019	2018 to 2019
	number	% change	% of tax filers	thousands of dollars	% change	dollars	% change
Canada	5,912,000	-1.5	21.8	44,268,370	1.8	3,260	4.2
St. John's	33,230	-4.9	22.0	288,930	-0.4	4,000	2.6
Halifax	65,470	-4.9	21.4	462,350	-12.3	3,000	-14.3
Moncton	21,350	0.3	18.6	137,760	1.1	2,750	5.4
Saint John	20,050	-0.7	20.7	136,655	-1.0	3,300	2.2
Saguenay	31,320	0.4	24.4	219,620	1.2	2,680	4.7
Québec	192,460	1.0	30.1	1,344,730	4.3	2,970	9.6
Sherbrooke	41,330	1.3	24.3	271,705	7.0	2,640	3.5
Trois-Rivières	29,260	0.5	23.2	217,965	-0.4	2,700	3.8
Montréal	832,590	0.8	26.0	6,297,320	4.8	3,400	6.6
Ottawa–Gatineau,							
Ontario/Quebec	232,480	-0.7	23.2	1,822,140	3.6	3,550	6.3
Ottawa part	178,230	-0.6	23.6	1,483,245	3.3	3,710	3.6
Gatineau part	54,250	-1.0	21.9	338,895	5.0	2,780	4.1
Kingston	23,100	-6.1	19.7	160,225	1.9	2,500	0.0
Belleville	13,780	-3.7	17.6	88,295	4.1	2,400	0.0
Peterborough	15,570	-4.6	18.4	113,075	-0.8	2,600	0.0
Oshawa	61,180	-2.4	21.9	442,860	5.0	2,890	6.6
Toronto	998,940	-1.9	21.7	8,506,200	2.2	4,200	5.0
Hamilton	121,550	-2.4	21.7	947,740	2.1	3,270	4.8
St. Catharines–Niagara	56,030	-3.1	17.7	391,655	-3.3	2,600	0.0
Kitchener–Cambridge–Waterloo	97,050	-1.5	23.7	744,060	4.2	3,450	4.9
Brantford	20,880	-5.0	20.2	139,445	0.5	2,700	3.1
Guelph	29,010	-1.6	24.5	219,060	3.8	3,270	4.8
London	78,080	-3.9	20.4	557,020	-0.8	2,880	2.5
Windsor	47,770	-6.1	18.8	331,005	-3.3	3,030	1.0
Barrie	29,730	-4.0	20.4	201,640	-1.8	2,600	0.0
Greater Sudbury	23,890	-3.4	19.4	160,225	-0.5	2,650	1.1
Thunder Bay	17,810	-6.2	20.0	115,695	-3.6	2,600	0.0
Winnipeg	130,110	-3.3	21.7	774,565	-3.0	2,400	0.0
Regina	44,980	-3.7	24.7	266,200	-2.3	2,600	0.0
Saskatoon	53,020	-2.7	23.5	332,130	-4.6	2,840	1.8
Lethbridge	18,820	-2.0	21.5	111,845	4.2	2,560	0.4
Calgary	278,500	-0.9	26.6	2,428,500	2.7	4,090	2.3
Edmonton	244,360	-1.4	24.5	1,675,265	0.5	3,250	1.6
Kelowna	29,760	-0.6	18.8	243,075	2.5	3,300	5.8
Abbotsford–Mission	23,550	-1.0	17.2	153,090	2.8	2,800	0.0
Vancouver	444,860	0.3	22.5	3,729,575	3.3	4,300	4.4
Victoria	62,250	-0.9	21.6	474,990	3.7	3,220	1.3

Note(s): Go online to view the census subdivisions that comprise the [census metropolitan areas](#), according to Standard Geographical Classification 2016.

Source(s): Table 11-10-0044-01.

Income levels are a clear factor in RRSP contribution rates

Over half (53.8%) of tax filers with more than \$80,000 in total income contributed to an RRSP in 2019. This may reflect a greater opportunity for high earners to save, but it also stems from the tax incentives built into the RRSP—the objective is to reduce high income tax rates by contributing in high-income years and hoping to withdraw at a lower tax rate in the future.

Table 3
Percentage of tax filers who contribute to a registered retirement savings plan by income group, Canada

	2019
	%
Total	21.8
Total income less than \$20,000	2.3
Total income \$20,000 to \$39,999	10.0
Total income \$40,000 to \$59,999	27.8
Total income \$60,000 to \$79,999	39.6
Total income \$80,000 or more	53.8

Source(s): Author's derivation based on tables [11-10-0047-01](#) and [11-10-0044-01](#).

Middle-aged workers are the most likely to contribute to an RRSP

Tax filers aged 45 to 54 were the most likely to contribute to RRSPs; over one-third (36.3%) did so in 2019. Fewer contributed in the 35 to 44 age group (32.6%) and in the 55 to 64 age group (30.7%).

Tax filers in younger age groups were less likely to contribute to RRSPs, as other spending needs were competing for resources, and the tax benefits of contributing to RRSPs may have been reduced by having a lower income. Almost one in four tax filers (23.0%) aged 25 to 34 contributed to an RRSP in 2019.

Table 4
Percentage of tax filers who contribute to a registered retirement savings plan by age group, Canada

	2019
	%
Total	21.8
0 to 24 years	5.4
25 to 34 years	23.0
35 to 44 years	32.6
45 to 54 years	36.3
55 to 64 years	30.7
65 years and over	5.8

Source(s): Author's derivation based on tables [11-10-0047-01](#) and [11-10-0044-01](#).

Note to readers

Data in this release are based on a preliminary version of the T1 Family File (tax filer data).

The deadline extension granted by the Canada Revenue Agency for filing taxes and for the payment of taxes without penalty impacted the completeness of the 2019 preliminary income tax data used in this release. The number of tax filers in these preliminary income tax data, generally individuals who filed taxes before September, edged down by 0.8% in 2019, while the number of tax filers in the preliminary tax file has increased, on average, by 1.3% yearly since 2009. The 2019 decrease was likely caused by a number of potential tax filers not yet included in the tax file because of late filings. Therefore, caution should be used with these data when interpreting moderate changes in counts and aggregate amounts between 2018 and 2019.

Registered retirement savings plans (RRSPs) allow individuals or their spouses to make tax-deductible contributions to individual savings and investment accounts. To be eligible to contribute to an RRSP, a tax filer must have unused room from earlier years, or new room as a result of qualifying income from the previous year (generally employment income).

The RRSP limit is based on 18% of the earned income of the previous tax year up to a fixed maximum, less any pension adjustments, plus any unused room carried forward. The fixed maximum RRSP contribution in 2019 was \$26,500, up from \$26,230 in 2018. Income earned in the account accumulates tax-free, but withdrawals, which can take place at any time, are taxed.

Contributions can be made, and unused contribution room can be carried forward, until age 71. At that point, the RRSP is closed and an individual chooses either to pay taxes on the full value of the RRSP holdings or to convert the holdings into a registered retirement income fund. This type of savings account allows individuals to defer part of their income over time, subject to minimum withdrawal limits.

All dollar amounts in this release are expressed in current dollars and have not been adjusted for inflation.

All data in this release have been tabulated according to the 2016 Standard Geographical Classification used for the 2016 Census.

A census metropolitan area is formed by one or more adjacent municipalities centred on a population centre (also known as the core). It must have a total population of at least 100,000, of which 50,000 or more live in the core.

Available tables: [table 11-10-0044-01](#).

Definitions, data sources and methods: [survey number 4106](#).

The document "Technical Reference Guide for the Preliminary Estimates from the T1 Family File (T1FF)" ([11260001](#)) presents information about the methodology, concepts and quality for the data available in this release.

Data on RRSP contributors ([17C0006](#), various prices) are now available for Canada, the provinces and territories, economic regions, census divisions, census metropolitan areas, census agglomerations, census tracts, and postal-based geographies. These custom services are available upon request. A table associated with this release is available for free on the Statistics Canada website for Canada, the provinces and territories, census metropolitan areas, and census agglomerations.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).