

# Pension plans in Canada, as of January 1, 2021

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Participating in a registered pension plan, which is a pension plan established by employers or unions for employees, is an important employee benefit which provides a measure of security for those in retirement. Altogether, nearly 6.6 million Canadians were active members in a registered pension plan (RPP) in 2020, up 57,000 (+0.9%) from 2019.

Membership increased in some provinces and decreased in others. Increases in membership were largest among those working in Quebec (+33,000), followed by Ontario (+25,200) and British Columbia (+16,800). In contrast, decreases were largest among those working in Alberta (-23,400) and in Newfoundland and Labrador (-3,500). Membership changes should be seen in light of changes in the labour market related to the COVID-19 pandemic which boosted employment in some sectors such as public services, as well as the decline in resource prices which affected employment in Alberta and Newfoundland and Labrador.

Women accounted for just over three-quarters of the increase in new memberships in a RPP, up 43,100 from 2019 to nearly 3.4 million. Approximately 14,300 more men were members in a RPP in 2020 than in 2019, bringing their total to just over 3.2 million. Women's share of active membership surpassed men's in 2016 and has increased every year since then to reach 51.3% in 2020.

## Two-thirds of registered pension plan membership covered by defined benefit pension plans

Over 4.4 million Canadians were covered by a defined benefit (DB) pension plan in 2020, up 1.7% from 2019. Membership in a DB plan accounted for two-thirds of the total membership in an RPP in 2020, unchanged from 2019. Female membership made up 55.8% of total DB membership, and the public sector dominated the DB membership at 72.5%.

A defined benefit pension plan is a type of pension plan in which an employer or sponsor promises a specified pension payment, lump-sum, or combination thereof on retirement. The pension amount depends on an employee's earnings history, tenure of service and age, rather than on individual investment returns. The employer (or pension sponsor) is responsible for managing the plan's investments and risk. This type of plan has become less and less common over the last few decades as employers have switched to defined contribution plans.

Membership in defined contribution (DC) plans, the next most common type of pension, accounted for 18.4% of all RPP membership in 2020. DC plans lost about 7,300 members (-0.6%) compared with 2019. Most members in DC plans work in the private sector (86.6%) and this subset of the membership consists of more male members (62.8%) than female members (37.2%). In contrast, DC membership in the public sector was split two to one in favour of female members. Male DC members working in the private sector represented 22.7% of the total RPP male membership, in contrast with female DC members working in the private sector who accounted for 14.4% of total female membership.

A defined contribution plan specifies the contributions made by the employer, as well as by the employee if the plan is contributory. DC plans allow employees to invest pre-tax dollars in the capital markets, where those dollars can grow tax-deferred until retirement. Pension benefits paid are a function of accumulated contributions and investment returns.

Membership in other plan types, excluding DB and DC, such as hybrid, composite and combination plans, decreased by almost 11,000 members in 2020. Over 952,000 workers, accounting for 14.4% of RPP membership, belonged to plans not classified as the conventional DB or DC models. A more similar share of overall male membership (16.4%) and overall female membership (12.6%) belonged to these less conventional plan types.



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## Membership in the public sector grows, while membership in the private sector shrinks

Public sector plans added over 60,000 participants (+1.7%) to their membership, while private sector membership edged down, falling by just under 3,100 members (-0.1%) in 2020.

The increase in female membership in public sector plans accounted for nearly three-quarters (72.5% or 43,900) of the total increase, which brought the total female membership to almost 2.28 million. Male membership increased by 16,600, bringing the total male membership in the public sector to 1.26 million.

Meanwhile, the number of members in private sector plans fell by 3,100 (-2,300 men and -800 women). The number of members in private sector DB pension plans rose by 1.9% (+22,600), but this was more than offset by a drop in membership in DC pension plans (-10,200) and other types of pension plans (-15,500).

Female RPP membership continues to be more concentrated in the public sector, while male RPP membership is higher in the private sector. This is due to the fact that some of the largest public pension plans are those in healthcare, education and public administration. Of the 21 "larger" public plans (30,000 or more active members), only two have more men than women. In aggregate, women represent just over two-thirds of the membership in those plans. In 2020, as in 2019, two in three females belonging to an RPP were employed in the public sector, compared with two in five for males.

## Percentage of paid workers covered by a registered pension plan increases in 2020

The pension coverage rate, that is, the proportion of all paid workers covered by an RPP was 39.7% in 2020, up from 37.1% in 2019. The increase in the coverage ratio was due to a decrease in labour force numbers, attributable to the pandemic, rather than an increase in the membership in the registered pension plans. This level of coverage was last seen in 2001 (40.2%), then trended downward before having a peak year in 2009 (39.4%), after which point it resumed its downward trend.

As public health measures related to the pandemic were lifted, the labour force numbers began to improve (as evidenced in the Labour Force Survey), especially in non-unionized sectors such as retail and accommodation. Increases in non-unionized sectors such as these will likely lead to a drop in the coverage rates going forward.

The pension coverage rate increased for both men and women in 2020. For women, the pension coverage rate rose 3.3 percentage points to 43.3%, while for men it increased 2.0 percentage points to 36.5%.

## Total registered pension plan contributions edge down

Total employer and employee contributions to RPPs edged down to \$71.0 billion in 2020, down by \$52.4 million (-0.1%) from 2019.

The total amount of contributions made to a pension plan is made up of employee contributions, employer contributions for current service and employer special payments for unfunded liabilities. Unfunded liabilities is the difference between a retirement plan's assets and the value of the benefits already accrued.

Employees accounted for 38.1% (\$27.0 billion) in contributions, while employer contributions for current service accounted for 55.1% (\$39.1 billion), and employer contributions for unfunded liabilities represented 8% (\$5.8 billion) in contributions. The \$5.8 billion in contributions for unfunded liabilities represented a decrease of 16.6% from 2019, beating that year's lowest-in-a-decade level.

The market value of assets in RPPs increased by nearly \$112 billion in 2020 to top \$2.2 trillion. The largest 31 plans, each with 30,000 or more active members, held 57.1% of the total assets, while accounting for just over half (51.6%) of total membership.

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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 program as of January 1, 2021.

A **defined benefit pension plan** defines the benefits to be paid according to the terms and conditions of the plan. 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.

**Other plans** include hybrid plans, composite plans, plans that combine defined benefits and defined contributions, and other plans.

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

An **unfunded liability** generally corresponds to any amount by which the assets of a pension plan are less than its liabilities.

The **pension coverage rate** is the proportion of all paid workers covered by an RPP and is calculated by combining estimates from the Labour Force Survey and the Pension Plans in Canada program. There are some adjustments for conceptual differences, and the coverage rates may change with each release because of revisions in the data sources.

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

	2019	2020	2019 to 2020	2019 to 2020
	number		net change	% change
<b>Total, all sectors</b>	<b>6,535,888</b>	<b>6,593,256</b>	<b>57,368</b>	<b>0.9</b>
<b>Males</b>	<b>3,195,993</b>	<b>3,210,266</b>	<b>14,273</b>	<b>0.4</b>
<b>Females</b>	<b>3,339,895</b>	<b>3,382,990</b>	<b>43,095</b>	<b>1.3</b>
Defined benefit plans	4,350,082	4,425,506	75,424	1.7
Males	1,923,891	1,956,561	32,670	1.7
Females	2,426,191	2,468,945	42,754	1.8
Defined contribution plans	1,222,725	1,215,472	-7,253	-0.6
Males	736,164	727,782	-8,382	-1.1
Females	486,561	487,690	1,129	0.2
Other plans <sup>1</sup>	963,081	952,278	-10,803	-1.1
Males	535,938	525,923	-10,015	-1.9
Females	427,143	426,355	-788	-0.2
<b>Public sector</b>	<b>3,477,382</b>	<b>3,537,839</b>	<b>60,457</b>	<b>1.7</b>
<b>Males</b>	<b>1,243,807</b>	<b>1,260,403</b>	<b>16,596</b>	<b>1.3</b>
<b>Females</b>	<b>2,233,575</b>	<b>2,277,436</b>	<b>43,861</b>	<b>2.0</b>
Defined benefit plans	3,153,439	3,206,250	52,811	1.7
Males	1,106,016	1,119,237	13,221	1.2
Females	2,047,423	2,087,013	39,590	1.9
Defined contribution plans	160,042	163,008	2,966	1.9
Males	65,734	66,641	907	1.4
Females	94,308	96,367	2,059	2.2
Other plans <sup>1</sup>	163,901	168,581	4,680	2.9
Males	72,057	74,525	2,468	3.4
Females	91,844	94,056	2,212	2.4
<b>Private sector</b>	<b>3,058,506</b>	<b>3,055,417</b>	<b>-3,089</b>	<b>-0.1</b>
<b>Males</b>	<b>1,952,186</b>	<b>1,949,863</b>	<b>-2,323</b>	<b>-0.1</b>
<b>Females</b>	<b>1,106,320</b>	<b>1,105,554</b>	<b>-766</b>	<b>-0.1</b>
Defined benefit plans	1,196,643	1,219,256	22,613	1.9
Males	817,875	837,324	19,449	2.4
Females	378,768	381,932	3,164	0.8
Defined contribution plans	1,062,683	1,052,464	-10,219	-1.0
Males	670,430	661,141	-9,289	-1.4
Females	392,253	391,323	-930	-0.2
Other plans <sup>1</sup>	799,180	783,697	-15,483	-1.9
Males	463,881	451,398	-12,483	-2.7
Females	335,299	332,299	-3,000	-0.9

1. Other plans include hybrid plans, composite plans, plans that combine defined benefits and defined contributions, and other plans.

Source(s): Table 11-10-0106-01.

**Table 2**  
**Percentage of paid workers covered by a registered pension plan**

	2000	2005	2010	2015	2020
	%				
<b>Total, all sectors</b>	<b>40.8</b>	<b>38.6</b>	<b>39.0</b>	<b>38.1</b>	<b>39.7</b>
<b>Males</b>	<b>41.9</b>	<b>38.3</b>	<b>37.7</b>	<b>36.4</b>	<b>36.5</b>
<b>Females</b>	<b>39.5</b>	<b>38.9</b>	<b>40.3</b>	<b>39.9</b>	<b>43.3</b>
Defined benefit plans	34.3	31.2	28.8	25.6	26.6
Males	34.6	30.1	26.3	22.3	22.2
Females	33.9	32.4	31.4	29.2	31.6
Defined contribution plans	5.8	6.1	6.2	6.9	7.3
Males	6.4	6.8	7.1	8.0	8.2
Females	5.0	5.3	5.3	5.6	6.2
Other plans <sup>1</sup>	0.7	1.3	3.9	5.7	5.7
Males	0.8	1.5	4.3	6.1	6.0
Females	0.5	1.2	3.6	5.1	5.5
<b>Public sector</b>	<b>86.6</b>	<b>84.2</b>	<b>88.6</b>	<b>87.9</b>	<b>90.2</b>
<b>Males</b>	<b>89.8</b>	<b>86.2</b>	<b>85.9</b>	<b>84.5</b>	<b>84.6</b>
<b>Females</b>	<b>84.3</b>	<b>82.9</b>	<b>90.4</b>	<b>89.9</b>	<b>93.5</b>
Defined benefit plans	81.4	77.9	83.3	79.9	81.7
Males	84.2	78.8	80.2	75.7	75.1
Females	79.4	77.2	85.4	82.6	85.7
Defined contribution plans	4.3	4.9	4.3	4.0	4.2
Males	4.4	5.6	4.4	4.3	4.5
Females	4.2	4.5	4.2	3.8	4.0
Other plans <sup>1</sup>	0.9	1.5	1.0	3.9	4.3
Males	1.2	1.8	1.2	4.5	5.0
Females	0.7	1.2	0.9	3.6	3.9
<b>Private sector</b>	<b>28.2</b>	<b>26.0</b>	<b>24.3</b>	<b>23.8</b>	<b>24.1</b>
<b>Males</b>	<b>32.2</b>	<b>29.0</b>	<b>27.7</b>	<b>27.0</b>	<b>26.7</b>
<b>Females</b>	<b>22.8</b>	<b>22.1</b>	<b>20.1</b>	<b>19.5</b>	<b>20.6</b>
Defined benefit plans	21.3	18.3	12.7	9.9	9.6
Males	24.6	20.6	15.2	11.9	11.5
Females	17.0	15.4	9.6	7.4	7.1
Defined contribution plans	6.2	6.4	6.8	7.7	8.3
Males	6.9	7.0	7.6	8.7	9.0
Females	5.3	5.6	5.8	6.4	7.3
Other plans <sup>1</sup>	0.6	1.3	4.8	6.2	6.2
Males	0.8	1.4	4.9	6.4	6.2
Females	0.5	1.2	4.7	5.8	6.2

1. Other plans include hybrid plans, composite plans, plans that combine defined benefits and defined contributions, and other plans.

Source(s): Tables 11-10-0133-01 and 14-10-0027-01.

Available tables: [11-10-0062-01](#) to [11-10-0064-01](#) , [11-10-0094-01](#) to [11-10-0099-01](#) , [11-10-0106-01](#), [11-10-0111-01](#), [11-10-0114-01](#) to [11-10-0122-01](#) , [11-10-0124-01](#) and [11-10-0133-01](#).

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 us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).