

Pension plans in Canada, as of January 1, 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, June 23, 2023

Over 6.7 million Canadians were active members of a registered pension plan (RPP) in 2021, up 118,000 (+1.8%) from 2020. RPPs are established by employers or unions for employees. Participating in one is an important employee benefit that provides a measure of security in retirement.

Changes in membership varied across the country. Membership increases in 2021 were largest among those working in Ontario (+54,900), followed by Quebec (+51,300) and British Columbia (+13,400). Manitoba saw the largest membership decrease (-8,800), followed by Saskatchewan (-3,100).

Women accounted for 57.5% (67,800) of the total increase (118,000) in membership in an RPP from 2020, reaching just over 3.4 million total female members in 2021. There were approximately 50,200 more male members of an RPP in 2021 compared with one year earlier, bringing their total membership to over 3.2 million. Women's share of active membership had surpassed men's in 2016 and has increased yearly to reach its highest level at 51.4% in 2021.

Two-thirds of registered pension plan members are covered by defined benefit plans

Over 4.5 million Canadians were active members of a defined benefit (DB) pension plan in 2021, up 3.1% from 2020. Membership in DB plans accounted for 68.0% of the total membership in RPPs in 2021, up 0.9% from 2020. Female membership made up 56.0% of total DB membership. DB pension plans are 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.

Membership in defined contribution (DC) plans, the next most common type of pension plan, accounted for 18.3% of all RPP membership in 2021. DC plans gained 9,700 members, an increase of 0.8%, compared with 2020. Most members of DC plans work in the private sector (86.3%), and this subset of the membership continued to be dominated by male members (63.0% in 2021, up from 62.8% a year earlier). In contrast, women dominated the DC membership in the public sector (59.1%). A DC plan specifies the contributions made by the employer, as well as by the employee if the plan is contributory.

Membership in other plans, excluding DB and DC plans, such as hybrid, composite and combination plans, decreased by over 29,000 in 2021. Just over 923,000 workers, accounting for 13.8% of RPP membership, belonged to plans not classified as the conventional DB or DC models.

Public and private sectors grow

In 2021, public sector plans added over 84,700 participants (+2.4%) to their membership, for a total of 3.6 million members. Plans in the private sector added over 33,300 members (+1.1%), reaching 3.1 million members. In contrast, public sector employment, as measured in the Labour Force Survey, rose by 7.7% from 2020 to 2021, while private sector employment increased by 5.4%.

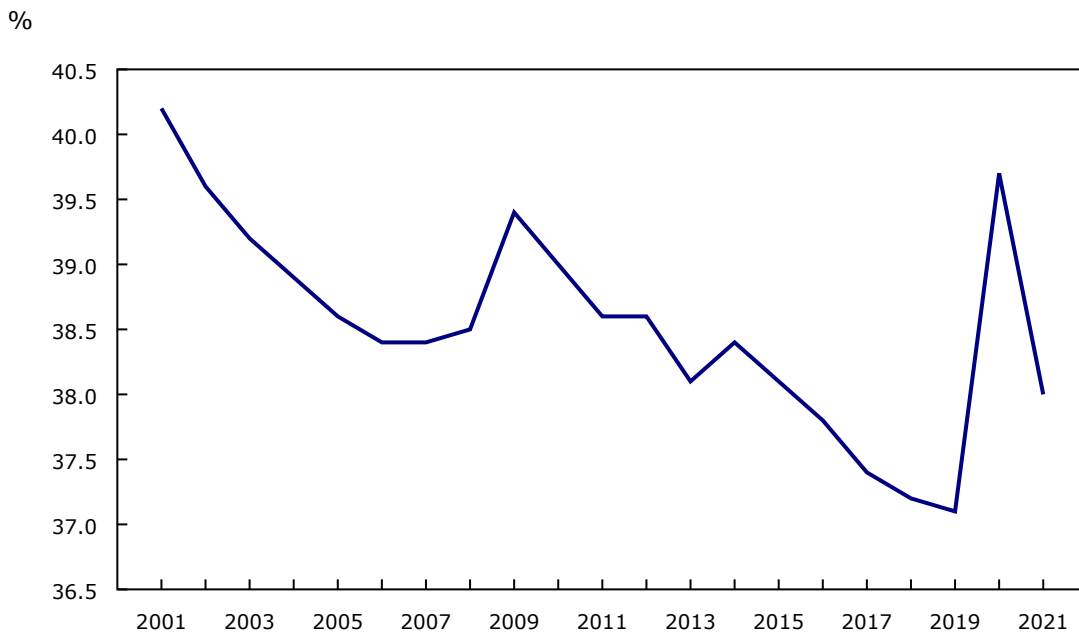
The increase in female membership in public sector plans in 2021 accounted for just over two-thirds of the total increase (67.5%, or 57,200 members), which brought total female membership to almost 2.3 million. Male membership increased by 27,600, bringing total male membership in public sector plans to 1.3 million.

Membership in private sector plans grew by 33,300 (+22,600 men and +10,700 women) in 2021. The number of members in private sector DB pension plans rose by 3.1% (+37,400), whereas private sector DC plan membership was up 0.5% (+5,200). Other types of pension plans saw a decrease of 9,400 in their membership.

RPP membership in 2021 continued to follow the historical trend: female RPP membership continued to be more concentrated in the public sector, while male membership remained higher in the private sector. This can be attributed to the fact that some of the largest public pension plans are those in health care, education and public administration. Of the 23 larger public plans (30,000 members or more), 3 have more men than women. In total, women represent 62.2% of membership in large plans. Similar to 2020, two in three women belonging to an RPP were employed in the public sector in 2021, compared with two in five men.

Percentage of paid workers covered by a registered pension plan decreases in 2021

Chart 1
Coverage rate



Source(s): Pension Plans in Canada (2609) and Labour Force Survey (3701).

The pension coverage rate, that is, the proportion of all paid workers covered by an RPP, was 38.0% in 2021, down from 39.7% in 2020. The decrease in the coverage rate can be attributed to an increase in the number of paid workers, most likely a result of the economy's rebound from the COVID-19 pandemic, rather than a decrease in membership in RPPs. There has been a trend towards lower pension coverage over the last 20 years, with 2020 and 2021 being somewhat of an exception because of changes in employment caused by the pandemic.

The coverage rate decreased for both men and women in 2021. For women, the pension coverage rate fell 2.1 percentage points to 41.2%, while for men it decreased by 1.5 percentage points to 35.0%.

Total registered pension plan contributions increase

Total employer and employee contributions to RPPs rose to just over \$75.0 billion in 2021, up by \$4.0 billion (+5.7%) from 2020.

Employee contributions accounted for 38.1% (\$28.6 billion) of total contributions, and employer contributions for current service accounted for 55.3% (\$41.5 billion). Employer contributions for unfunded liabilities represented 6.6% (\$5.0 billion) of contributions.

The market value of assets in RPPs increased by nearly \$207.5 billion in 2021, topping \$2.4 trillion. The largest 33 plans, each with 30,000 or more active members, held 58.9% of total assets while accounting for 53.0% of total membership.

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, 2022.

*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

	2020	2021	2020 to 2021	2020 to 2021
	number		net change	% change
Total, all sectors	6,593,256	6,711,260	118,004	1.8
Males	3,210,266	3,260,438	50,172	1.6
Females	3,382,990	3,450,822	67,832	2.0
Defined benefit plans	4,425,506	4,562,821	137,315	3.1
Males	1,956,561	2,005,996	49,435	2.5
Females	2,468,945	2,556,825	87,880	3.6
Defined contribution plans	1,215,472	1,225,198	9,726	0.8
Males	727,782	735,328	7,546	1.0
Females	487,690	489,870	2,180	0.4
Other plans ¹	952,278	923,241	-29,037	-3.0
Males	525,923	519,114	-6,809	-1.3
Females	426,355	404,127	-22,228	-5.2
Public sector	3,537,839	3,622,571	84,732	2.4
Males	1,260,403	1,287,971	27,568	2.2
Females	2,277,436	2,334,600	57,164	2.5
Defined benefit plans	3,206,250	3,306,129	99,879	3.1
Males	1,119,237	1,147,455	28,218	2.5
Females	2,087,013	2,158,674	71,661	3.4
Defined contribution plans	163,008	167,548	4,540	2.8
Males	66,641	68,589	1,948	2.9
Females	96,367	98,959	2,592	2.7
Other plans ¹	168,581	148,894	-19,687	-11.7
Males	74,525	71,927	-2,598	-3.5
Females	94,056	76,967	-17,089	-18.2
Private sector	3,055,417	3,088,689	33,272	1.1
Males	1,949,863	1,972,467	22,604	1.2
Females	1,105,554	1,116,222	10,668	1.0
Defined benefit plans	1,219,256	1,256,692	37,436	3.1
Males	837,324	858,541	21,217	2.5
Females	381,932	398,151	16,219	4.2
Defined contribution plans	1,052,464	1,057,650	5,186	0.5
Males	661,141	666,739	5,598	0.8
Females	391,323	390,911	-412	-0.1
Other plans ¹	783,697	774,347	-9,350	-1.2
Males	451,398	447,187	-4,211	-0.9
Females	332,299	327,160	-5,139	-1.5

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

	2001	2006	2011	2016	2021
	%				
Total, all sectors	40.2	38.4	38.6	37.8	38.0
Males	41.0	37.7	37.1	35.9	35.0
Females	39.4	39.1	40.3	40.0	41.2
Defined benefit plans	33.3	30.5	28.3	25.4	25.8
Males	33.3	28.9	25.5	21.9	21.6
Females	33.4	32.3	31.3	29.4	30.5
Defined contribution plans	5.9	6.0	6.3	6.8	6.9
Males	6.6	6.8	7.2	7.8	7.9
Females	5.1	5.1	5.4	5.6	5.9
Other plans ¹	1.0	1.9	4.0	5.6	5.2
Males	1.2	2.0	4.3	6.1	5.6
Females	0.9	1.7	3.7	5.1	4.8
Public sector	86.6	83.7	88.2	88.8	87.8
Males	88.4	84.1	85.5	86.5	82.7
Females	85.4	83.5	89.9	90.1	90.9
Defined benefit plans	81.2	78.2	83.0	80.8	80.1
Males	82.4	77.7	79.9	77.4	73.7
Females	80.3	78.5	85.0	82.8	84.0
Defined contribution plans	4.5	4.0	4.2	4.0	4.1
Males	4.7	4.5	4.4	4.4	4.4
Females	4.4	3.7	4.0	3.8	3.8
Other plans ¹	0.9	1.5	1.0	4.0	3.6
Males	1.3	1.8	1.2	4.7	4.7
Females	0.7	1.2	0.9	3.6	3.0
Private sector	27.6	25.8	24.2	23.2	22.8
Males	31.5	28.7	27.3	26.2	25.5
Females	22.4	22.2	20.2	19.4	19.3
Defined benefit plans	20.3	17.3	12.3	9.6	9.3
Males	23.5	19.4	14.5	11.3	11.1
Females	16.2	14.7	9.4	7.3	6.9
Defined contribution plans	6.2	6.5	7.0	7.6	7.8
Males	6.9	7.2	7.8	8.5	8.6
Females	5.3	5.7	5.9	6.4	6.7
Other plans ¹	1.1	2.0	4.9	6.1	5.7
Males	1.1	2.0	5.0	6.4	5.8
Females	1.0	1.9	4.8	5.7	5.6

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).