canada life™

Life in focus

Insights on capital accumulation plans and retirement confidence in Canada

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Life in focus

Dear industry members,

It's my pleasure to share this year's benchmark report — a refreshed look at how members of employer-sponsored Canada Life plans are saving, investing and planning for the future. As plan design and member needs continue to evolve, leveraging data has never been more important — especially in today's climate of economic uncertainty and rising living costs. This report provides insights that can help inform decisions and support members effectively. While benchmark data is a powerful tool, it's only one piece of the puzzle. These findings are designed to complement employee surveys and any other data employers are using to understand their workforce.

Together, these perspectives can help keep plan members on track. Now more than ever, workplace retirement plans play a vital role in helping Canadians feel more confident, supported and prepared for what's ahead.

This report offers a window into what's really happening with plan members and how plan design is shifting for today's workforce. As we explore changing savings patterns, retirement confidence and the persistent gender pension gap, the findings can support decision making on plan design — and highlight opportunities to better align with member needs.

I'm also pleased to highlight our small business spotlight — a focused lens on organizations with 100 or fewer members. Small businesses aren't just a vital part of our membership; they are the backbone of Canada's economy. 62% of private-sector employees in Canada are employed by small businesses, and we remain deeply committed to supporting these employers and the Canadians they serve. The spotlight offers insights into what small businesses are offering their employees and what's resonating with them today.

We aim to build this into a regular resource you can rely on to stay informed. At its core, this report is about people — Canadians, their communities and the employers who support them. By working together, we can make meaningful progress toward a more financially secure future for all.

Warmest regards,

Kate Nazar

Senior Vice-President, Workplace Retirement and Savings, Canada Life

Executive summary

In today's evolving economic environment, we know that financial security is a top priority for many Canadians.

Fortunately, employers have a powerful opportunity to make a meaningful difference. We designed this benchmark report to provide plan sponsors, advisors and consultants with data-driven insights they can use to assess workplace retirement plans against the needs and goals of a diverse workforce — one that spans five generations. This can help them support their employees' well-being and drive attraction, engagement and retention across their workforce.

Workplace retirement and savings plans are a key pillar to support retiring with confidence in Canada — and Canadian workers are well aware of their value.

Research shows that:

35%

of Canadian workers would consider switching to a company offering a lower salary if it provided better financial benefits[1]

40%

of employers who added or improved retirement benefits in the past year report a boost in productivity[2]

77%

of employers see retirement benefits as a way to retain current employees and compete for talent[2]

Beyond performance, the connection between financial wellness and mental health is increasingly clear. Helping employees reduce financial stress through solutions like workplace savings plans can lead to improved well-being and a healthier workplace overall.[3]

Helping employees feel confident about retirement builds trust, strengthens loyalty and encourages them to plan for the future.

Sources

[1] Benefits Canada. "Survey finds seven in 10 Canadian workers dissatisfied with their employer's benefit plan", Benefits Canada, November 25, 2024. https://benefitscanada.com/benefits/health-benefits/70-of-canadian-workers-dissatisfied-with-their-employers-benefits-plan-survey

[2] Healthcare of Ontario Pension Plan (HOOPP)/ Angus Reid Group. "2024 Canadian Employer Pension Survey", HOOPP, October 2024. https://hoopp.com/docs/default-source/research/hoopp-2024-canadian-employer-pension-survey-full-report.pdf

[3] Government of Canada. "Financial stress and its impacts," September 23, 2025. Financial stress and its impacts - Canada.ca

At the same time, shifting workforce demographics are reshaping the landscape:

- Today, millennials represent the largest share of the working-age population with more than 33% and Gen Z is expected to make up 30% of the workforce by 2030[4].
- These generations are balancing competing priorities — debt repayment, short-term savings and family responsibilities — all while building their retirement savings.
- Younger generations tend to have shorter employment tenure. Today, 70% of employees 25–34 have been with the same employer for less than five years[5].

This tenure pattern is reflected more broadly in the workforce. In Canada overall, 44% of workers have been with the same employer for less than five years, while nearly two-thirds (64%) have less than 10 years of tenure. When looking specifically at Canada Life data, this national trend holds true: more than half of plan members joined their plans within the past five years and the average tenure is 8½ years. Correspondingly, average balances are lower among early tenure members, reflecting the shorter time horizon they have had to accumulate savings.

Meanwhile, those nearing retirement hold the majority of plan assets and face a different challenge: how to decumulate their savings in a sustainable and tax-efficient way.

While members enrolled in employer-sponsored Canada Life plans demonstrate savings habits that put them on a solid path toward retirement confidence, this report also highlights changing saving trends and persistent equity issues, including the gender pension gap. Our data reflects national patterns: that women are less financially prepared for retirement, even within plans with strong participation rates and asset balances.

As Canada's workers navigate an ever-shifting financial landscape, workplace retirement and savings plans play an essential role in boosting confidence, resilience and long-term security.

As the workforce ages and younger generations enter in greater numbers, supporting members at both ends of the career spectrum will be essential to building retirement confidence across the board.

Sources

[4] MNP. "Understanding and navigating generational differences in the workplace," MNP, January 28, 2025. **Understanding and navigating generational differences in the workplace | MNP**

[5] Quality of Employment in Canada. "Job Tenure 2023." Statistics Canada, October 15, 2024. **https://publications.gc.ca/collections/collection_2024/statcan/14-28-0001/CS14-28-0001-2024-1-7-eng.pdf**

1

About this report

12,000
plan sponsors

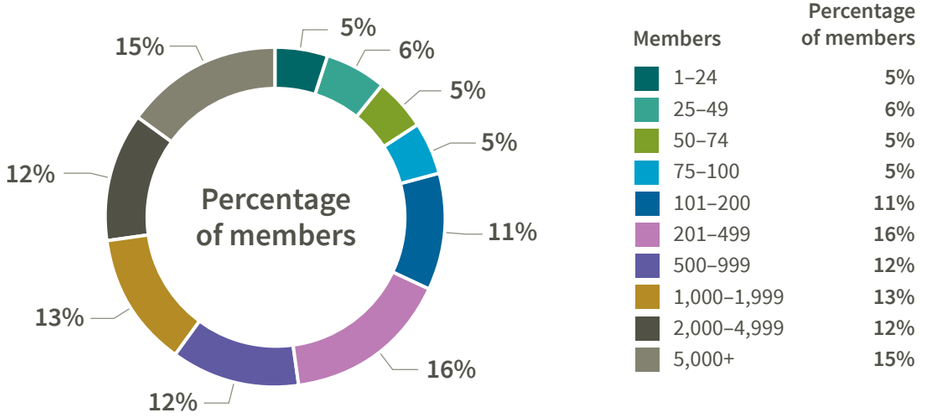
1.3 million
unique members

45
average member age

8.5 years
average plan tenure

Canada Life has the privilege of supporting Canadian workers nationwide, with membership balanced across the largest Canadian employers through to smaller businesses. This representation of our 1.3 million members in our group capital accumulation plan uniquely positions this report to reflect the experiences of Canadians and the full range of businesses in Canada that employ them.

Fig 1.0: Members by plan membership size



2

Retirement savings behaviours

Are Canadians prepared for retirement?

What does retiring with confidence look like today? The answer varies. Some studies suggest most Canadians are financially well-positioned for retirement, while others reveal that many are falling short of what they need to maintain their lifestyle into their retirement years.

The reality is that retirement confidence isn't universal. It depends on individual circumstances, goals and perceptions of financial security.

For many, those goals and circumstances are shifting — retirement is no longer seen as a full stop to working life but rather a gradual transition. More Canadians are moving from full-time to part-time work, seeking flexible arrangements or pursuing work they're passionate about.

At the same time, factors such as home ownership, family responsibilities and rising expenses continue to influence how long savings last — and whether confidence is sustained through retirement years.

A broader trend is clear: Canadians are feeling less confident about their retirement prospects. In the current economic environment, many are struggling to save, let alone plan confidently for the future. As a result, retirement is increasingly being postponed or redefined.

Key trends to note

Increasing retirement age:

- Statistics Canada shows the average age of retirement climbed from 61 in 2005 to 64 in 2015. It is now over 65[1].

Adjusting plans due to economy:

- Recent economic changes, including rising inflation and an increased cost of living, have forced many Canadians to adjust their retirement plans.

Working in retirement becoming more common:

- According to Statistics Canada's most recent census data, around one in five Canadians (21%) aged 65 to 74 are still working[2].

Retirement savings are taking a hit:

- 44% of Canadians didn't set aside money for retirement in the past year[3].
- Around one in five (22%) Canadians have no savings at all (including retirement savings)[3].

Sources

[1] Statistics Canada. "Retirement age by class of worker, annual," January 27, 2025. **Retirement age by class of worker, annual**

[2] CBC. "Canada's working-age population is older than ever, StatsCan says," April 27, 2022. **Canada's working-age population is older than ever, StatsCan says | CBC News**

[3] Healthcare of Ontario Pension Plan (HOOPP). "2024 Canadian Retirement Survey, June 20, 2024. **https://hoopp.com/docs/default-source/advocacy/hoopp-2024-canadian-retirement-survey-full-report.pdf**

The new “soft saving” approach

Registered retirement savings plans (RRSPs) continue to be the preferred retirement savings vehicle for Canadians, with over 6 million Canadians contributing to one. But more and more, retirement isn’t the only goal on people’s financial radar — especially among younger workers.

> Today’s younger savers are leaning into what’s being called a “soft saving” approach — a more flexible, less rigid mindset that prioritizes a range of short- and medium-term goals alongside (or sometimes instead of) retirement.

The shift is contributing to the growing popularity of tax-free savings accounts (TFSAs), which offer more flexibility and tax-free withdrawals for any purpose, making them more appealing than RRSPs for those not ready to lock in their funds for the long haul.

The First Home Savings Account (FHSA) has further diversified Canadians’ savings behaviours. Given the high cost of housing and the urgency many feel to prioritize home ownership over retirement, the FHSA may draw funds away from contributions previously reserved for RRSPs.

These trends reflect a broader change in how Canadians — particularly those earlier in their careers — approach financial planning. It’s not with less intent, but rather with different priorities and a desire for options that match their evolving needs.

Rather than focusing solely on their long-term future, many younger savers are saving for things like **travel, housing or unplanned events.**

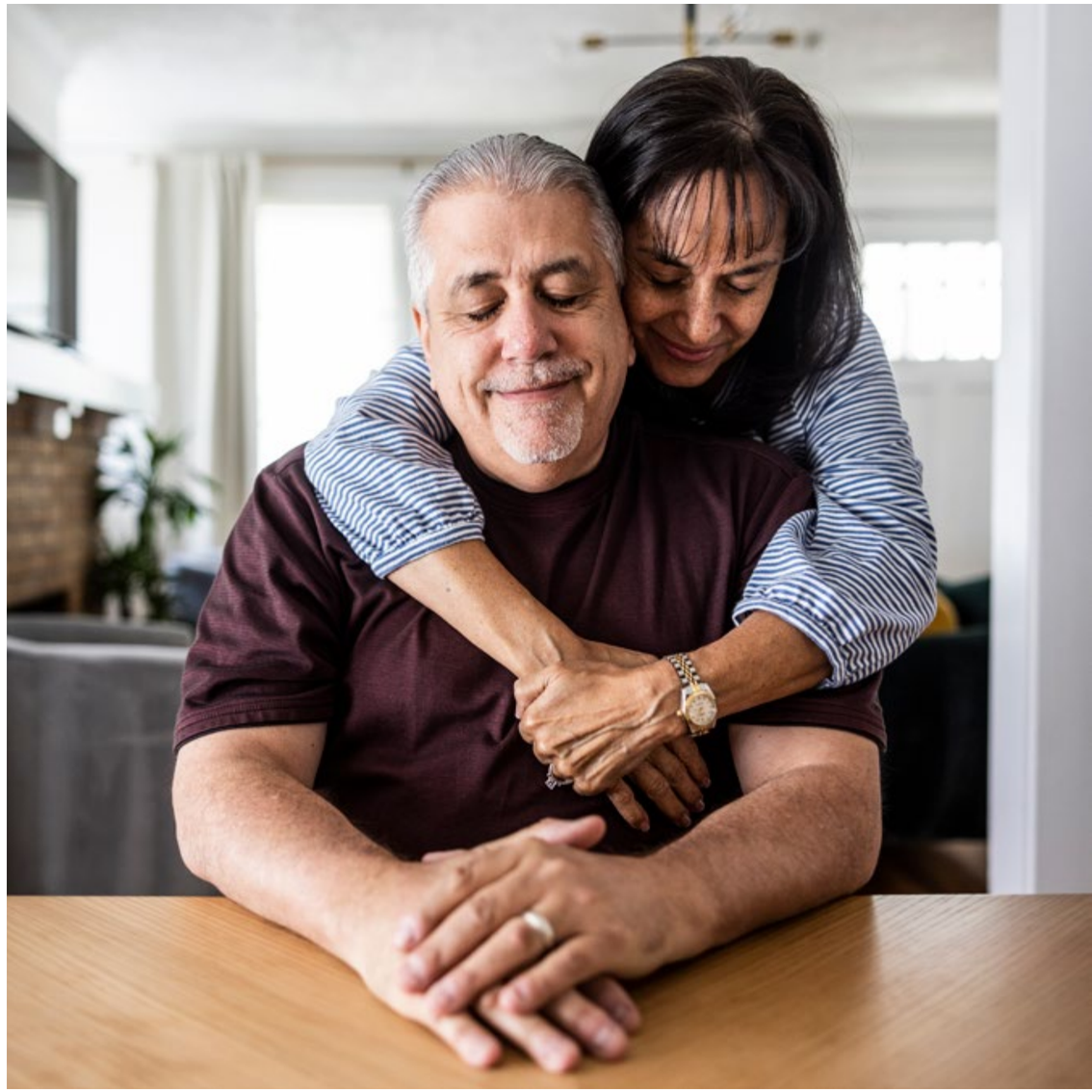
A national snapshot: How Canadians are saving

According to the latest Statistics Canada data, the median RRSP contribution across all tax filers in 2023 was $4,000.[1] For those who contributed exclusively to an RRSP, the median was $3,420. While this follows a modest but steady rise in contributions over the past 25 years, growth has not kept pace with FHSAs, where median contributions are roughly double, and annual TFSA contributions are about two-thirds higher.

However, it's unlikely that FHSAs will prove to be a long-term support in achieving retirement outcomes, given their design of easing the Canadian homebuying journey.

Fig 2.0: Median contributions – 2023 tax filers[2]

Account type	Contributors	Median contribution
RRSP	6,350,070	$4,000
TFSA	7,520,350	$6,500
FHSA	484,320	$8,000



Source

[1] Statistics Canada, "More tax filers contribute towards Tax-Free Savings Accounts in larger amounts than towards Registered Retirement Savings Plans," April 1, 2025. **The Daily — RRSP, TFSA and FHSA Contributions, 2023**

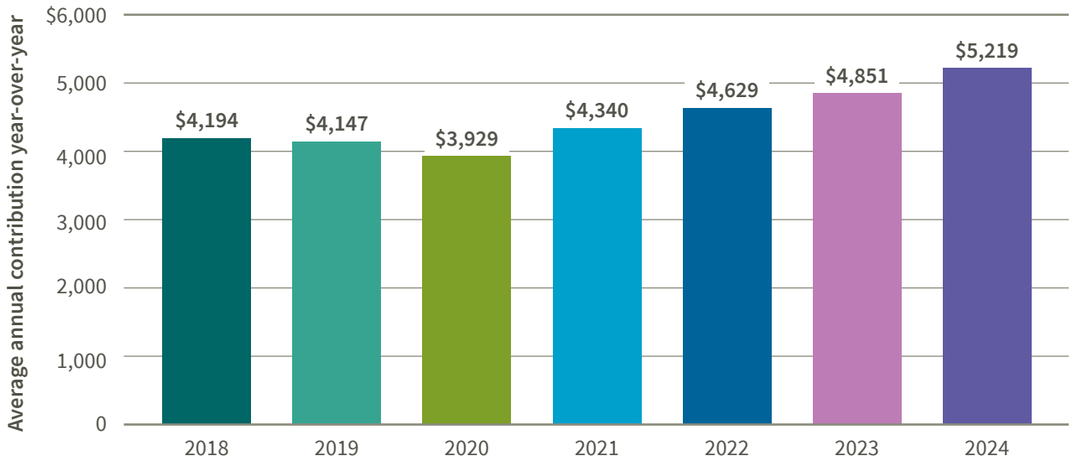
[2] Statistics Canada. "RRSP, TFSA and FHSA Contributions, 2023," April 1, 2025. **https://www150.statcan.gc.ca/n1/en/daily-quotidien/250401/dq250401a-eng.pdf?st=bY0b2306**

Contributions: A story of consistency

In 2024, members of Canada Life-sponsored plans contributed an average of $5,219. While there was a dip in contributions in 2020, likely influenced by income disruptions during COVID-19, contributions have risen steadily in recent years. This growth may signal a period of financial catch-up, supported by higher earnings, greater employment mobility and a renewed focus on long-term savings. Overall, contributions continue to outpace national averages.

- Our data suggests that contribution inertia is common — employees who begin saving at a 2-4% rate tend to remain at that level, reflecting a “set it and forget it” mindset
- This underscores the value of auto features, such as auto-escalation and default contribution settings, which can help overcome apathy and drive better long-term outcomes
- Ongoing campaigns can be effective at nudging members to increase contributions

Fig 2.1: Average annual contributions year-over-year

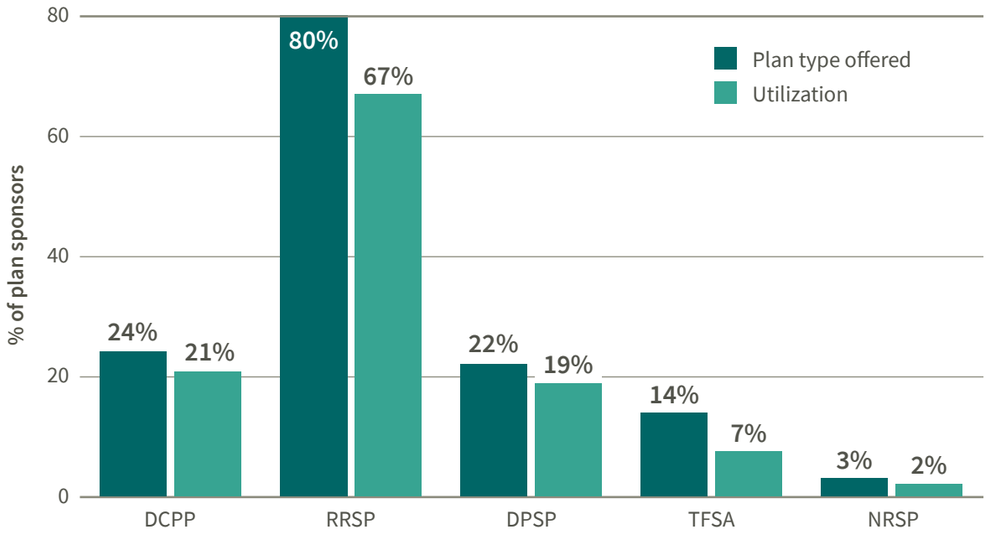


Sponsor matching means members are sticking with RRSPs in plan

Across the Canada Life universe, 80% of plan sponsors offer RRSPs. 67% of members have assets in these RRSPs, representing an 84% utilization rate.

Meanwhile, 14% offer a TFSA plan, with 50% of eligible members participating.

Fig 2.2: Plan type offered vs. utilization



Utilization rate across plans

RRSP
84%

DCPP
86%

DPSP
84%

TFSA
53%

NRSP
72%

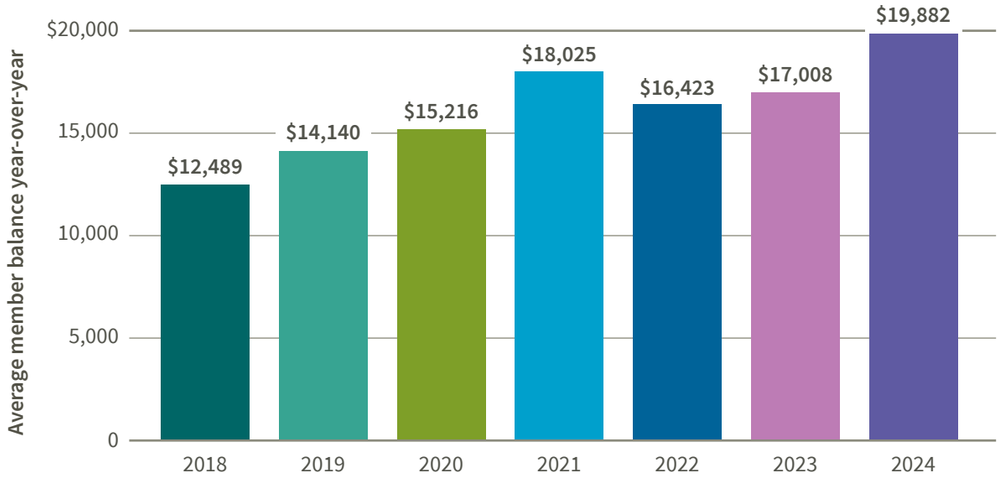
RRSPs, DCPPs and DPSPs have the highest uptake of plans offered by Canada Life sponsors, reflecting the enduring appeal of stable, well-established retirement savings options.

TFSA interest is rising among plan members

While TFSAs are widely used by Canadians, their uptake in a workplace plan setting is lower. This is largely because most plans do not offer matching contributions for TFSA deposits. Even still, it's worth noting that across Canada Life plans, average TFSA balances have grown by 60% since 2018, while RRSP balances have grown by 40%. And over the last 10 years, the percentage of members investing in a TFSA has steadily increased.

Given the shifting demographics of the workforce, matching TFSA contributions may be one way to provide maximum flexibility to members focused on debt repayment, emergency funds and shorter-term purchases. Of course, plan design philosophy is an important consideration for sponsors. Balancing these savings with longer-term solutions like RRSPs will remain crucial to mitigate the risk of leaving members with insufficient retirement savings in their later years.

Fig 2.3: Average member TFSA balances since 2018

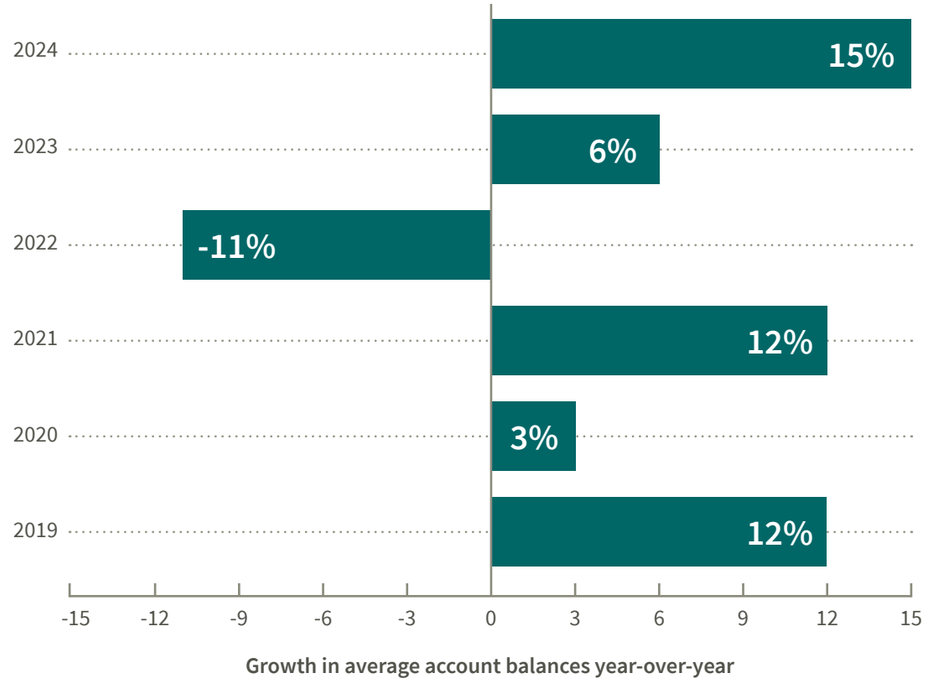


The impact of workplace retirement and savings plans

Canadians who contribute to workplace retirement and savings plans tend to be well prepared and have robust long-term savings balances — and Canada Life data reflects this. Plan members, on average, demonstrate strong financial health and positive signs of retirement confidence.

- Plan members hold average balances of $53,254 over an average tenure of 8.5 years
- Average balances increase steadily with time in plan:
  - Plan members enrolled for 5 to <10 years: Average balance = $58,005
  - Plan members enrolled for 10 to <20 years: Average balance = $99,610
  - Plan members enrolled for 20+ years: Average balance = $147,402
- 77% of active members have saved more than $5,000, compared to 59% of Canadians overall
- Plan members contribute an average of $5,219 per year to their workplace plan
- Average account balances among plan members have grown 40% between 2018 and 2024, driven by:
  - **Consistent member contributions** — steady participation and positive net contributions over the period
  - **Market performance** — investment growth that has supported higher account values across most asset classes

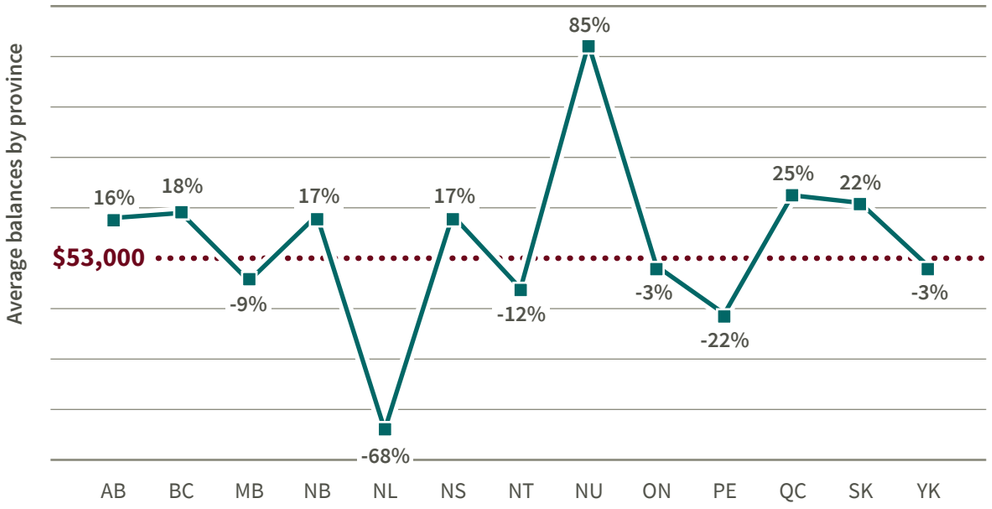
Fig 2.4: Percentage growth in average account balances year-over-year



Across Canadian provinces and territories, average plan member balances have remained stable year after year, growing steadily since 2018. This is with the exception of 2022 when the lingering economic effects of COVID-19 caused a temporary setback.

Here, we can see how provinces fare against national averages.

Fig 2.5: Average balances by province and territory, relative to national average



Seasonality, industry type and sample size all influence the distribution of average balances across Canada.

More and more, Canadians are recognizing the valuable role workplace retirement plans play in supporting long-term financial security. In fact, recent research shows that 35% of Canadian workers would consider switching to a company offering a lower salary if it provided better financial benefits.

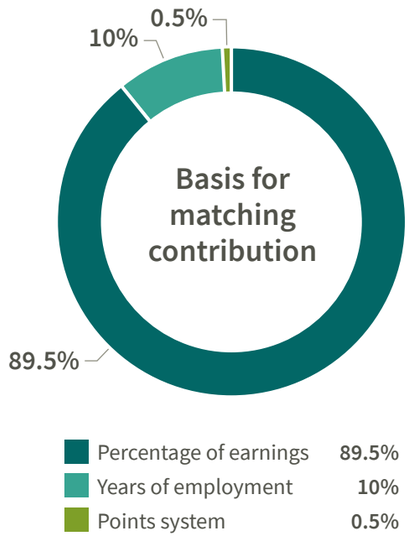
Employer matching: A powerful boost

Employer matching is one of the most powerful tools for boosting retirement savings. When employers offer 100% matching — like most Canada Life plan sponsors do — they effectively double the impact of every dollar an employee contributes. Beyond the financial benefit, matching contributions also drive engagement, encourage participation and signal a strong commitment to employee well-being and long-term security.

Among Canada Life plan sponsors, 89.5% determine matching contributions on a percentage of employee earnings. Another 10% tie matching to years of service.

41% of plan sponsors offer immediate access to plans. Given the strong engagement and balance growth among members with less than one year of tenure, early access clearly matters.

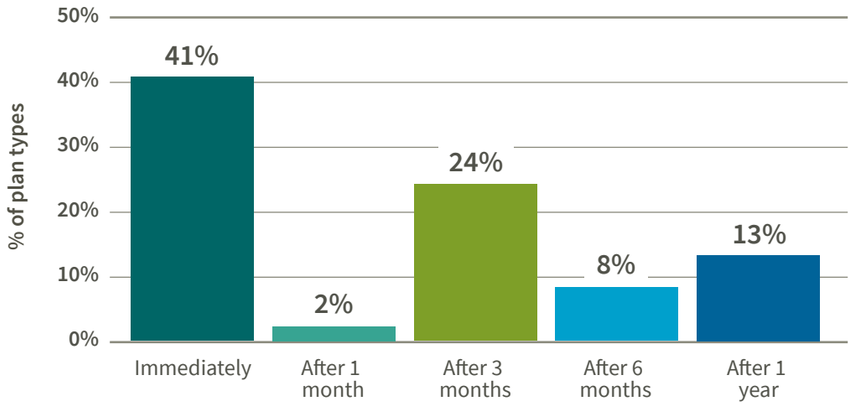
Fig 2.6: Basis for matching contribution – % of employers



Earnings-based matching can encourage saving across age and tenure levels, while service-based models reward loyalty and likely drive retention; however, they may also delay early participation.

Early eligibility complements this dynamic. Across our base, 41% of employers offer immediate access to plans (this rises to 53% among employers with 1,000+ members). Given the strong engagement and balance growth among employees with less than one year of tenure (as noted earlier in this report), early access clearly matters. It helps instill strong saving habits from the outset and support long-term wealth accumulation.

Fig 2.7: Employee eligibility (when an employee can join the plan)



The power of matching contributions

Ava earns a salary of $60,000 per year and contributes 2% to her workplace retirement savings plan. That amounts to $1,200 annually, or $50 from each paycheque (paid twice per month). Her employer offers a 100% match, meaning they will contribute an additional $50 every payday if she participates in the matching program.

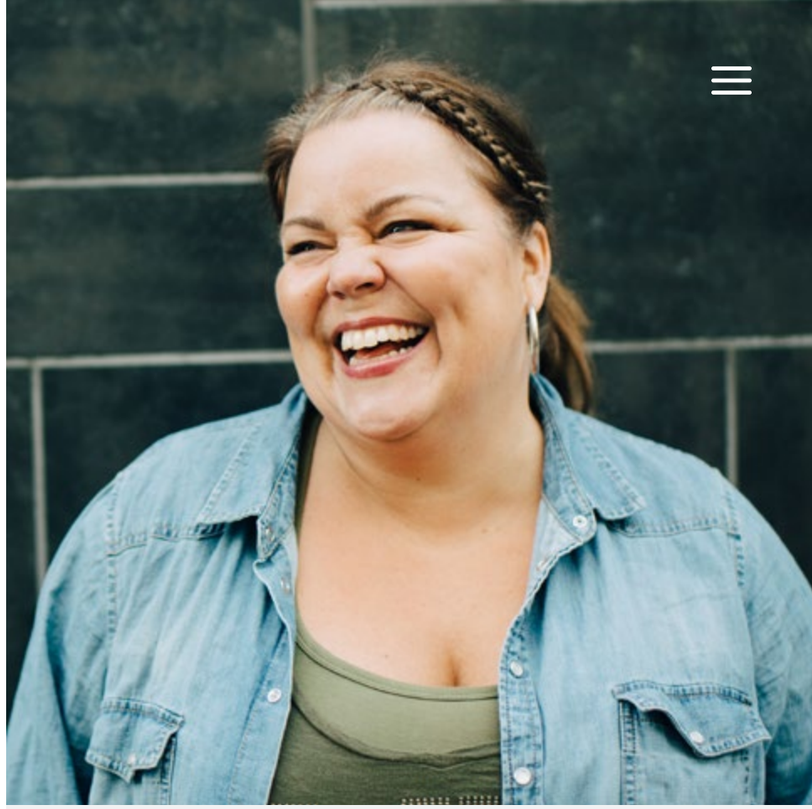
Ava remains with the same employer for 20 years, and her savings earn an average annual return of 6%.

- ✓ **With employer matching:** Ava contributes $100 every paycheque ($50 from her, $50 from her employer). After 20 years, her savings grow to approximately $100,300.
- ✓ **Without employer matching:** Ava contributes only her $50 per paycheque. After 20 years, she has about $50,150 — half as much.

This example clearly shows how matching contributions can significantly boost a plan member's retirement savings, doubling the value over time.

Fig 2.8: Comparison: Plan with versus without employer matching

Figures have been rounded for ease of presentation.



What does this mean?

Not only does a well-designed plan reward long-term service, but it also invites early participation. Offering matching from day one, alongside immediate eligibility, can help foster better outcomes for employees and stronger engagement for employers.

While higher match thresholds can drive long-term wealth accumulation, a plan design that balances generous matches with accessibility can encourage early and consistent participation.

The rise of target date funds

Target date funds have steadily grown in popularity since their introduction to the Canadian market in the early 2000s. Designed as a simple, all-in-one investment option, these funds automatically adjust their asset mix over time. Investments shift from a focus on growth to capital preservation as the selected retirement year approaches.

Their appeal lies in their simplicity. Target date funds help members stay on track without requiring active monitoring or investment expertise.

Over the past decade, target date funds have seen remarkable growth in Canada Life plans, with a 147% increase in balances between 2014 and 2024 — outpacing all other asset classes. The continued rise in target date fund adoption underscores their effectiveness as default investment options (66% of Canada Life plan sponsors include target date funds as a default option).

They offer members a hands-off, professionally managed solution that aligns with long-term retirement goals while simplifying the investment experience.

Fig 2.9: Percentage members by asset class and year

Asset class	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Target date	**12%**	**14%**	**17%**	**19%**	**22%**	**25%**	**26%**	**28%**	**31%**	**33%**	**35%**
Target risk	23%	22%	22%	21%	20%	19%	18%	18%	17%	16%	16%
Foreign equity	13%	13%	14%	14%	15%	15%	15%	15%	15%	14%	15%
Canadian equity	16%	15%	14%	13%	13%	12%	12%	12%	11%	11%	13%
GTD/Money market	15%	14%	13%	12%	11%	11%	11%	11%	10%	10%	9%
Balanced	12%	12%	11%	11%	10%	10%	9%	9%	8%	8%	8%
Specialty	3%	3%	3%	3%	3%	3%	3%	2%	3%	2%	2%
Bond	6%	6%	6%	5%	5%	5%	5%	5%	4%	4%	4%
Canadian mortgage	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Target date funds have increased in popularity consistently over the last 10 years, demonstrating an **overall growth of 147%** in balances between 2014 and 2024.

Key takeaways

Retirement saving in Canada is being reshaped by shifting priorities, financial pressures and a changing workplace demographic.

Early career employees, who make up an increasingly large share of the workforce, are seeking flexible, short-term savings solutions that support immediate goals but may leave long-term retirement needs underfunded.

In this landscape, workplace savings plans play a critical role by providing a structured, foundational way to build lasting financial security.

Members of Canada Life-sponsored plans consistently contribute above national averages.

Plan features like employer matching and early eligibility encourage participation and help grow balances.

Early-career members are kickstarting their savings, contributing healthy amounts annually from the outset. This is promising signal for Canadians' future financial stability.

3

Membership snapshot

A look at plan members, plan offerings and the retirement landscape

Meet plan members

Members of Canada Life-sponsored plans represent a diverse cross-section of industries, demographics and geographies, mirroring the makeup of the broader Canadian workforce. Members work at companies across Canada and parts of the U.S., spanning sectors from finance to energy to hospitality. 85% of our plan sponsors operate small businesses (of fewer than 100 employees).

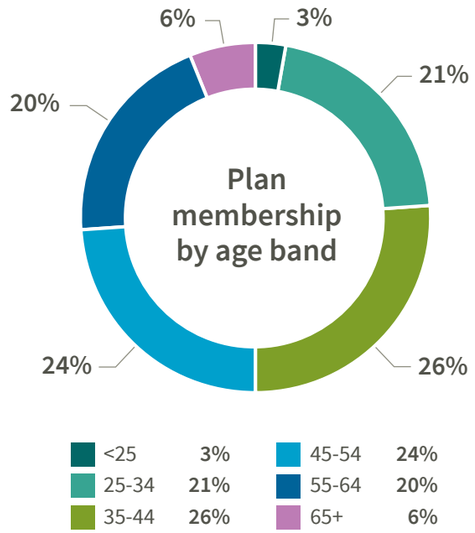
Core demographics

Member age

26% of plan members are 55+, while 24% are 34 and under. This demonstrates a relatively equal distribution of members heading into retirement as those just starting their careers.

This age distribution reflects the overall Canadian population, where the under-45 age category makes up more than half of the workforce. It also reflects a need to consider shifting demographics in our plan design. While it remains crucial to support those nearing and heading into retirement, it's increasingly important to consider the needs of a younger demographic. Their focus? Debt repayment, emergency savings and short-term expenses.

Fig 3.0: Plan membership by age band



Geographic distribution

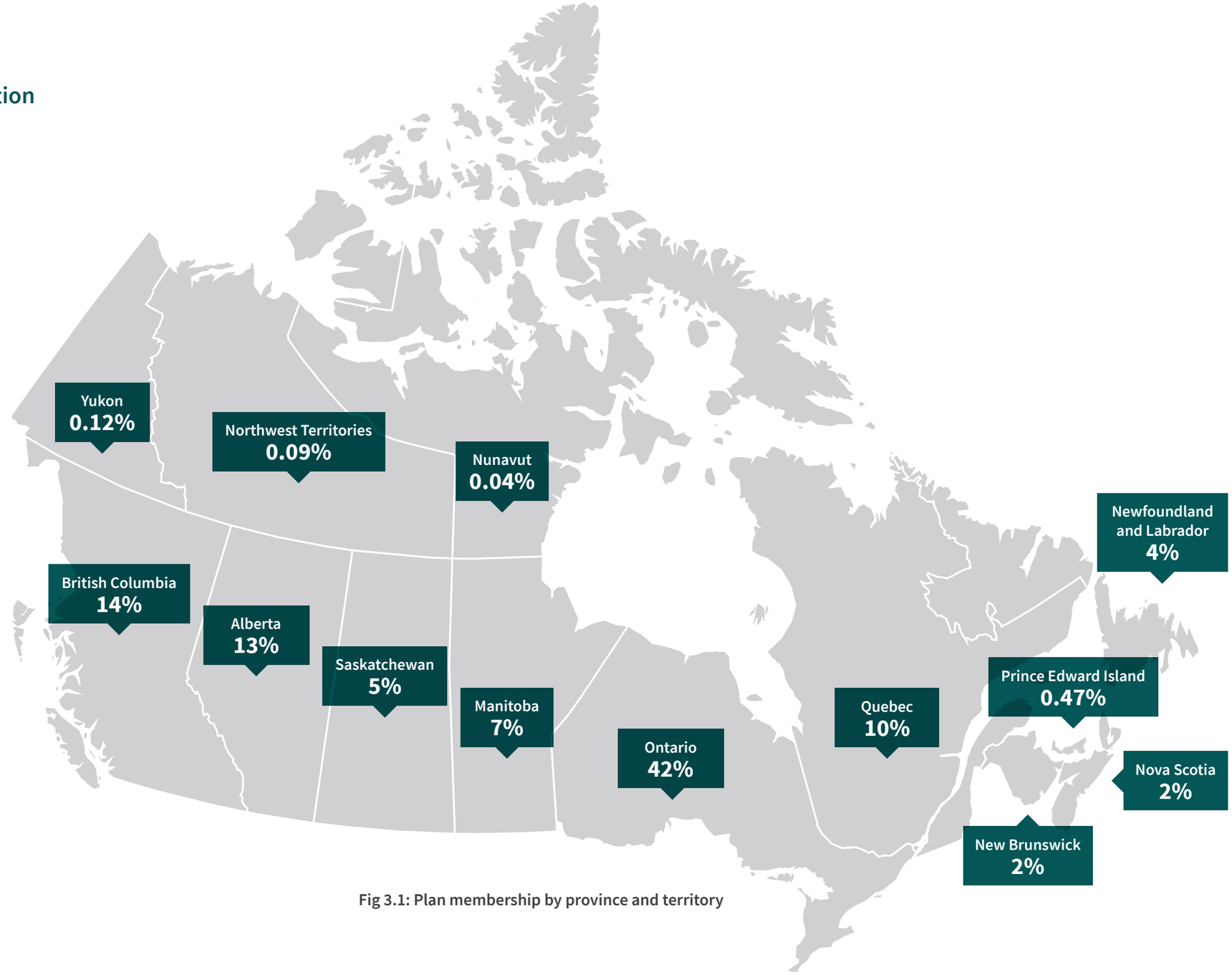


Fig 3.1: Plan membership by province and territory

Provincial and territorial breakdown

Fig 3.2: Age distribution by province and territory

Province and territory	<25	25-34	35-44	45-54	55-64	65+
Alberta	3%	20%	30%	25%	18%	4%
British Columbia	3%	23%	28%	22%	19%	5%
Manitoba	4%	22%	26%	24%	19%	5%
New Brunswick	4%	18%	24%	25%	23%	6%
Newfoundland	5%	21%	28%	23%	19%	4%
Nova Scotia	3%	20%	24%	25%	22%	6%
Northwest Territories	3%	19%	25%	24%	21%	8%
Nunavut	7%	22%	24%	26%	19%	2%
Ontario	3%	23%	26%	23%	20%	5%
Prince Edward Island	7%	23%	24%	23%	17%	6%
Quebec	5%	22%	26%	23%	19%	5%
Saskatchewan	5%	21%	29%	24%	17%	4%
Yukon	6%	27%	27%	20%	15%	5%

Average balances don’t follow a clear geographical pattern. While they’re lower in Newfoundland and Labrador and Prince Edward Island, they’re relatively high in neighbouring Nova Scotia. Among Canada’s most populated provinces, Ontario has some of the lower average balances, while Quebec and British Columbia rank among the highest. The data suggests that regional differences in balances may be influenced by factors beyond just population size or income levels.

Fig 3.3: Average balance and contribution by province and territory

Province and territory	Average balance	Average annual contribution
Alberta	$61,733	$7,576
British Columbia	$62,757	$6,604
Manitoba	$48,445	$4,849
New Brunswick	$53,254	$4,984
Newfoundland	$16,884	$1,250
Nova Scotia	$62,042	$5,056
Northwest Territories	$46,631	$2,547
Nunavut	$98,369	$10,633
Ontario	$51,871	$4,257
Prince Edward Island	$41,624	$5,523
Quebec	$66,455	$7,633
Saskatchewan	$64,784	$5,890
Yukon	$51,905	$8,079
National	$55,904	$5,761

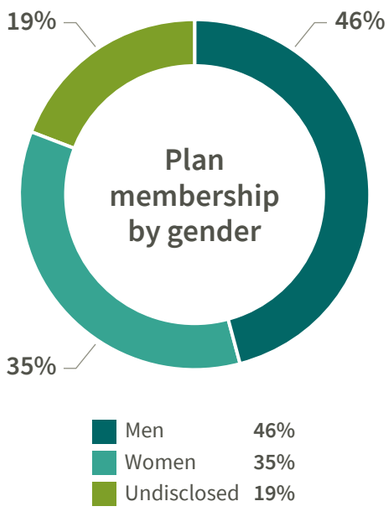
Gender

46% of plan members are men and 35% are women. 19% are undisclosed or prefer not to say.

When compared to Statistics Canada 2021 census data:

- Canada Life has a lower proportion of women compared to the national average (50.94%)
- The representation of men is slightly lower than the national average (48.93%)

Fig 3.4: Plan membership by gender



Tenure

Over half of plan members have joined within the last five years.

Fig 3.5: Plan membership by tenure

Less than 1 year	13%
1-3 years	24%
3-5 years	15%
5-10 years	23%
10-20 years	18%
>20 years	7%

Balances by tenure

Average balances grow in step with years enrolled in plan.

Fig 3.6: Average plan member balance by tenure/years enrolled

Less than 1 year	$9,929
1-3 years	$19,121
3-5 years	$31,300
5-10 years	$58,005
10-20 years	$99,610
>20 years	$147,402

Industries at a glance

The following is a snapshot of each member industry by average balance and time in plan.

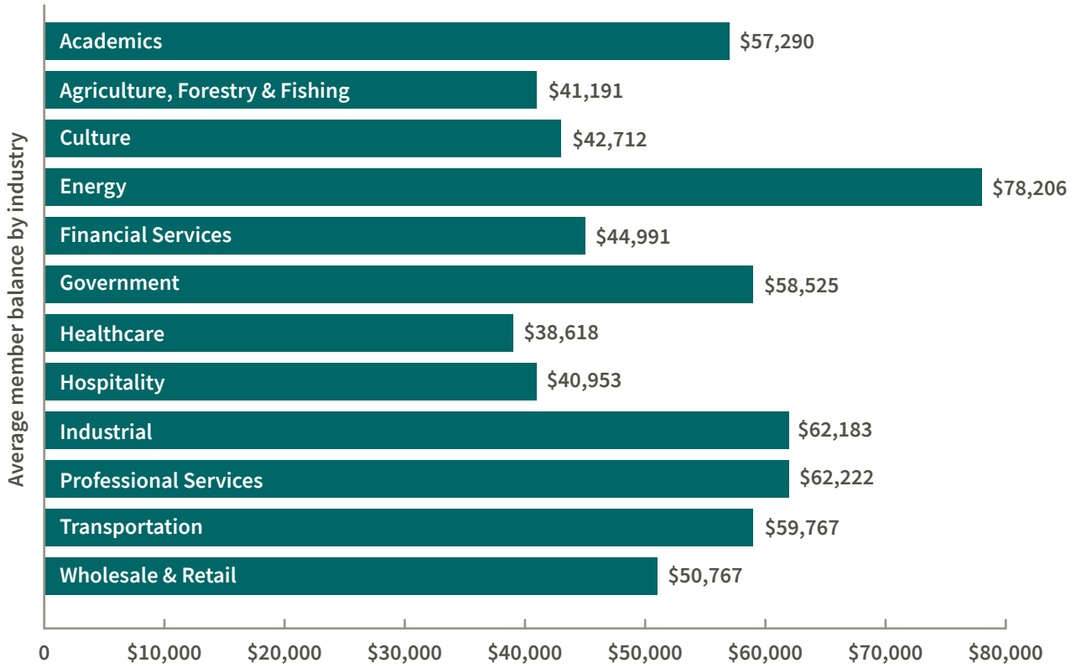
Fig 3.7: Average plan member tenure, balance and contribution – by industry

Industry	Number of members	Average tenure	Average contribution	Average balance
Academics	26,898	9.9	$4,472	$57,290
Agriculture, Forestry & Fishing	4,139	6.6	$5,641	$41,191
Culture	69,459	9.6	$5,196	$42,712
Energy	31,699	7.0	$10,254	$78,206
Financial Services	246,362	9.2	$1,916	$44,991
Government	18,910	9.2	$7,325	$58,525
Healthcare	44,691	8.0	$4,008	$38,618
Hospitality	15,056	7.8	$4,702	$40,953
Industrial	245,415	9.2	$6,203	$62,183
Professional Services	182,243	7.7	$6,372	$62,222
Transportation	48,1588	7.5	$6,825	$59,767
Wholesale & Retail	167,077	8.8	$4,839	$50,767

Balances by industry

Retirement savings balances are strong across industries, with the energy sector pulling up the average at $78,000. This is likely driven by an average annual contribution level that is well above that of other sectors.

Fig 3.8: Average member balance by industry



Average balances

With an average balance of $53,254 and a median balance of $18,555, plan members demonstrate savings patterns that put them on a solid path towards retirement confidence.

Notably:

- 77% of active members have saved more than $5,000, compared to 59% of Canadians overall.
- Even our youngest savers (under 25) hold an average balance of over $7,000 and contribute nearly $3,000 to their plans annually.
- As expected, average balances grow with age, peaking at 65+ as members prepare for — or enter — retirement.
- Unsurprisingly, balances grow the longer members are enrolled.

Fig 3.9: Average and median member balance by age

Age band	Average balance	Average annual contribution	Median balance	Median contribution
<25	$7,161	$2,836	$4,249	$1,785
25-34	$19,937	$4,459	$10,744	$2,796
35-44	$39,781	$5,449	$17,747	$2,777
45-54	$63,687	$5,994	$24,534	$2,769
55-64	$81,115	$5,559	$28,870	$2,359
65+	$90,388	$3,378	$30,044	N/A

Balance and contribution growth

Since 2018, average member balances have increased from $38,085 to $53,254, representing a growth of nearly 40% (despite a dip in 2022 driven by market volatility, rising interest rates and inflation). Contributions have also risen steadily year over year, aside from a brief decrease in 2020 linked to pandemic-related income disruption.

Fig 3.10: Average member balance year-over-year

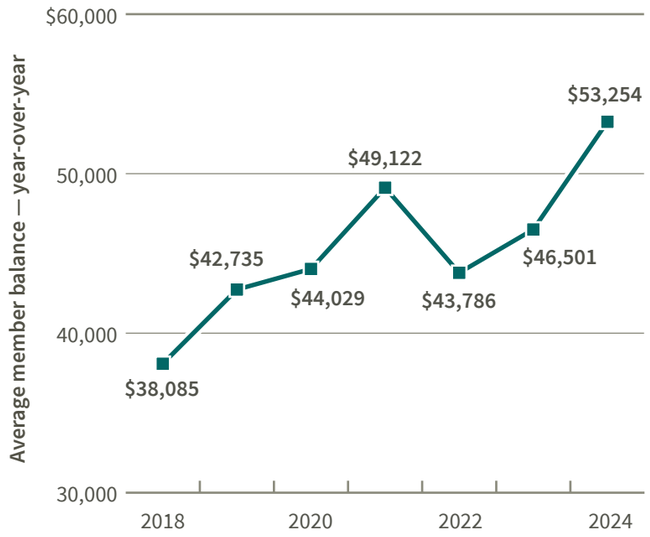
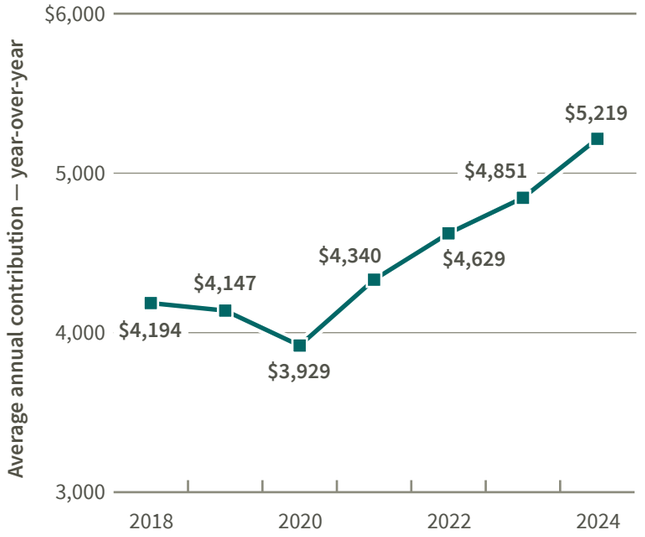


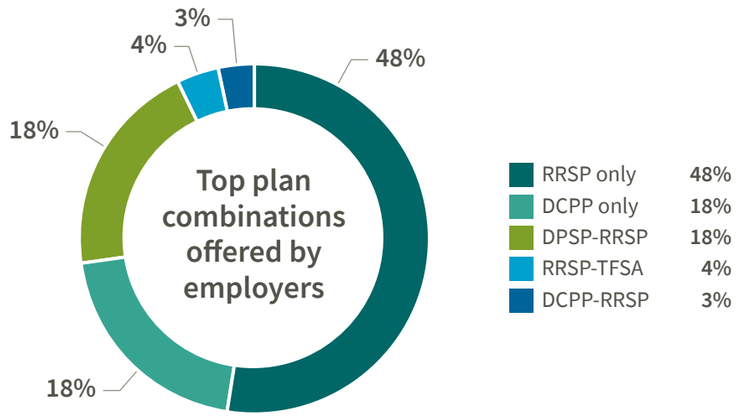
Fig 3.11: Average annual contributions year-over-year



Plan design and offering

Most Canada Life plan sponsors (68%) offer a single plan type, with workplace RRSPs making up 80% of those plans. DCPPs and DPSPs follow, with relatively even distribution.

Fig 3.12: Top plan combinations offered by employers (%)



RRSP only	48%
DCPP only	18%
DPSP-RRSP	18%
RRSP-TFSA	4%
DCPP-RRSP	3%

The above graphic represents the most common plan combinations. Other combinations, offered by a small percentage of plan sponsors, make up the remaining sponsor offerings.

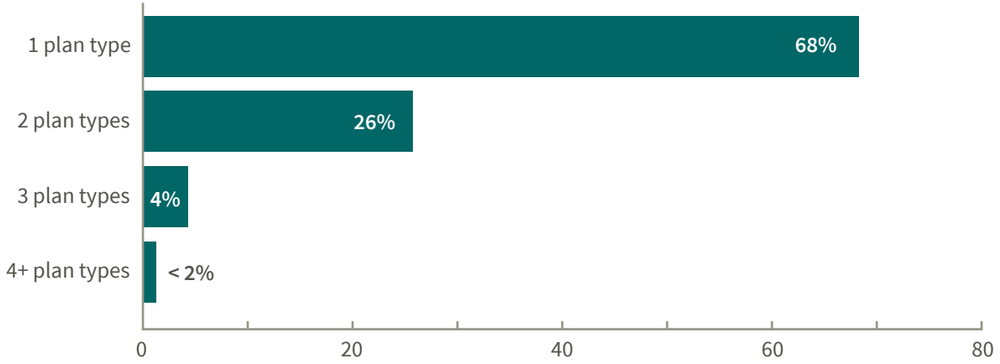
Across industries, there is a varied distribution of product types, with most offering a mix tailored to their plan design and member needs. Non-registered savings plans tend to hold the highest average balances, particularly in sectors like Financial Services, Professional Services and Wholesale/Retail.

Distribution of products across member size

Fig 3.13: Plan type uptake (% of members)

Plan type	1 – 49 members	50 – 100 members	101 – 200 members	200+ members
RRSP	61%	51%	48%	44%
DCPP	19%	28%	32%	37%
DPSP	19%	19%	18%	14%
NRSP, TFSA, RESP	< 2%	< 3%	< 3%	< 6%

Fig 3.14: Number of plan types offered (% of employers)



Participation in group RRSPs is notably high. 84% of employers who offer a group RRSP have assets in the plan, making it far and away the plan type with the highest utilization rate.

84% of employers who offer a group RRSP have assets in the plan, making it far and away the plan type with the highest utilization rate.

Investment strategy

Target date and target risk funds account for more than 50% of total plan assets. This trend supports members looking for natural diversification and age-appropriate investments without needing to manage the allocation themselves.

Equity investments also remain popular across the board, with Canadian and Foreign equity funds making up over 22% of total assets.

Fig 3.15: Asset class allocations

Asset class	Allocation
Target date	36%
Target risk	20%
Foreign equity	11%
Canadian equity	11%
GTD/Money market	5%
Balanced	7%
Specialty	2%
Bond	5%
Canadian mortgage	1%

Target date and target risk funds account for more than 50% of total plan assets.

4

Small business spotlight

A closer look at retirement savings among small business plan members

Small businesses are the backbone of Canada's economy, accounting for over 98% of all employer businesses and employing more than 62% of the country's private sector workforce[1].

Their success depends not only on innovation and resilience, but also on the ability to attract and retain talent in an increasingly competitive labour market.

Offering meaningful benefits like workplace retirement and savings plans can help small employers stand out and support long-term employee loyalty. As more workers seek financial stability, even modest retirement offerings can make a difference.

In this spotlight, we take a closer look at small businesses offering Canada Life plans to better understand:

- ✓ Who they are: an overview of plan membership
- ✓ How members are saving through workplace plans
- ✓ What types of retirement benefits sponsors are offering — and what members are using

Source

[1] Statistics Canada. "Analysis on small businesses in Canada, second quarter of 2024," June 13, 2024. www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2024007-eng.htm

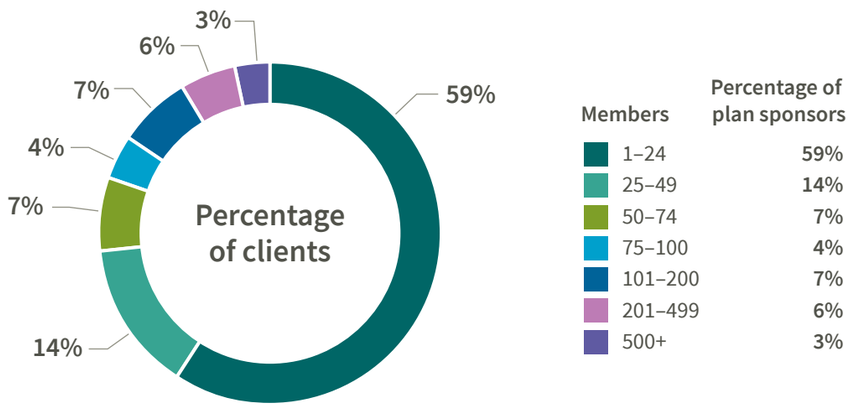
A look at small business plan members

Nearly three-quarters (73%) of Canada Life sponsors have less than 50 employees. Over 85% of sponsors are businesses with less than 100 people. These figures highlight Canada Life's commitment to supporting this vital segment of the economy — and the members who rely on it.

Plan members working in small businesses reflect the broader makeup of both the Canadian population and overall plan membership across the Canada Life data universe.

While small businesses represent the majority of our sponsors, Canada Life's role as a carrier of choice extends to organizations of every size. Our clients include some of Canada's leading employers in energy, financial services, academics and healthcare, underscoring the flexibility and reach of our programs.

Fig 4.0: Percentage of plan sponsors by share of portfolio



Gender and age distribution is similar to that of larger businesses within our portfolio.

Fig 4.1: Percentage of members by gender

Members by gender	1 – 24	25 – 49	50 – 74	75 – 100	All plans
Men	41%	41%	33%	41%	46%
Women	33%	33%	43%	35%	35%

Some plan members chose not to disclose their gender, so totals in the gender breakdown may not add up to 100%. Canada Life plans are inclusive and open to everyone.

Nearly a quarter of members in plans with fewer than 50 participants are nearing retirement. For these small sponsors, this shift presents challenges — not only to business continuity and success, but also to plan design. As a significant portion of accounts exit, it's critical to redefine program priorities to meet the evolving needs of younger members who aren't yet focused on retirement savings.

Fig 4.2: Percentage of members by age band

Members by age band	1 – 24	25 – 49	50 – 74	75 – 100	Average
<25	3%	4%	3%	3%	4%
25 – 34	20%	21%	20%	22%	22%
35 – 44	26%	26%	27%	27%	27%
45 – 54	24%	23%	24%	24%	23%
55 – 64	22%	21%	21%	19%	19%
65+	5%	5%	5%	5%	5%

Provincial/territorial distribution also aligns closely, with over 40% of small businesses located in Ontario and mirroring national population patterns.

Fig 4.3: Member distribution by province

Province	1 – 49 members	50 – 100 members	Average
Ontario	39%	43%	40%
British Columbia	13%	14%	13%
Alberta	12%	13%	13%
Quebec	14%	10%	12%
Manitoba	10%	10%	10%
Saskatchewan	6%	5%	5%
Nova Scotia	3%	2%	3%
New Brunswick	2%	1%	2%
Newfoundland and Labrador	1%	1%	1%
Prince Edward Island	0.6%	0.3%	0.5%
Northwest Territories	0.1%	0.3%	0.2%
Yukon	0.1%	0.2%	0.1%
Nunavut	0.05%	0.01%	0.03%

Small business, big futures: retirement plans that compete and retain

Attracting and retaining employees is a constant challenge for small businesses, where competition for talent can be just as intense as it is for larger organizations — if not more. One way to stand out is by offering meaningful benefits like retirement plans. Far from being a “big business” advantage, small business plans within the Canada Life portfolio are performing on pace with larger ones, giving owners an important tool to support their employees and strengthen loyalty.

Impact of plan tenure on balances

While the average balance among members of small business Canada Life-sponsored plans is $44,802, balances vary significantly depending on how long members have participated in their plans. Among small business plan members, longer plan tenure is closely linked to higher balances. This reflects the cumulative effect of ongoing contributions, investment growth and compounding over time.

Fig 4.4: Average balances by sponsor size and time in plan

Average balances by sponsor plan size	1 – 24	25 – 49	50 – 74	75 – 100	All plans
Less than 1 year	$6,371	$7,859	$8,525	$9,023	$9,929
1-3 years	$15,944	$16,755	$16,780	$17,702	$19,121
3-5 years	$30,460	$31,079	$29,989	$30,336	$31,300
5-10 years	$47,079	$48,783	$56,987	$48,814	$58,005
10-20 years	$86,593	$86,403	$91,288	$85,163	$99,610
>20 years	$126,953	$152,568	$156,743	$156,576	$147,402

A strong start to saving

Saving behaviour among small business members points to a financially engaged workforce. These members are strong savers with solid average balances that grow in step with time.

- Contributions are in line with the broader Canada Life data universe, with most members contributing between 2% and 9% of their income
- On average, small business employees contribute $6,082 annually — slightly higher than the $5,200 average across the broader membership
- Over half of small business members invest in target date or target risk funds, reflecting a preference for diversified, professionally-managed options
- Women represent 34% of small business members and hold 32% of total balances — closely aligned, though still slightly trailing male counterparts

Small business members are starting their saving routines early and maintaining steady contributions over time.

Because averages can be skewed by very high or very low values, the chart below shows both average and median balances and contributions to provide a more complete picture of member behaviour.

Fig 4.5: Average and median balances and contributions by age — among sponsors with <100 members

Age band	Average balance	Average annual contribution (employer + employee)	Median balance	Median contribution
< 25	$7,320	$3,041	$5,138	$2,478
25-34	$17,551	$4,728	$10,494	$3,496
35-44	$35,701	$6,054	$17,344	$4,050
45-54	$54,899	$6,900	$24,344	$4,245
55-64	$73,861	$6,634	$30,054	$3,950
65+	$94,943	$5,888	$32,639	$2,656

The majority of small business members contribute between 2% and 9% of earnings from their payroll.

Fig 4.6: Contribution rate by sponsor size

Contribution rate by membership size	1 – 49 members	50 – 100 members	All plans
Under 2%	8%	8%	9%
2 – 4%	53%	53%	45%
5 – 9%	35%	34%	30%
10 – 19%	3%	4%	4%

More than 55% of plan members contribute to asset allocation funds, such as target date or target risk options.

Fig 4.7: Asset class distribution amongst small business plan members (calculated by member count)

Asset class	1 – 100 members
Target date	28%
Target risk	27%
Foreign equity	14%
Canadian equity	10%
GTD/Money market	8%
Balanced	6%
Specialty	3%
Bond	3%
Canadian mortgage	1%

What small businesses are offering

Small businesses with Canada Life plans are taking meaningful steps to support retirement confidence. Most commonly, this is by offering straightforward, accessible plans with strong participation rates and generous matching structures. Here's a closer look at what's being offered and how members are engaging.

Plan types

Most small businesses offer a single plan (73%), with RRSPs being the most common (53%). 24% of employers offer two plan types, the majority of which (77%) are combinations of RRSP and DPSPs. Participation is high among employees eligible for savings plans:

- ✓ 83% in RRSPs
- ✓ 83% in DPSPs
- ✓ 84% in DCPPs
- ✓ 42% in TFSAs
- ✓ 30% in RESPs

Where plans offer a diverse suite of savings products, members respond decisively. Participation rates underscore a clear demand for choice.

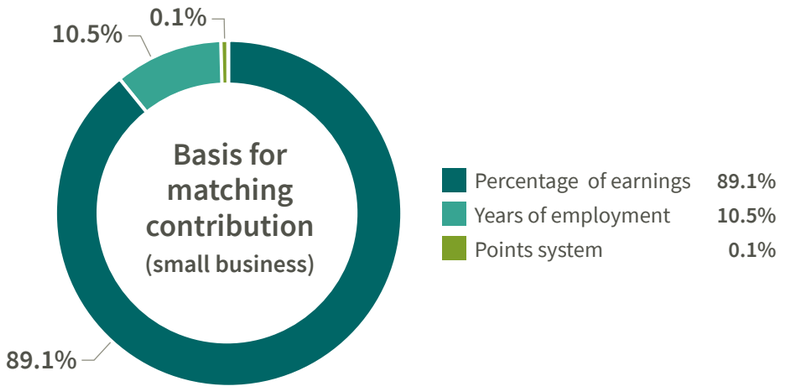
Contribution basis

The majority of small business sponsors base their contributions on percentage of member earnings. A smaller share — around 10% — calculate contributions based on years of employment.

Matching contribution rate

Over 90% of small businesses match member contributions at 100%, while nearly 8% match 50-99% and the remaining less than 50%.

Fig 4.8: Basis for matching contribution – percentage of employers



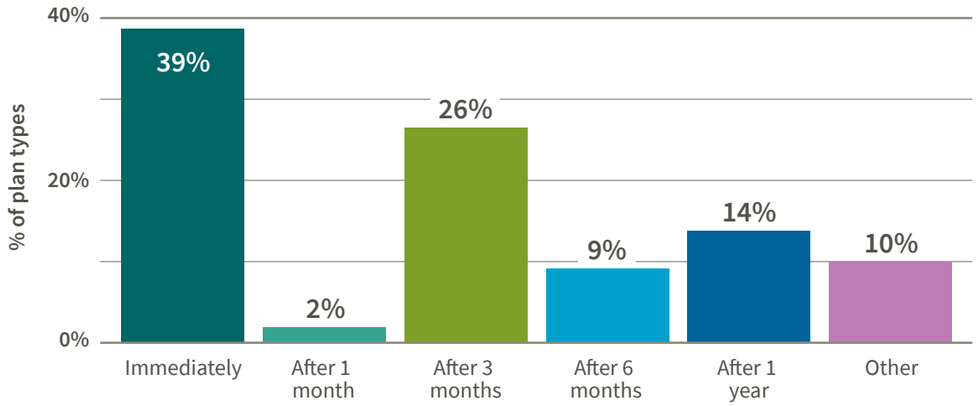
Plan eligibility

Immediate eligibility is the most common approach, offered by 39% of small businesses — slightly behind the broader Canada Life universe (41%). Eligibility within three months is the next most popular policy.

Withdrawal restrictions

Roughly half of small business sponsors include withdrawal restrictions in their plans, which prevent members from accessing their savings while still employed. This is consistent with the rate seen in larger businesses.

Fig 4.9: Employee eligibility (when an employee can join the plan)



Key takeaways

Small business members show strong retirement savings behaviours, supported by sponsors offering accessible plans, participation incentives and generous matching.

Small business members tend to start saving early, contribute consistently and stay invested.

Participation rates, contribution levels and product preferences align closely with the broader Canada Life data universe.

Small business sponsors and their teams are making meaningful strides towards long-term financial security, reinforcing the value of offering retirement plans — even with limited resources.

5

The gender pension gap

Why women are retiring with less – and what it means for their financial future

The gender pension gap refers to the difference in retirement income between women and men. In Canada, that gap stood at 17% in 2024 — meaning women received just $0.83 in retirement income for every dollar received by men[1]. Globally, the gap is even wider at 25.6%[2].

This disparity has real consequences. In 2020, roughly 200,000 more women than men over the age of 65 were living below the low-income cut-off. For women over 75, the situation is even more dire — 21% had incomes below this threshold, a rate 51% higher than their male peers[3]. The gap is deepened by longevity and healthcare costs: Canadian women now live on average to 83.9 years, compared to 79.5 years to men, resulting in longer retirements and greater healthcare expenses.

Several factors contribute to this gap. For one, women tend to earn less over the course of their careers, often taking breaks for caregiving and working part time. The result is fewer opportunities to contribute to retirement savings. The pension gap is also deeply tied to the gender wage gap: in Canada, women earn just $0.88[4] for every dollar earned by men.

Additional challenges play a major role, such as the "motherhood penalty," where working mothers face wage reductions and slower career progression as well as the disproportionate burden of unpaid work (household and caregiving responsibilities). These combined socio-economic factors deepen retirement income disparities, especially for single women and those facing intersecting barriers.

All this adds up to ongoing financial strain. A 2024 survey revealed that 49% of Canadian women have less than $5,000 in savings, while 28% have no savings at all[5]. At the same time, women live longer than men — meaning they need to save earlier and for more retirement income, not less.

Sources

[1] Pay Equity Office, "Gender Pension Gap," **Gender Pension Gap | Pay Equity Office**

[2] OECD, "Towards Improved Retirement Savings Outcomes for Women," March 10, 2021. **Towards Improved Retirement Savings Outcomes for Women | OECD**

[3] Statistics Canada, "The poverty rate and low-income situation of older persons in Canada: An intersectional analysis," December 4, 2024. **The poverty rate and low-income situation of older persons in Canada: An intersectional analysis**

[4] Employee wages by occupation, annual," Table 14-10-0417-01, 2025.

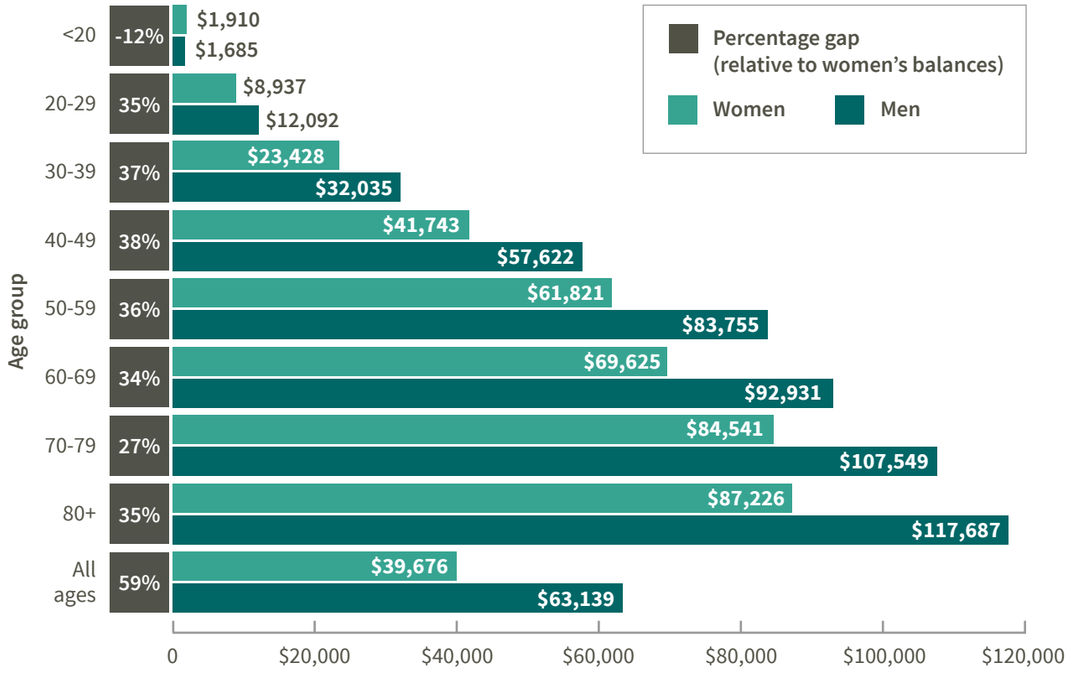
[5] Healthcare of Ontario Pension Plan (HOOPP). "2024 Canadian Retirement Survey, June 20, 2024. **https://hoopp.com/docs/default-source/advocacy/hoopp-2024-canadian-retirement-survey-full-report.pdf**

What our data shows: Women continue to lag in retirement savings

Looking back at our data over the past ten years reveals a persistent disparity in investment balances between men and women — one that remains pronounced today. While women's balances have nearly doubled since 2014, average balances continue to trail men's in nearly every age group.

A notable exception is the under-20s group, where women actually hold higher average balances than men. This early advantage may reflect their life stage — a time before caregiving, family and other responsibilities begin to weigh more heavily on women's financial paths.

Fig 5.0: Average balances by gender and age group



There is also a higher proportion of women working in sectors where women have traditionally been more represented, including academics, healthcare and hospitality. It's worth noting that the healthcare and hospitality industries within the Canada Life universe have among the lowest average balances.

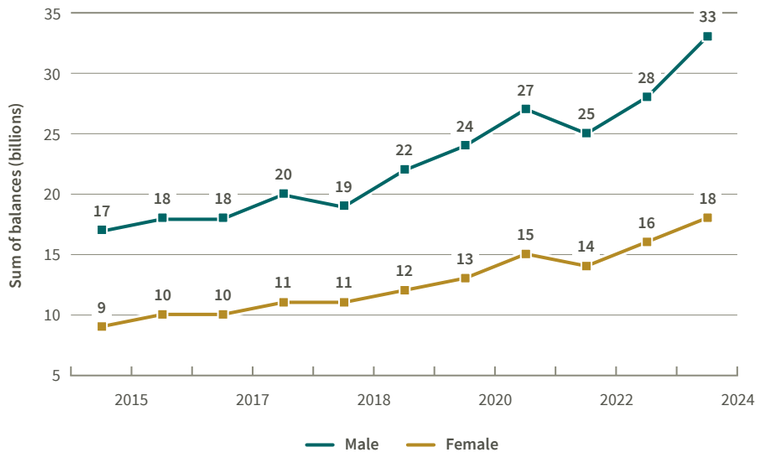
Fig 5.1: Average balances by gender and industry

Industries	Average balances: women	Average balances: men
Academics	$51,747	$70,593
Agriculture, Forestry & Fishing	$33,258	$52,884
Cultural	$38,124	$47,616
Energy	$66,426	$86,589
Financial Services	$42,393	$61,319
Government	$50,364	$64,626
Healthcare	$35,987	$50,092
Hospitality	$34,417	$41,793
Industrial	$58,792	$69,620
Professional Services	$51,681	$69,513
Transportation	$44,822	$65,467
Wholesale & Retail Trade	$20,305	$35,466

Key findings from our data:

- In 2014, women held approximately 55% of the total balances held by men. In 2024, that ratio remains largely unchanged.
- While balances have grown across the board over the last 10 years, men's balances increased more in absolute terms, maintaining the gap.
- Women accounted for 30% of total plan assets in 2014. By 2024, their share declined slightly to 29%.
- Over the same period, the percentage of women members grew from 42% to 43% — yet that increase has not translated into a larger share of total assets.
- Women are over-represented in industries like healthcare, education and hospitality, where wages are typically lower and jobs are more likely to be part-time.

Fig 5.2: Sum of member balances by gender: 2014 – 2024



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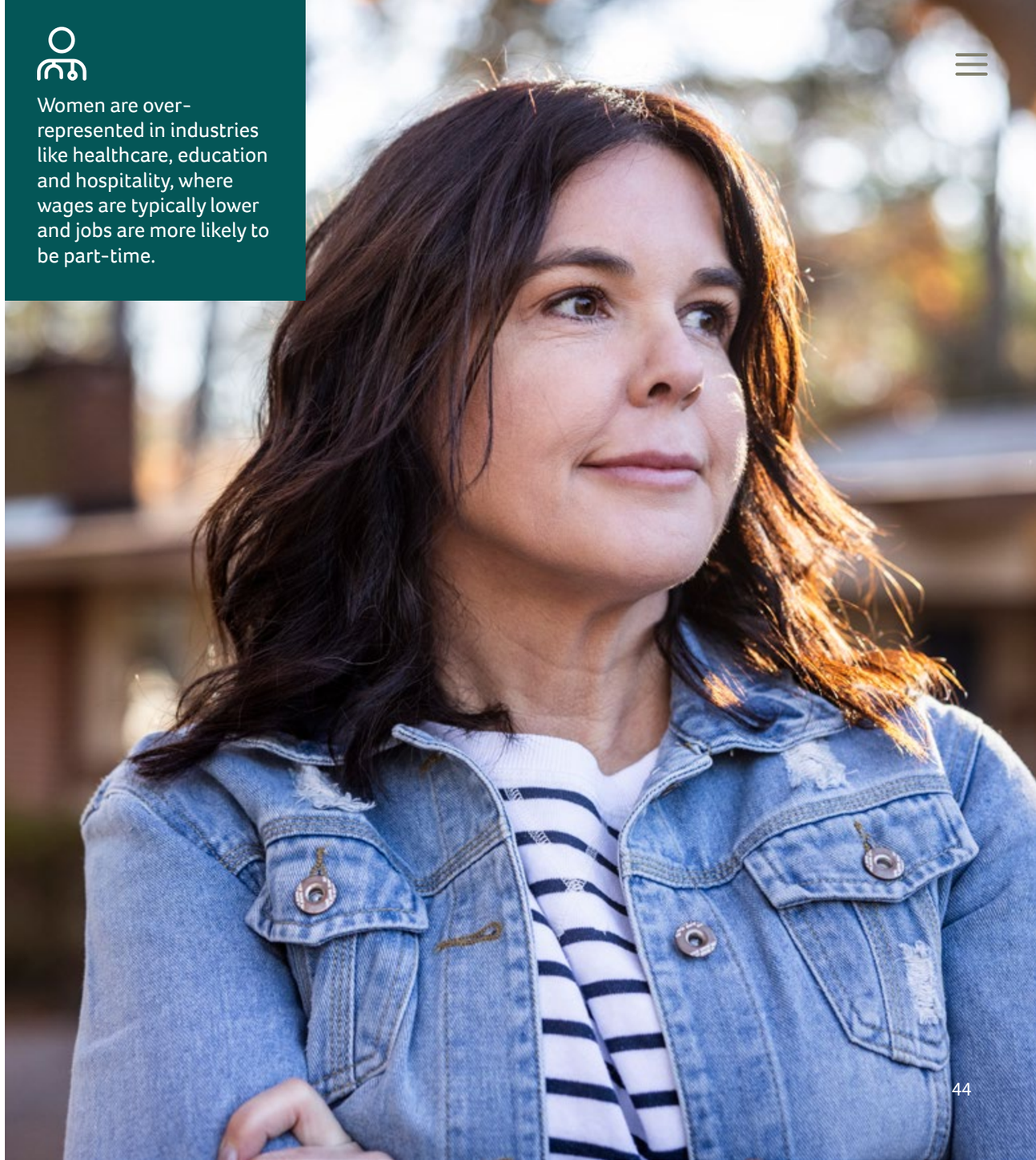

Investment product preferences

Men are more likely to invest in RRSPs, while women are more likely to hold DCPPs and have a lower tendency to hold non-registered investments. This could be an indication of the nature of plan designs offered by the industries they're employed in.

Fig 5.3: Plan type distribution by gender

Plan type	Men	Women
RRSP	45%	42%
DCPP	36%	42%
DPSP	15%	13%
NRSP	3%	1%
TFSA	2%	2%

Investment style by gender

For those who choose to build their own portfolios, women tend to be more risk adverse, which may contribute to the pension gap over time.

Fig 5.4: Asset class contribution by gender

Asset class	Men	Women
Target date	34%	37%
Target risk	16%	17%
Foreign equity	17%	12%
Canadian equity	12%	9%
GTD/Money market	8%	9%
Balanced	7%	9%
Specialty	3%	2%
Bond	4%	4%
Canadian mortgage	1%	1%

Target risk	Men	Women
Advanced	20%	17%
Aggressive	20%	12%
Balanced	34%	42%
Conservative	13%	14%
Moderate	14%	16%

Key takeaways

While balance growth is broadly similar between men and women, the gender pension gap remains — a sign that other factors are at play.

Women often start with lower balances, which limits absolute growth over time.

Women tend to invest more conservatively, potentially resulting in lower long-term returns.

Slower salary progression can affect savings, even with equal contribution rates.

Career interruptions may lead to missed contributions during key earning years.

Women’s longer life expectancy compounds these challenges, as retirement savings must stretch further.

By advancing inclusive eligibility policies, contribution matching and education on diversified investment strategies, employers can play a key role in narrowing the gap.

6

Financial resilience in a volatile economy

The right tools and support can help Canadians navigate uncertainty

In today's uncertain economic environment — characterized by global volatility, shifting trade dynamics and ongoing cost-of-living pressures — many Canadians are feeling the strain.

Recent findings from the sixth annual Canadian Retirement Survey by Abacus Data highlight how these challenges are affecting their financial well-being. Two-thirds of Canadians say current conditions are limiting their ability to save, and many Canadians hit the pause button when it came to savings contributions within the last year[1].

Within Canada Life, we've seen a rise in financial concerns raised through our Employee Assistance Program. We've also seen more inquiries related to withdrawals, fund changes and investment advice — signs of growing unease and a desire for reassurance.

Source

[1] RRSP contributions decline as Canadians ask if they can afford to save – sourced in: **RRSP contributions decline as Canadians ask if they can afford to save | Wealth Professional**

The impact of financial education and advice

Professional guidance and financial education can make a measurable difference in reducing financial stress and improving retirement outcomes. In fact, individuals with a financial plan feel more confident about their savings goals (47% versus 36% without a plan)[1].

Over a 15-year period, investors who work with an advisor have been shown to have almost four times the assets of investors who don't[2].

At Canada Life, we take findings like these to heart. Through education sessions, online tools and access to advisors, we aim to help our members strengthen their retirement plans while reducing financial anxiety.

Individuals with a financial plan feel more confident about their savings goals (47% versus 36% without a plan)[1].

Sources

[1] The Globe and Mail, "Those With a Financial Plan Feel More Confident, Satisfied and Less Financially Worried," July 8, 2025. **Those With a Financial Plan Feel More Confident, Satisfied and Less Financially Worried, Finds Morgan Stanley Wealth Management**

[2] Claude Montmarquette, Natalie Vienno-Briot, "The Gamma Factor and the value of Financial Advice," August, 2016. **The Gamma Factor and the Value of Financial Advice**

Our response: education, awareness and support

Canada Life offers a comprehensive suite of financial support services to strengthen resilience and planning:

Education and awareness: In 2025 – 2026, we're ramping up webinars, workshops and communications focused on financial literacy and retirement preparedness

Advice and planning: Through the Financial Solutions Centre (FSC), our dedicated team of advisors and investment representatives is available to help members with planning, advice and fund selection

Self-service tools: Our online retirement goal-setting tool empowers users to model savings targets, project retirement income and track progress.

Key takeaways

Canadians are facing mounting financial pressures that threaten retirement confidence and preparedness.

Access to workplace plans, targeted financial education and robust advisory support can make a meaningful difference.

At Canada Life, rising demand for financial service demonstrates a need for guidance during uncertain times.

By championing education and access to advice, employers can help reduce employee stress, boost engagement and support better long-term outcomes.

Key strategies for plan sponsors

Tenure drives savings outcomes.

Longer plan tenure correlates strongly with higher balances. Reducing waiting periods, offering immediate eligibility and early matching to maximize member outcomes is valuable.

Matching contributions boosts engagement.

Plans with 100% employer matching show significantly higher participation and balance growth which demonstrates matching as a key retention and engagement tool.

Target date funds are dominant, and demand is growing.

Target date funds now represent 36% of total assets, with a 147% growth over the last decade and are a simple solution for plan members.

The gender pension gap exists.

Women consistently hold lower balances across age groups, despite similar contribution rates. Consider flexible contribution structures, education on investment strategies and targeted outreach to female employees.

Younger members prefer flexibility.

Younger savers are adopting “soft saving” strategies, favouring TFSAs, FHSAs and RESPs to achieve short-term needs. Financial education drives confidence — and members with access to financial advice and planning tools report higher confidence and stronger outcomes. Making these available and keeping members informed about what they can access may boost confidence.

Contribution and balance levels vary significantly by province and industry.

Regional economic conditions and industry-specific challenges should be considered when designing a plan.

Plan design matters!

Plans with early eligibility, generous matching and diversified investment options outperform others. Conscientious plan designs support member outcomes and drive recruitment and retention.

About Canada Life

Founded in 1847, The Canada Life Assurance Company was Canada's first domestic capital accumulation plan (CAP) insurance provider. Since then, we've earned the trust of clients across the country by helping them build financial security and delivering on the promises we make.

This benchmark report draws on Canada Life's internal member and plan sponsor data, along with external research and industry sources. It reflects the current reality facing Canadian workplaces — from economic pressures and workforce shifts to changing expectations around retirement confidence and financial well-being.

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