

Abstract for IARIW General Conference in August 2008

Proposed for *Parallel Session 2A. Pension Issues in Ageing Societies*

A Micro-based Measurement Framework for Canadian Pensions

Employer-sponsored private pension plans are a key element of the financial security of Canadians, and the institutional environment surrounding retirement savings is evolving rapidly in the face of globalization and an ageing population. The potential erosion of Canada's defined-benefit employer pension system is a primary issue of public policy concern, and a preoccupation of provincial regulatory authorities, the Canadian central bank, the federal finance department and other stake-holders. The evolution of Canada's retirement income system has wide-reaching implications for wealth accumulation and portfolio composition, and potentially important impacts on federal tax policy and the stability of the Canadian financial system. Understanding the distributional effects of this evolution on individuals and families as well as employers can only increase in importance as the population ages.

Micro-based statistics on the Canadian pension system include a suite of sources, among them information from provincial regulatory authorities, surveys of pension fund trustees and household surveys of income, consumption and wealth. The paper will explore the dimensions of micro-based pension statistics in Canada and how they can serve as a framework to complement macro measures. Particular emphasis will be given to the wealth value of employer-sponsored pension plans assigned at the household level in the Survey of Financial Security, based on a linkage to regulatory information on the terms and conditions of registered plans. In addition, an analysis of new micro-data on the funded status of employer pension plans and the assumptions used in valuing actuarial liabilities will be presented. This information is reported on a triennial basis to Canadian pension supervisory authorities.

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