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The Pension Account in the Canadian System of National Accounts – Provisional Estimates

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Pensions in the National Balance Sheet Accounts

The Need for a Pension Account

- Steady upward trend in employer sponsored pensions
- Individual Retirement Saving imbedded in other securities (sheltered assets versus unsheltered)
- Unfunded pension liabilities recognized in the core accounts
- Federal Government changes in investment for its social security plan

Stock-flow matrix presentation of the pension satellite account

	Opening wealth position	Inflows: contributions, investment income	Outflows: withdrawals	Revaluations and other volume changes	Closing wealth position
Social security					
Employer-sponsored plans					
Individual registered saving plans					
Total					

Detailed time-series presentation of the stock-flow matrix of the PSA

Market value estimates for financial asset positions are available for the period 1990-2008.
Estimates for financial flows are available for the period 1990-2007.

	2004	2005	2006	2007	2008
1. Social security					
Opening wealth position	84,470	101,181	121,253	146,261	155,755
plus : Inflows (contributions, investment income)	40,943	43,077	46,638	48,857	
Contributions	36,805	38,834	41,643	43,469	
Investment income	4,138	4,243	4,995	5,388	
minus : Outflows (withdrawals)	60,246	62,799	65,862	67,833	
of which: OAS/GIS payments	29,321	30,460	31,858	32,183	
plus : Revaluations and other changes in assets	6,693	9,334	12,374	-3,713	
Closing wealth position	101,181	121,253	146,261	155,755	139,568
1.1 Canada Pension Plan					
Opening wealth position	65,716	78,760	94,471	113,581	122,729
plus : Inflows (contributions, investment income)	31,775	33,315	36,357	38,551	
Contributions	28,440	30,014	32,631	34,526	
Investment income	3,335	3,301	3,726	4,025	
minus : Outflows (withdrawals)	23,425	24,543	25,760	26,994	
plus : Revaluations and other changes in assets	4,694	6,939	8,513	-2,409	
Closing wealth position	78,760	94,471	113,581	122,729	113,396
1.2 Québec Pension Plan					
Opening wealth position	18,754	22,421	26,782	32,680	33,026
plus : Inflows (contributions, investment income)	9,168	9,762	10,281	10,306	
Contributions	8,365	8,820	9,012	8,943	
Investment income	803	942	1,269	1,363	
minus : Outflows (withdrawals)	7,500	7,796	8,244	8,656	
plus : Revaluations and other changes in assets	1,999	2,395	3,861	-1,304	
Closing wealth position	22,421	26,782	32,680	33,026	26,172

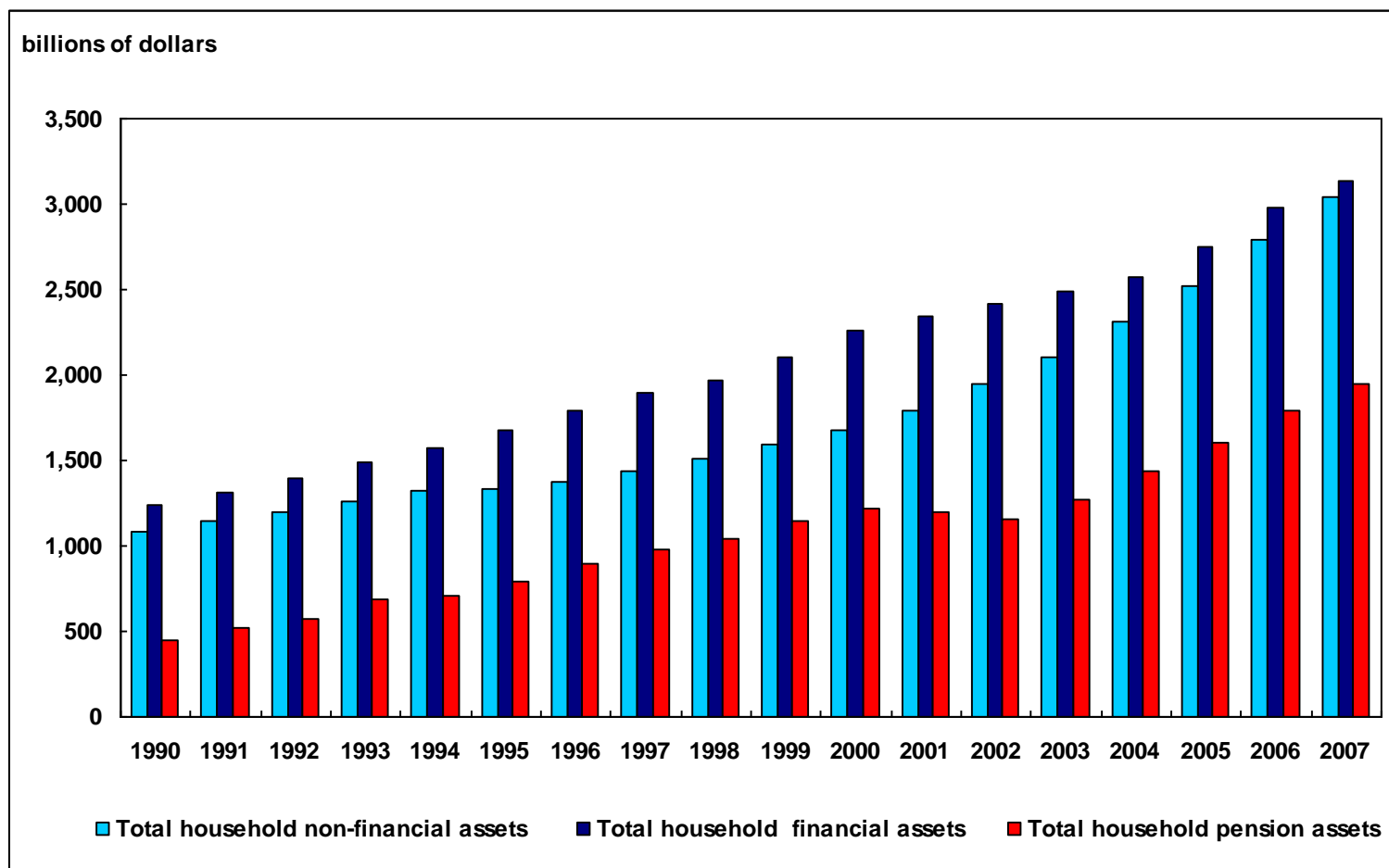
Detailed time-series presentation of the stock-flow matrix of the PSA

	2004	2005	2006	2007	2008
2. Employer-based pension plans					
Opening wealth position	821,677	912,297	1,013,729	1,129,004	1,190,319
plus : Inflows (contributions, investment income)	86,367	94,150	104,956	112,211	
Contributions	44,037	47,513	52,993	55,587	
Investment income	42,330	46,637	51,963	56,624	
minus : Outflows (withdrawals)	43,047	43,266	49,896	55,104	
plus : Revaluations and other changes in assets	47,301	50,548	60,215	4,210	
Closing wealth position	912,297	1,013,729	1,129,004	1,190,319	1,064,836
2.1 Trusteed pension plans					
Opening wealth position	603,228	679,421	769,501	874,675	925,433
plus : Inflows (contributions, investment income)	55,222	61,705	72,323	74,975	
Contributions	29,701	32,530	38,353	37,132	
Investment income	25,521	29,175	33,970	37,843	
minus : Outflows (withdrawals)	30,927	30,971	36,363	40,668	
plus : Revaluations and other changes in assets	51,898	59,346	69,213	16,452	
Closing wealth position	679,421	769,501	874,675	925,433	804,434
2.2 Government consolidated revenue arrangements					
Opening wealth position	180,197	184,194	188,241	193,738	199,288
plus : Inflows (contributions, investment income)	20,983	21,528	21,970	22,646	
Contributions	6,003	6,259	6,389	6,810	
Investment income	14,980	15,269	15,581	15,836	
minus : Outflows (withdrawals)	10,220	10,592	11,306	11,801	
plus : Revaluations and other changes in assets	-6,766	-6,889	-5,167	-5,295	
Closing wealth position	184,194	188,241	193,738	199,288	203,971
2.3 Other employer-based pension plans					
Opening wealth position	38,252	48,682	55,987	60,591	65,598
plus : Inflows (contributions, investment income)	10,162	10,917	10,663	14,590	
Contributions	8,333	8,724	8,251	11,645	
Investment income	1,829	2,193	2,412	2,945	
minus : Outflows (withdrawals)	1,900	1,703	2,227	2,635	
plus : Revaluations and other changes in assets	2,169	-1,909	-3,831	-6,947	
Closing wealth position	48,682	55,987	60,591	65,598	56,431

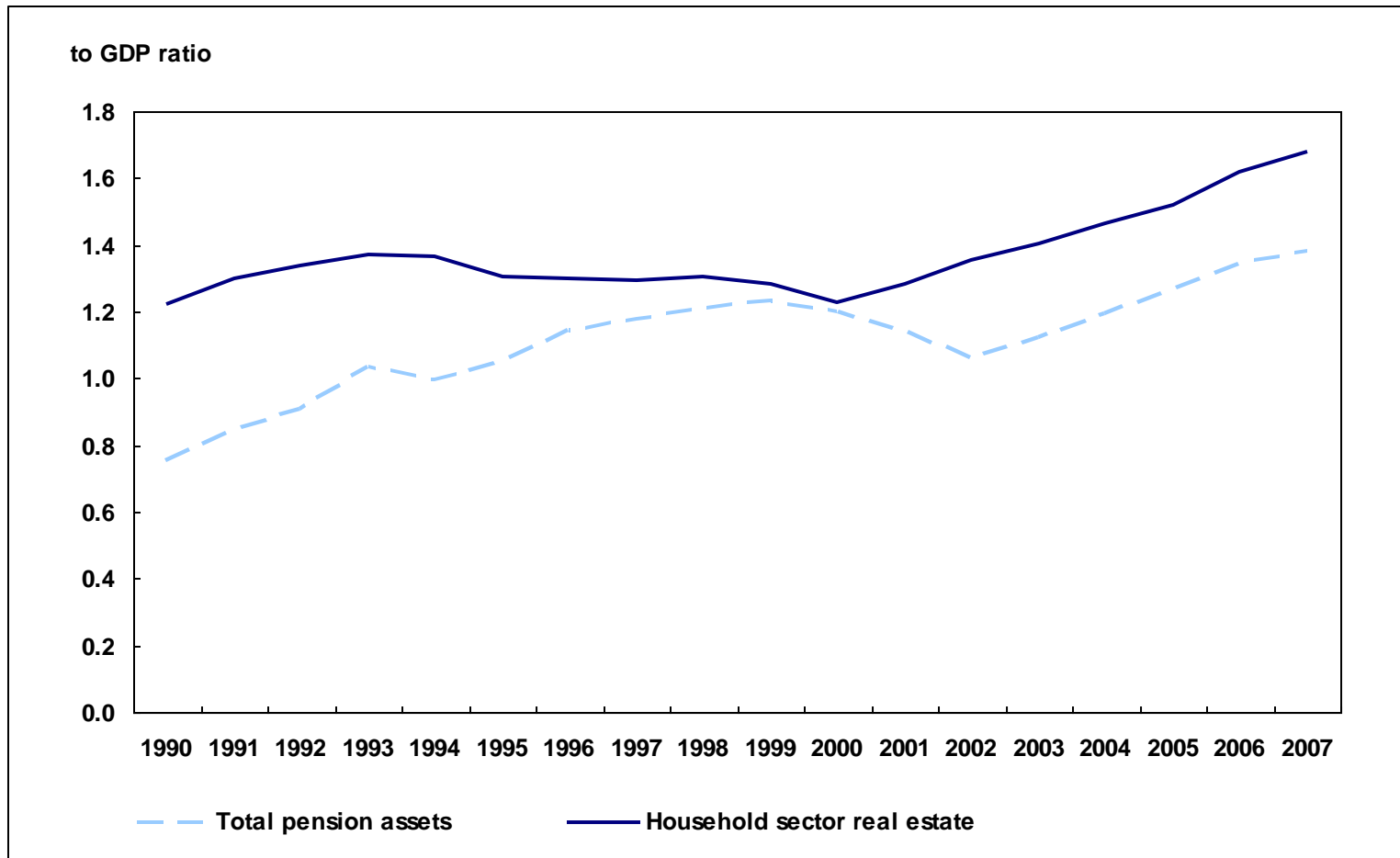
Detailed time-series presentation of the stock-flow matrix of the PSA

	2004	2005	2006	2007	2008
3 Individual registered retirement saving plans					
Opening wealth position	440,277	512,009	582,232	652,191	748,971
plus : Inflows (contributions, investment income)	43,667	47,487	53,281	59,742	
Contributions	28,788	30,581	32,351	34,058	
Investment income	14,879	16,906	20,930	25,684	
minus : Outflows (withdrawals)	23,387	25,096	27,443	29,759	
plus : Revaluations and other changes in assets	51,452	47,832	44,121	66,797	
Closing wealth position	512,009	582,232	652,191	748,971	631,424
Total plans					
Opening wealth position	1,346,424	1,525,487	1,717,214	1,927,456	2,095,045
plus : Inflows (contributions, investment income)	170,976	184,715	204,874	220,810	
Contributions	109,630	116,928	126,987	133,114	
Investment income	61,346	67,787	77,887	87,696	
minus : Outflows (withdrawals)	126,680	131,161	143,201	152,696	
of which: Old Age Security benefit payments	29,321	30,460	31,858	32,183	
plus : Revaluations and other changes	105,446	107,714	116,710	67,293	
Closing wealth	1,525,487	1,717,214	1,927,456	2,095,045	1,835,828

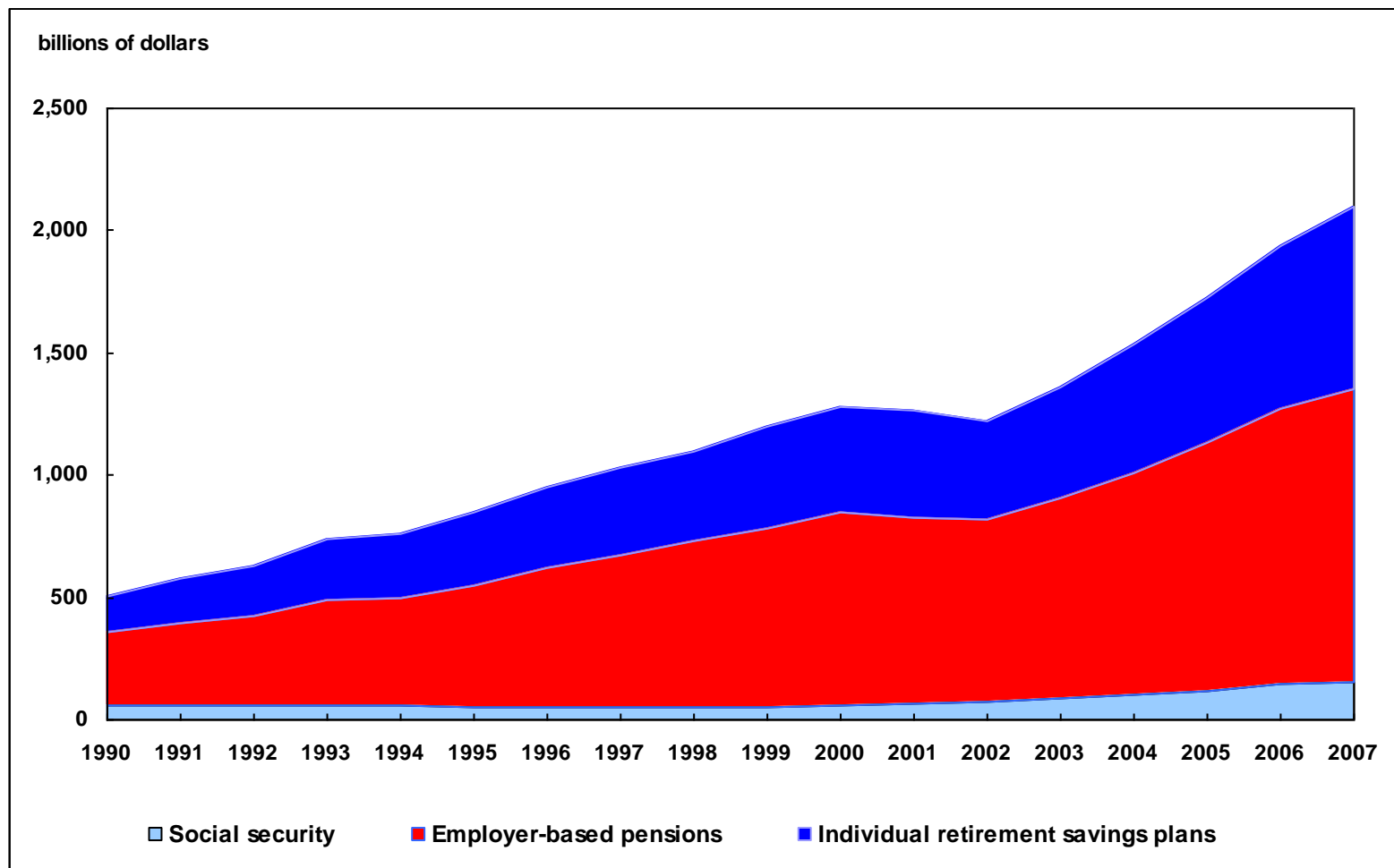
Pension Assets Relative to Financial and Non Financial Assets



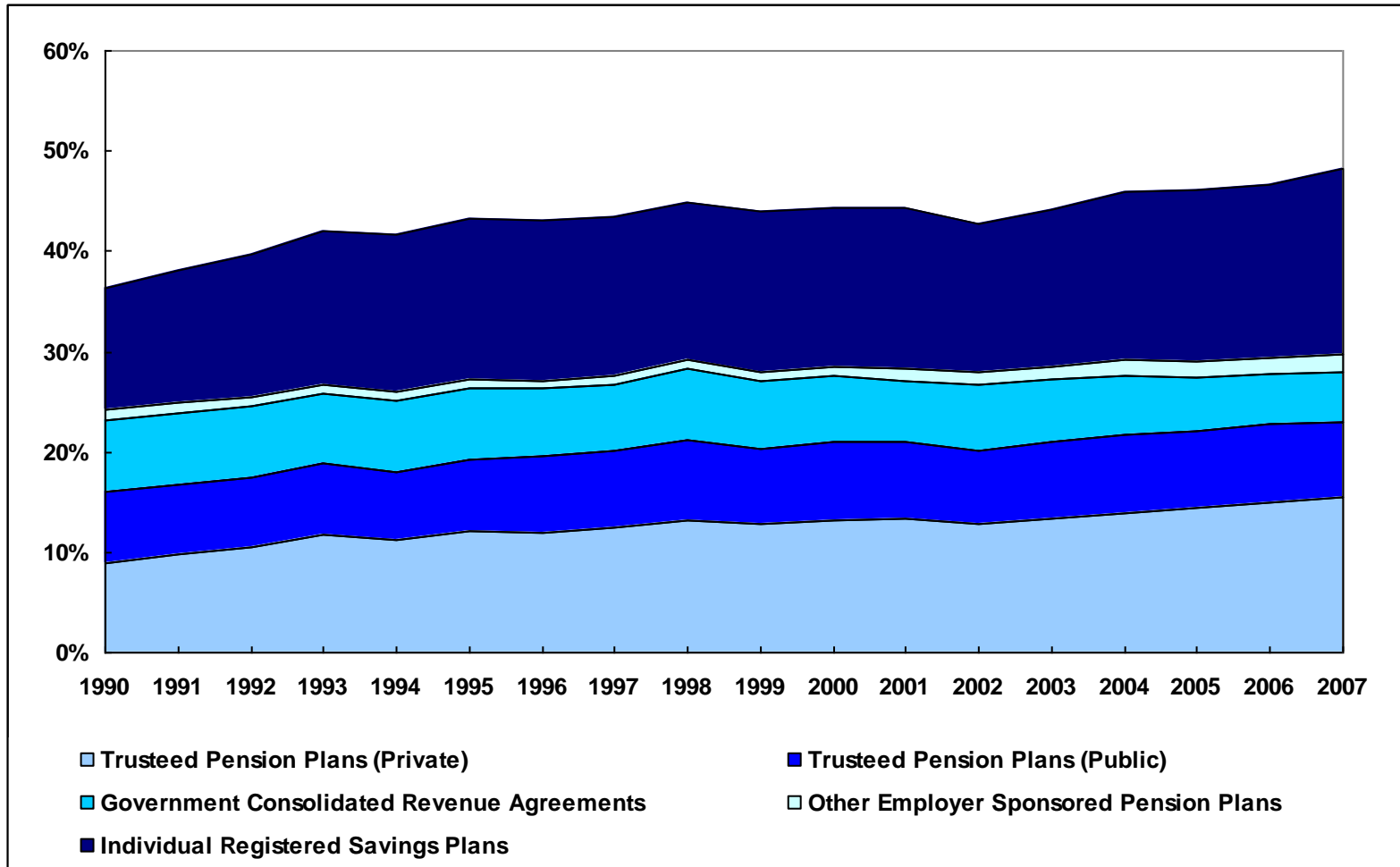
Steady climb in value of household real estate and pension assets



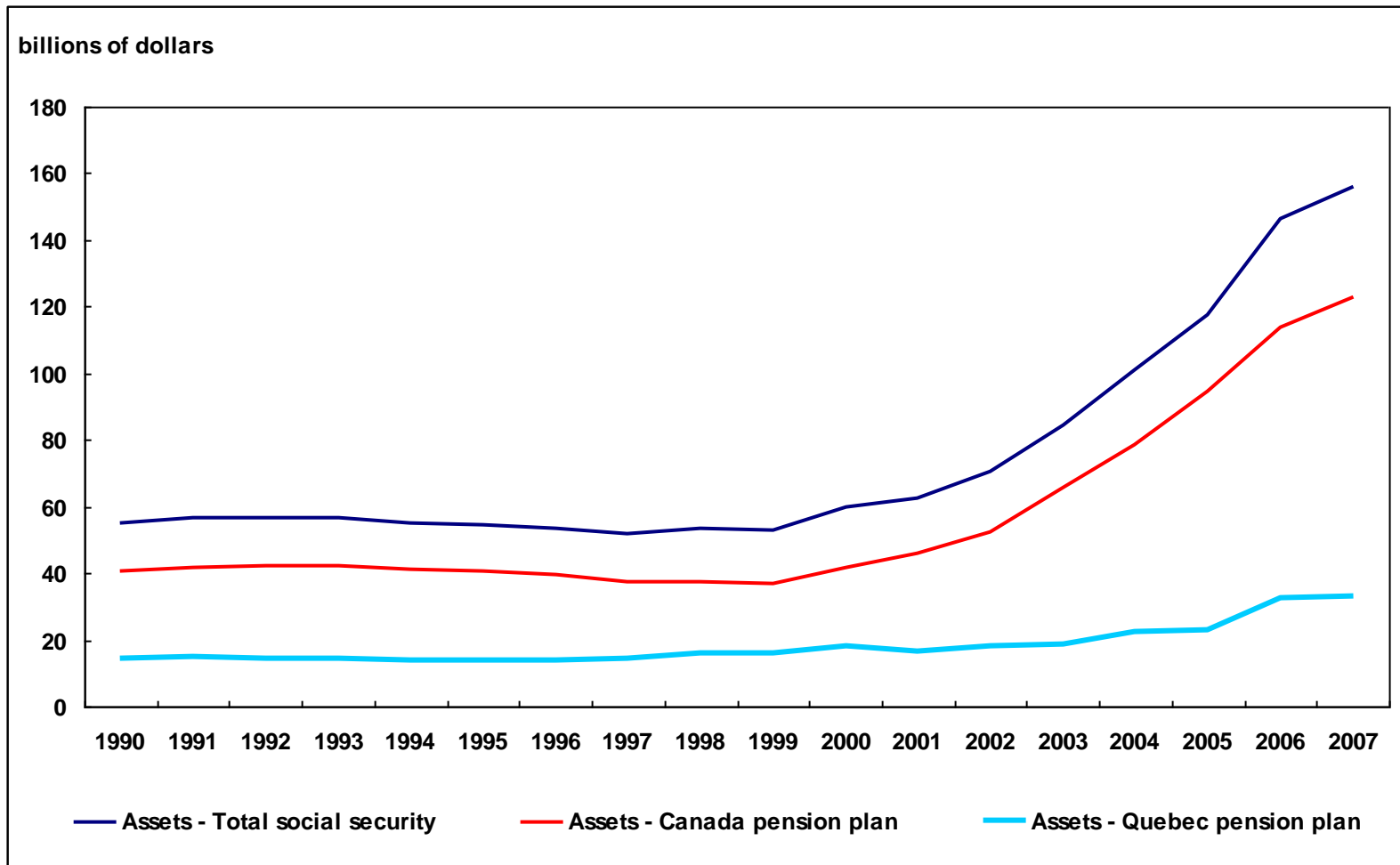
Assets of Canada's pension system, at market value



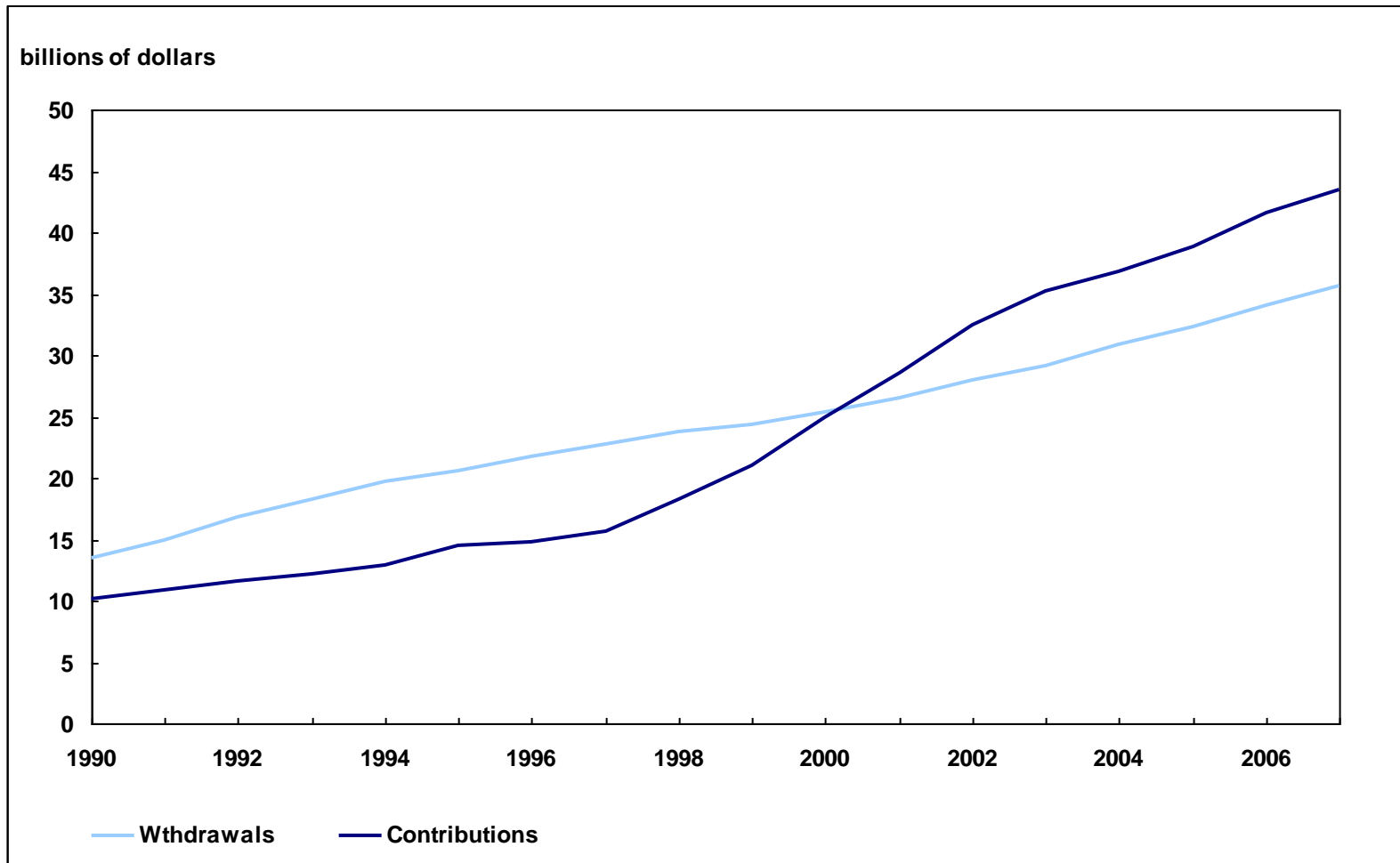
Pension Assets as a share of Household Financial Assets



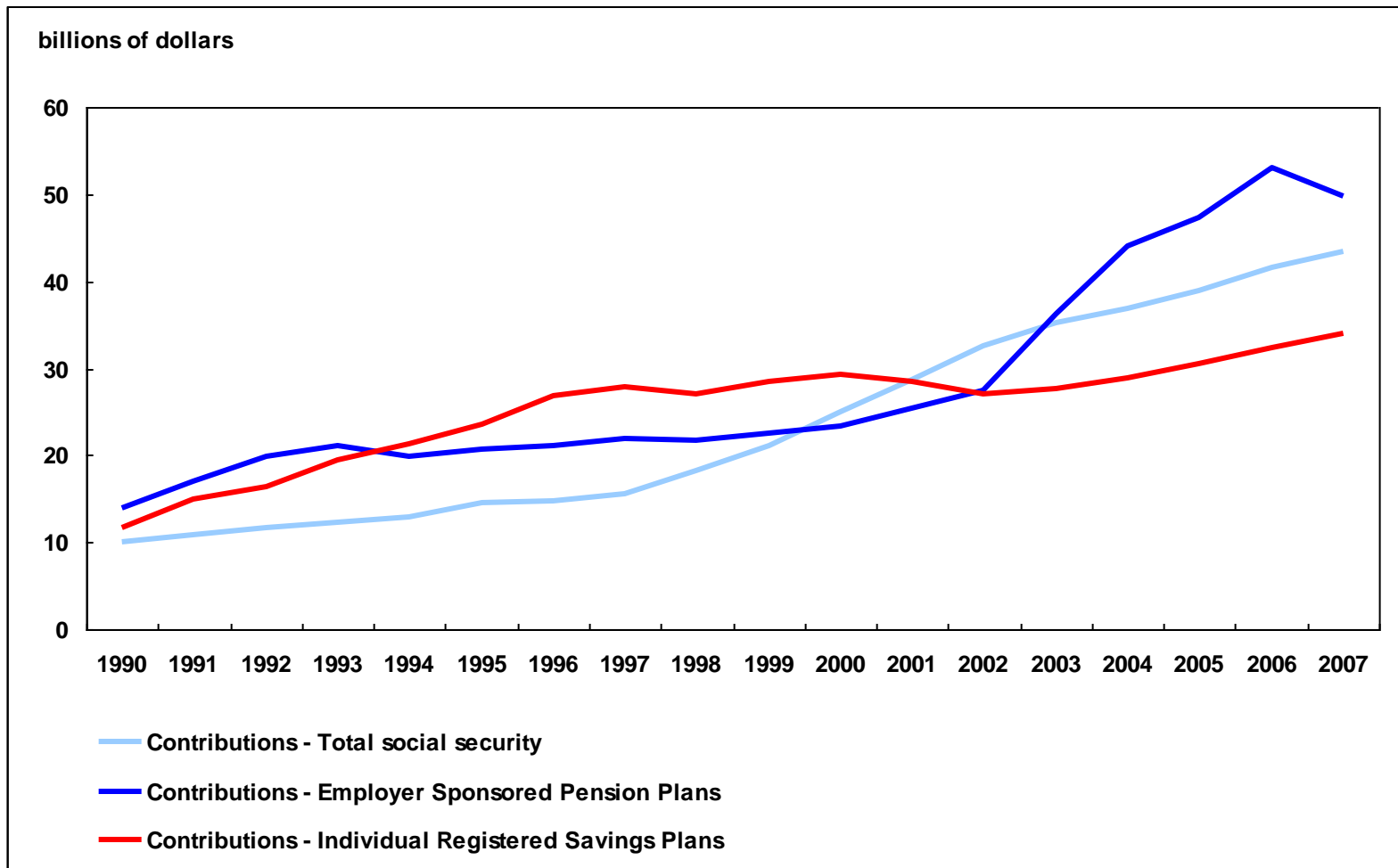
Changes to social security strategy result in accumulation of assets



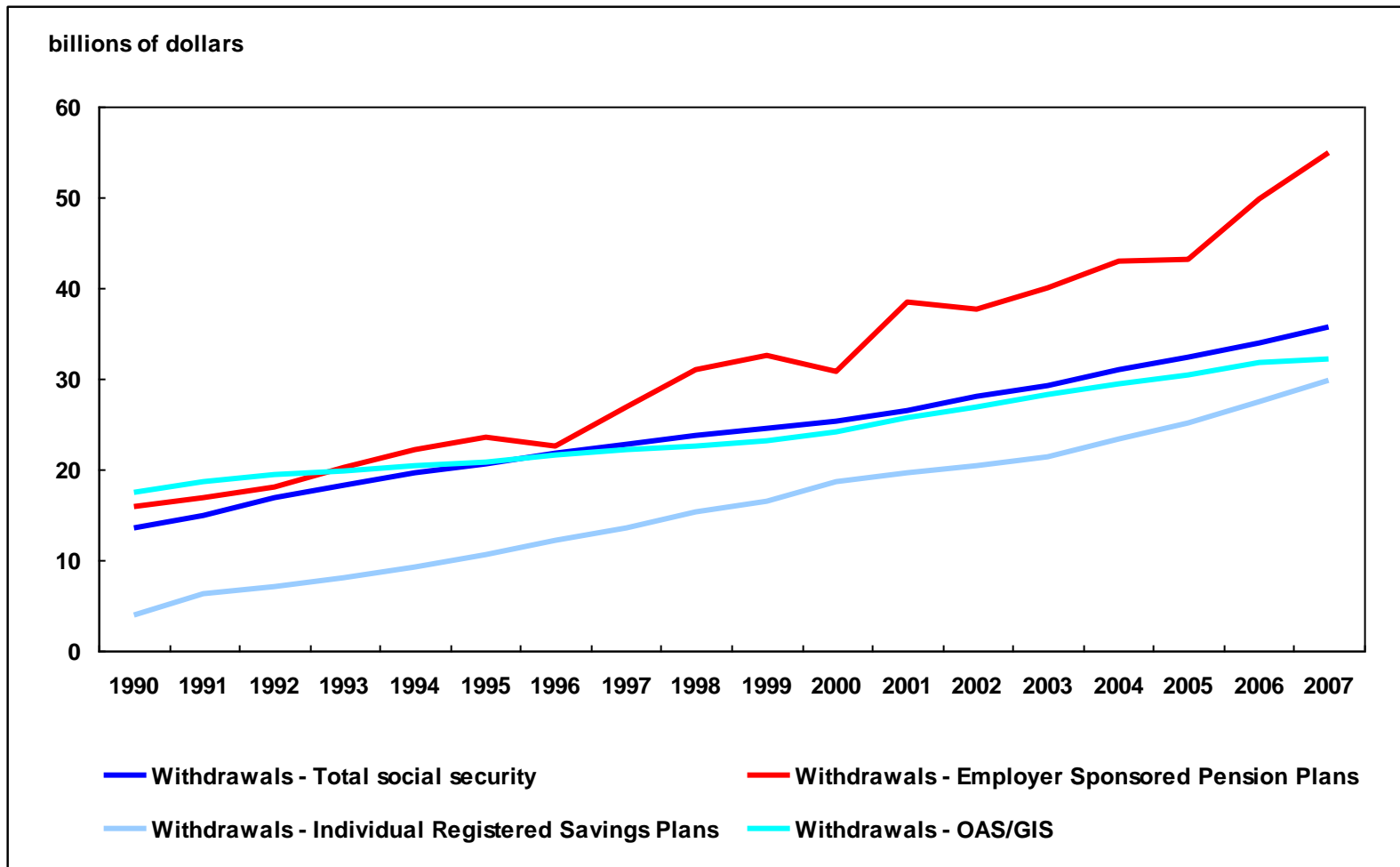
Changes to social security strategy (continued)



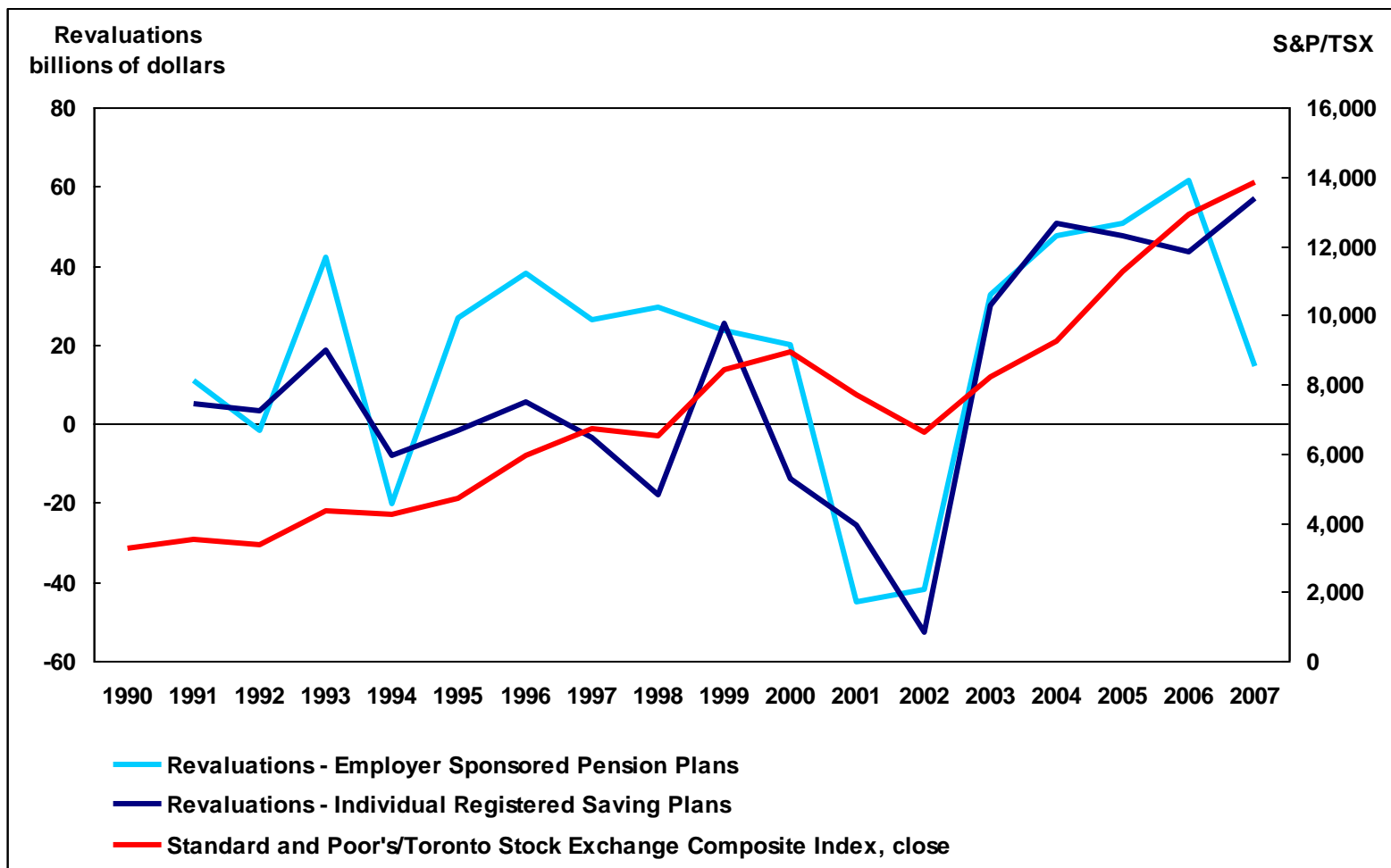
Contributions



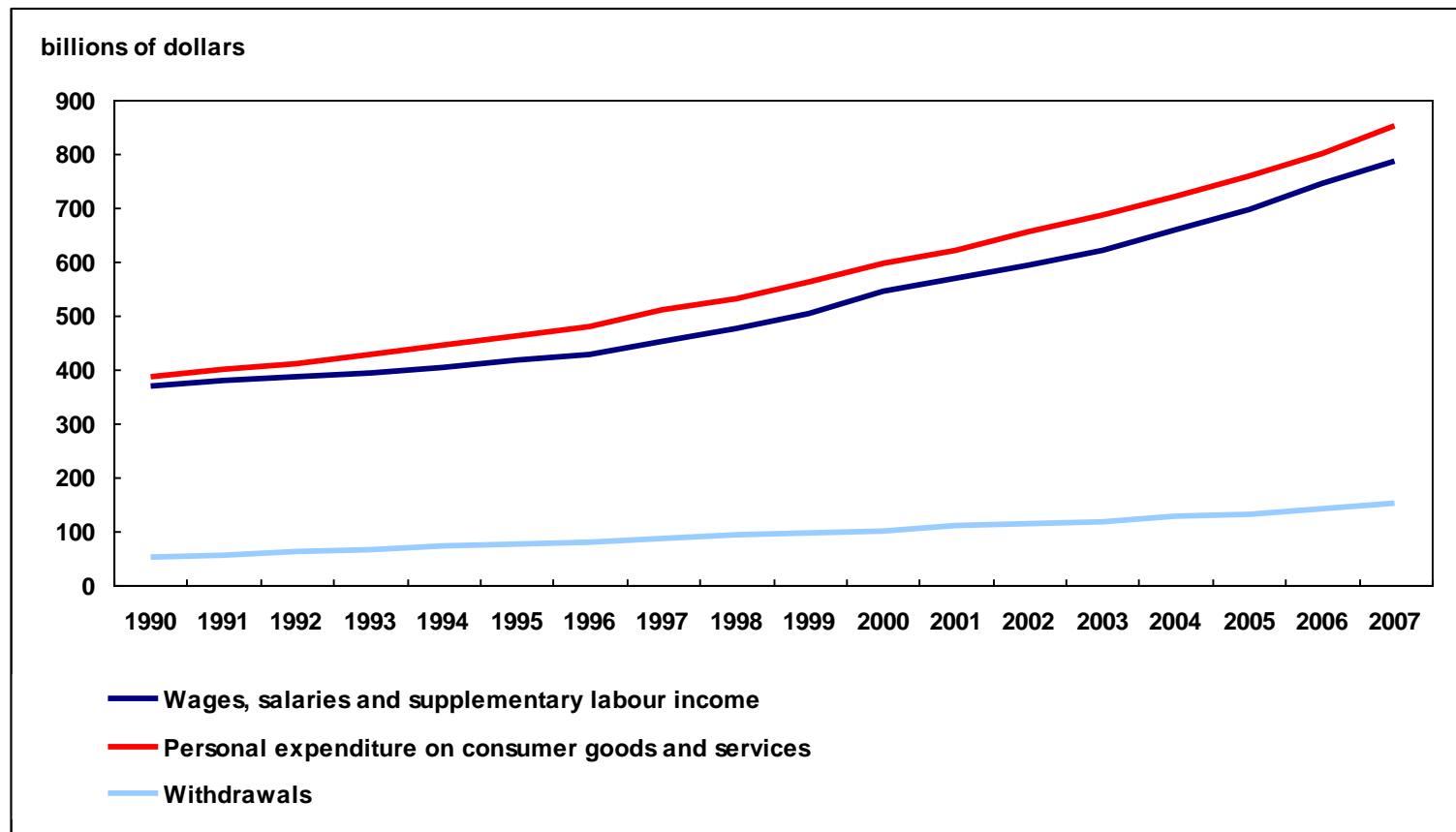
Withdrawals



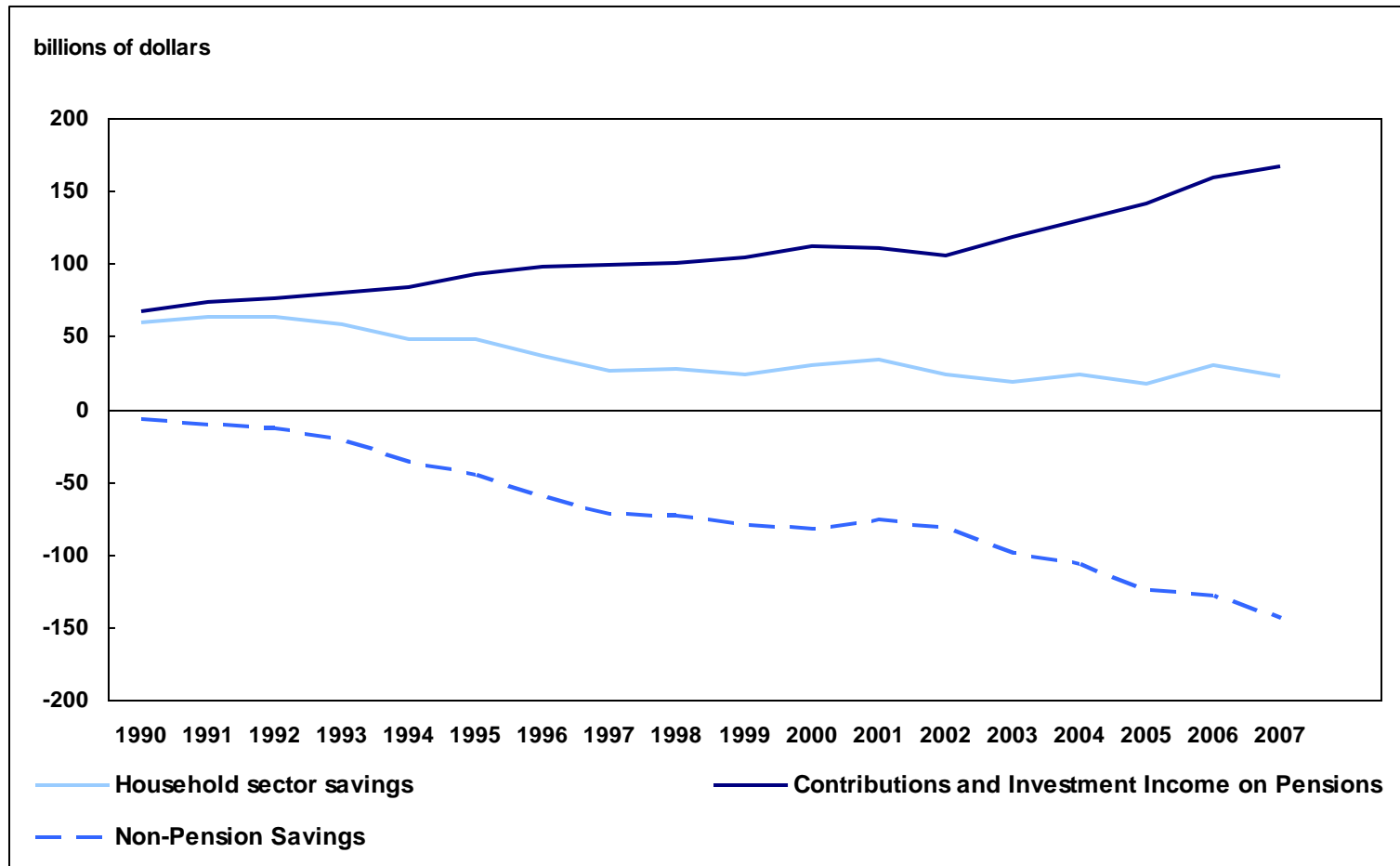
Revaluations



Labour Income, Personal Expenditure and Pension Withdrawals - Using the Pension Account as an Analytical Tool



Aging population with lower level of savings – Using the Pension Account as an Analytical Tool



Pensions plans impacted by market correction

