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From: Shannan Corey and Colin Busby
To: Pension Watchers
Re: PORTABLE, POOLED, AND PENSION-LIKE: EVALUATING OPTIONS FOR CANADA'S UNCOVERED WORKERS

A growing share of Canadian workers lack access to employer-sponsored pension plans, and the traditional model of workplace-based retirement savings is under increasing strain.

Only about **40 percent** of workers belong to an employer pension plan, and structural changes in the labour market – including the rise of gig work, contract work, self-employment, and job mobility – suggest that coverage may continue to erode. Many workers **without employer plans** also appear to be financially unprepared for retirement, raising concerns about long-term adequacy and the risk of future income insecurity.

This policy challenge has prompted renewed interest in portable, low-cost, professionally managed retirement savings vehicles that workers can carry with them from job to job, regardless of employer participation. While several tools already exist – including RRSPs and TFSAs – these vehicles do not replicate the governance, fee advantages, or decumulation features characteristic of group plans. Policymakers therefore should continue to explore alternative models that could expand access to pension-like arrangements for workers who will not be covered through the traditional system.

One such little-known model operating in Canada today is the Saskatchewan Pension Plan (SPP). Although created under unique historical circumstances, SPP today offers a portable, pooled, non-profit arrangement functioning within Canada's regulatory and pension architecture.

SPP is a non-profit collective defined-contribution plan with approximately 32,000 members across Canada. The plan offers two decumulation options after age 55: a traditional self-annuitization approach and a variable-benefit prescribed RRIF-style option (RRIFs convert RRSP savings into forms of income in retirement). Over its 40-year history, the plan has delivered an average net annual return of approximately **8 percent**.

SPP targets an expense ratio under 1 percent. Relative to many retail offerings, the absence of sales commissions and retail-level fees reflects its non-profit structure, with costs driven largely by administration and operations.

Members may join individually or through an employer. The ability for individuals to join without employer sponsorship is rare for this type of plan. Accounts are individually owned, voluntary, locked in until age 55, tax-sheltered, tax-deductible, and portable across employers. Contributions are limited only by a member's RRSP room. These design elements align with features policymakers often seek when considering portable retirement savings mechanisms.

SPP was created in 1986 to address a social need by providing a professionally managed product for below-average-income individuals who lacked access to employer-sponsored plans. Its operations were originally confined to Saskatchewan and constrained by tight contribution caps, limiting scale and member outcomes for many years.

Beginning in 2018, SPP undertook a multi-year regulatory modernization initiative intended to expand national access, update contribution limits, and broaden decumulation options. In 2021, after coordination with the Saskatchewan government, provincial pension authorities, and several securities regulators, SPP received approval to operate nationally. Because its structure does not align neatly with existing regulatory categories, a layered approach was required: without an employer sponsor, SPP does not qualify as a traditional registered pension plan and is categorized instead as a specified pension plan; and because it resembles a group pooled investment product, securities regulators issued a bespoke exemption order as an alternative to mutual fund dealer registration. This exemption includes investor-protection requirements tailored to the plan's features.

In 2023, contribution room was expanded to the full individual RRSP limit, and members were permitted to transfer in unlimited unlocked registered savings. The variable benefit option, introduced in Saskatchewan in 2021, was extended nationwide through a staged approval process responding to regulator concerns.

Despite its national status, SPP remains restricted to advertising only within Saskatchewan. These guardrails reflect earlier reform stages and the plan's origins, but they also limit national visibility at a time when policymakers may wish to test whether portable, non-profit models of this kind can complement existing retirement savings tools. Canadian regulatory stakeholders and policymakers should reassess whether adjustments to communication restrictions or other elements of the framework are appropriate.

Other similar collective retirement savings options have been created in recent years. In Ontario, for instance, employers looking for a solution can turn to collective plans such as BluePier, Common Wealth, CAAT DBPlus, or OPTrust Select. The SPP, for a not-for-profit option offering variable benefits, is unusual in that it is publicly available to individuals across Canada.

Continued regulatory modernization and expanded national visibility would broaden the range of options available to Canadians without employer-based pensions who seek to improve their retirement income security. SPP is not the only solution, but it illustrates how a portable, pooled, non-profit arrangement might complement Canada's existing retirement savings architecture.

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