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## **New Actuarial Research Examines Tax-Deferred Retirement Saving in Canada**

Ottawa, ON and Schaumburg, IL (March 3, 2016) – The Canadian Institute of Actuaries (CIA) and the Society of Actuaries (SOA) jointly released research on tax-deferred retirement saving in Canada. The research report provides employees and employers with perspectives on tax deferral arrangements such as pension plans and registered retirement savings plans (RRSPs) in a low interest rate environment.

This research report uses the combined effects of taxes and clawbacks to compare tax deferral arrangements with tax-free savings accounts and non-registered investments in Canada. Once income-tested benefits and tax credits are considered, many individuals will have a higher effective marginal tax rate on withdrawals from their tax deferral arrangement during retirement than on contributions made during their working career. The combination of high effective marginal rates for seniors and low interest rates has weakened the traditional advantage of tax deferral arrangements, noted the paper's author, Doug Chandler, FSA, FCIA, Canadian retirement research actuary at the SOA.

The research report looks at other key choices under the Canadian tax system for employers who sponsor retirement savings arrangements. For example, an employer-sponsored tax-deferred arrangement can be designed with contributions by the employer, employees, or a combination of both. These design choices are also influenced by interest rates.

Access the report on [tax-deferred retirement saving in Canada](#).

### **About the CIA**

The [Canadian Institute of Actuaries](#) (CIA) is the national voice of the actuarial profession in Canada. With more than 5,000 members, the Institute puts the public interest ahead of its own, and is dedicated to providing actuarial services and advice of the highest quality.

### **About the SOA**

With roots dating back to 1889, the [Society of Actuaries](#) (SOA) is the world's largest actuarial professional organization with more than 26,000 members. Through research and education, the SOA's mission is to advance actuarial knowledge and to enhance the ability of actuaries to provide expert advice and relevant solutions for financial, business and societal challenges. The SOA's vision is for actuaries to be the leading professionals in the measurement and management of risk. [www.soa.org](http://www.soa.org)

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