

Canada



Self-Employment in Canada

Just nine percent of Canadian workers are considered to be self-employed, a low figure by global standards. Self-employed taxpayers have a requirement to make installment payments for Canada/Quebec Pension Plan contributions when completing their tax returns¹ though the Canada Revenue Agency checklist for new small businesses omits to mention retirement planning.² Nonetheless, the self-employed can make tax-exempt contributions to registered retirement savings plans (RRSP). Self-employed people are also able to make tax-exempt personal contributions to pooled registered pension plans (PRPPs) in some provinces.³ Against this backdrop, the self-employed are looking forward to retirement – almost three-quarters (74 percent) associate positive words with retirement compared to just 66 percent globally. They are also aware of the need to plan financially for their retirement (70 percent) and very self-reliant, almost eight-in-ten (79 percent) say that they feel “very” or “somewhat responsible” for making sure that they have sufficient income in their retirement.

Key country indicators



8.6%⁴ of workers are self-employed



56%⁵ of self-employed are men



65 years official retirement age (when full entitlements are payable)

Profile of Canadian self-employed



\$33.6k median personal income



92% cite positive reasons for becoming self-employed



77% are sole-proprietors



11% will sell their business to prepare for retirement

What attitudes and expectations do the self-employed hold toward retirement?



Confident you will be able to fully retire with a lifestyle you consider comfortable

Canada: 23% **Global: 26%**



Proportion that expect to retire at over 65 (includes never)

Canada: 45% **Global: 40%**



Envision a flexible transition to retirement

Canada: 77% **Global: 69%**

How are the self-employed planning and saving for retirement?



Habitual savers

Canada: 27% **Global: 34%**



Have a written retirement strategy

Canada: 10% **Global: 13%**



Have a backup plan

Canada: 35% **Global: 38%**

This country profile is part of the report “Retirement Preparations in a New Age of Self-Employment” and contains research findings from the fifth annual Aegon Retirement Readiness Survey. To read the full report and view videos and infographics, please visit: aegon.com/Self-Employed

Sources:

¹ <https://turbotax.intuit.ca/tax-resources/business-owner-tax/can-i-get-pension-on-self-employment.jsp>

² <http://www.cra-arc.gc.ca/tx/bsnss/sm/chcklst-eng.html>

³ <http://www.cra-arc.gc.ca/E/pub/tg/t4040/t4040-e.html#elig>

⁴ [OECD Self Employment rate \(2015\)](#)

⁵ [OECD Self-Employment, proportion male \(2015\)](#)

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