2025 Canadian Employer Pension Survey

Executive summary

The Healthcare of Ontario Pension Plan (HOOPP) recently partnered with Angus Reid Group on the *Canadian Employer Pension Survey*. This public opinion survey captures the perspectives of Canadian employers on the impact of the current economic climate on business, the state of retirement security in Canada and the results of offering retirement benefits on employee attraction, retention, productivity and overall well-being.

The results of this year's survey demonstrate that Canadian employers understand employees' desire for retirement benefits, especially defined benefit (DB) pensions. A strong majority of employers continue to recognize the positive impact retirement benefits can have on employees' mental health and productivity. As a pension plan providing retirement benefits to close to 500,000 Ontario healthcare workers, these results support HOOPP's goal of expanding access to new Ontario healthcare members and employers and building a stronger financial future for the healthcare community.

Employers agree retirement benefits boost employee productivity

Employers understand how offering employee benefits, especially retirement benefits, can help support their employees who are also facing the negative impact of inflation and economic uncertainty. Employers are worried about their employees' mental health (84%) and financial stress from economic instability (84%), and almost all agree that employees who are less financially stressed experience better mental health (94%) and wellness (94%). The majority (86%) also believe it is important for businesses to offer benefits that reduce employees' financial stress and see offering retirement benefits as a cost-effective way to do so (82%).

This is particularly noteworthy as most employers (92%) believe business productivity is dependent on employee productivity and agree that offering retirement benefits improves employees' mental health and reduces burnout (82%), while improving employee productivity (71%).

The findings suggest investing in retirement benefits is also more likely to improve employee productivity than investing in other areas, such as compensation. Of those employers who invested in their employees in the past year:

- 57% of those who invested in retirement benefits report better-than-normal employee productivity
- 31% of those who improved compensation report better employee productivity
- 12% of those who did not invest in their employees report better employee productivity

Employers recognize employees' desire for DB pensions, are willing to contribute

Offering retirement benefits, especially defined benefit (DB) pension plans, provides employers with a competitive edge when it comes to employee attraction and retention. Most employers who offer a DB pension (88%) say doing so has helped them recruit and retain talent.

Employers also understand their employees' desire to build a secure, lifetime retirement income. Most employers (82%) believe their employees would choose to contribute 9% of their salary, with contributions matched by their employer, to a DB pension. What's more, 83% of employers say that if their organization were to offer a DB pension, they would match at least 3% of their employees' salaries in contributions, with over a third (35%) of employers willing to contribute 7% or more.

Cost is identified as the top consideration for employers who do not offer retirement benefits (64%, compared to 35% of those who offer them). Yet, nearly half (45%, +4 pts from 2024) of employers who do not offer retirement benefits agree that – regardless of economic conditions – companies could provide good pensions if they wanted to.

Notably, employers who do not offer retirement benefits are less likely to be influenced by competition for talent (7%) or employee demand (16%) than employers who offer them (31% and 28%, respectively).

Employers understand importance of expanding pension access

Looking ahead, Canadian employers remain concerned about the impacts of economic uncertainty (77%), a recession (71%, +8 pts from 2024) and Canada-U.S. relations (67%) on their organization in the coming year. While they navigate these challenges, most employers (75%) believe businesses have a responsibility to offer a pension plan that workers can access for an adequate income in retirement.

Yet retirement benefits remain inaccessible for many Canadian workers, posing challenges for Canada's retirement income system. Most employers (84%) agree that workers who cannot contribute to a workplace pension will become a burden on the taxpayer, while 86% believe Canada is facing an emerging retirement income crisis – a consistent sentiment since 2022.

A strong majority of employers also recognize the economic benefits of expanding access to workplace pensions:

- 88% of employers believe all workers should have access to an affordable retirement savings arrangement.
- 87% agree that governments can save money by supporting pensions that are more efficient and affordable.
- 82% agree that without good pensions in place, the economy will suffer.

Conclusion

Canadian employers recognize that retirement benefits aren't just good for employees – they drive productivity while also helping workers build secure, lifelong retirement income.

The findings also suggest that about half of employers who do not offer retirement benefits believe organizations can afford to do so, regardless of the broader economic environment. Notably, those who haven't already invested in these benefits are also much less likely to consider employee demand as part of their decision-making process.

Regardless of the benefits they offer, most employers believe organizations have a responsibility to offer a pension plan workers can access for adequate income in retirement, and that workers without these pensions risk becoming a burden on the taxpayer. HOOPP's participating employers and our members also recognize the value of a pension. Moving forward, Canadian employers must consider the significant benefits of offering workplace pensions against the cost of not offering them – both in terms of their employees' financial well-being and productivity, as well as the broader implications for Canada's retirement income system.

These findings are based on a survey conducted online from August 6 to 18, 2025 with 767 Canadian business owners and senior leaders with 20+ employees and who have influence over HR decisions. The margin of error for a comparable probability-based random sample of the same size is +/- 3.5%, 19 times out of 20.