

**The Use of the Canadian Pension System
by Immigrants and Native-born
Canadians**

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Abstract

This paper examines the participation of immigrants and native-born Canadians in three important pension programs: the Canada/Quebec Pension Plan (CPP/QPP), the Guaranteed Income Supplement (GIS) and the private retirement pension plans. I find that immigrants rely more on GIS but participate less in CPP/QPP and private retirement pension plans than native-born Canadians. Also, women are less likely to receive CPP/QPP benefits than men in the same situation. Moreover, single or divorced people are more likely to receive payments from GIS than those with spouses.

1. Introduction

Many studies have examined differences in earnings between immigrants and the Canadian born, as well as whether or not immigrants put a burden on the country's economic resources. However, relatively few researches have investigated the participation patterns of immigrants in Canada's major pension programs in comparison to those of the native-born people. This is also an important issue to be explored since the payment of pensions is one important factor that determines the economic impact of immigration.

Using 2006 Canadian Census data, this paper examines the differences between immigrants and native-born Canadians in the use of three important pension programs: Canada/Quebec Pension Plan (CPP/QPP), the Guaranteed Income Supplement (GIS) and private retirement pensions from a Registered Retirement Income Fund (RRIF) or a Registered Retirement Savings Plan (RRSP). Given that men and women may exhibit different behaviours, this paper addresses both genders. The findings indicate that immigrants receive less pension income than the native born in two of the three programs, CPP/QPP and private pensions, but that they receive more in the GIS program. This can be attributed to the shorter working histories and lengths of residency of immigrants. Hence, immigrants are relatively more likely to live in poverty and receive GIS benefits. The results also reveal that elderly immigrant women from Asia and Africa with low education levels are the most likely to live in

poverty and to rely heavily on GIS benefits. Finally, I also find that, for both genders, married individuals are less likely to receive payments from the GIS.

The paper is organized as follows. I present the main features of the Canadian pension programs in the next section. In Section 3, I summarize some of the literature associated with the economic impact of immigration; more precisely, I look at immigrants' performance in the labour market, at the net economic gains from immigration, and at the use by immigrants of the Canadian Pension System. Section 4 is devoted to the presentation of the data and the descriptive statistics. The econometric model and empirical strategy are discussed in Section 5. In Section 6, the empirical results of the paper are presented. Finally, the important conclusions are in the last section.

2. The Canadian Pension System

The Canadian Pension System comprises three main components that have different characteristics. The first one is an earnings-related public plan called the Canada/Quebec Pension Plan (CPP/QPP). The second one includes the Old Age Security pension (OAS) and the Guaranteed Income Supplement (GIS). The third component in the Canadian's pension system consists of private retirement pensions from a Registered Retirement Income Fund (RRIF) and payments from a Registered Retirement Savings Plan (RRSP). Those components are described in Service Canada

(2012a, 2012b) and in Wikipedia (2012). The following paragraphs summarize the main features of each.

2.1 Canada/Quebec Pension Plan (CPP/QPP)

The Canada Pension Plan was first established by Prime Minister Lester B. Pearson in 1966 and is now administered by Human Resource and Skills Development Canada. It is an earnings-related and contributory program. It requires that all Canadian employees who are eighteen years of age and over and whose annual income exceeds \$3,500 in 2005 contribute a fixed portion of their gross income to the pension plan up to a certain ceiling. The Canadian Pension Plan covers employees in all provinces except Quebec because the province of Quebec operates its own program called the Quebec Pension Plan (QPP). Almost equivalent to the CPP, the QPP is also an earnings-related pension plan from which contributors can receive payments in the event of retiring, becoming disabled or dying. To qualify for a full benefit in the CPP/QPP, a person must have contributed to the program for 40 years or more. In 2005, the maximum amount of retirement pension was \$828.75 per month. A person can begin receive CPP/QPP at any time after age 60, and the maximum benefit is intended to replace 25% of national average earnings. However, the monthly payment is smaller if the person receives CPP/QPP before the age of 65, and larger if he or she begins to collect it after age 65. The reduction is 0.5% per month below the

age of 65 (the maximum reduction is 30%). For instance, if a person starts to receive the pension at age 64, the pension amount will be decreased by 6%.

Obviously, immigrants are likely to receive less in this program than the Canadian born workers. As mentioned previously, the qualification time for a full benefit is at least 40 years of contributions, which implies that many immigrants fail the residency test. This means that many immigrants can only receive partial benefits due to their relatively short work histories.

2.2 Old Age Security pension (OAS) and Guaranteed Income Supplement (GIS)

The Old Age Security program is one of the pillars of the Canadian Federal Government Pension System. This program includes benefits such as the Old Age Security pension (OAS), the Guaranteed Income Supplement (GIS), and the Allowance for the survivors. The Old Age Security pension was established in 1952 when the Old Age Security Act came into force. Then, the age of eligibility dropped from 70 to 65 between 1965 and 1969. It is also during this period that the Guaranteed Income Supplement was established.

The Old Age Security pension (OAS) is a taxable monthly benefit, which is financed by general government revenue and is available to all Canadians 65 years of age or older. The full annual pension of OAS plan was \$5,723.64 in 2005. However, people whose income was over \$60,806 in 2005 must pay back 15% of their net

income. Eligibility to OAS is determined by three factors, age, legal status, and the number of years lived in Canada. Recipients must be Canadian citizens or a legal residents, must be aged 65 years or older, living in Canada, and must have lived in Canada for at least 10 years after age 18 (individuals living outside Canada must have lived in Canada for at least 20 years after age 18). However, to qualify for a full basic pension, a person must have lived in Canada for at least 40 years after turning 18. This is a criterion that only a small number of immigrants can meet because a large number of individuals choose to migrate when they are middle aged. Immigrants who migrated to Canada in 2006 below age 25 account only for 35% of the immigrant population. Thus, immigrants who do not qualify for the full Old Age Security pension may be eligible to a partial pension. The longer they have lived in Canada, the larger their partial Old Age Security pensions are.

The Guaranteed Income Supplement (GIS) is a non-taxable payment to qualified Canadians who receive full or partial Old Age Security pension and who have a modest income. A minimum of 10 years' of residency in Canada is required to receive GIS. This requirement does not benefit individuals who immigrate to Canada at an old age with a small fortune. Unlike the Old Age Security pension, GIS is no longer paid if a person has left Canada for more than six months, regardless of how long this person has lived in Canada before. The amount of GIS may vary according to a recipient's annual income and marital status. The smaller the annual income earned by the recipient, the larger the amount of GIS he or she receives. As the average income of immigrants is lower than that of Canadians, immigrants may receive more GIS than

Canadians. But it also depends on whether the recipient's spouse or common-law partner receives OAS or not. The maximum benefit of the combination of OAS and GIS was \$12,526.8 in 2005.

2.3 Private Retirement Pensions

Canadian private retirement pensions include Registered Retirement Plans (RRP), as well as personal savings through the Registered Retirement Savings Plan (RRSP) and payments from a Registered Retirement Income Fund (RRIF). Although those programs are administered privately, there are large tax deductions attached to them. Because they represent significant tax expenditure, it is worthwhile investigating how they are used by the immigrants and the Canadian-born individuals.

Registered Retirement Plans (RRP) are set up by employers and employees who wish to make contributions. RRP programs are usually associated with employers and relatively high income workers. Those workers are often unionized. Employees in small businesses and self-employed people usually have to finance their own retirement. This program is probably not of great benefit for immigrants, since many of them come to Canada by starting their own businesses. Even immigrants who work for large organizations may not be eligible for the pension plan if they have a short work history. Immigrant women are even less well positioned to benefit because they are more likely to work in an unskilled area or at part-time jobs. Due to those factors, immigrants, especially women, are less likely to have jobs that have an RRP.

The Registered Retirement Savings Plan (RRSP) is registered with the Canada Revenue Agency and was first introduced in 1957. It allows savings for retirement and it can be used to reduce income tax. There are three main types of RRSP. The first one is called an individual RRSP. In this case, the account holder is the person who contributes to the RRSP. The second type of RRSP is the Spousal RRSP, which allows relatively high earners to contribute to an RRSP in their spouse's name. The third one is the Group RRSP which is designed for a number of employees arranged by their employer to make contributions together to a plan.

Nevertheless, this plan requires contributors to have surplus income that they can save, the amount of benefits being positively related to one's savings. Thus, I would expect the participation rate of immigrants to be lower than that of the non-immigrants. In terms of withdrawals, an account holder is able to withdraw any amount of money from an RRSP at any age. In addition, the RRSP must be cashed out or converted into the Registered Retirement Income Fund (RRIF) before the end of the year that the account holder becomes 71 years of age. However, if money is withdrawn from an RRSP instead of being transferred to an RRIF, the whole amount becomes taxable as income. Thus, one can only defer taxation by converting RRSP into RRIF.

Overall, immigrants are expected to receive less benefit than the Canadian born in two of those three pension plans (CPP/QPP and private pensions), and more in one plan (GIS), due to their short working history and length of residency.

3. Literature Review

This section surveys some of the literature associated with immigrants' economic impact on the host society. The surveyed pieces are classified into three main topics: the performance of immigrants in the labour market, net gains from immigration by the host country, and the use by immigrants of the pension system.

3.1 Immigrants' Performance in the Labour Market

The performance of immigrants in the labour market has been treated by many scholars. Most of them assert that the prospects of immigrants' earnings are not favourable.

Chiswick (1978) analyzed the earnings of immigrants in comparison to those of native-born individuals in the U.S, using data drawn from the 1970 Census. The author found that immigrants tend to earn a lot less than the native born when they first arrive in the United States. The income gap is related to the years of schooling, the motivation of immigration, and the country of birth. However, there is a positive relationship between the years since migration and the level of earnings. Chiswick calculated that it took immigrants about ten to fifteen years to attain the same earning levels as those of the native-born.

With data from the two censuses of 1970 and 1980, Borjas (1985) examined the performance of immigrants in a similar way as Chiswick (1978). Tracking cohorts of

immigrants over time, the author found that the performances of immigrants are not favourable relative to their native born counterparts, but that they can be improved as the number of years in the host country increases.

Bloom and Gunderson (1991) did a similar analysis for Canada and compared the earning levels of the Canadian immigrant and non-immigrant populations. They investigated whether there is a relationship between earnings and year of immigration. Using 1971 and 1981 Canadian Census of Population data, they reached almost the same conclusion as Chiswick (1978). Canadian immigrants earn relatively low wages when they first arrive in Canada. After having lived for thirteen to twenty two years in Canada, they can reach the same income levels as natives. The results also indicate that the quality of immigrants has declined since the changes in immigration policies of 1974, because of the increased number of immigrants admitted on the basis of family ties.

The work of Baker and Benjamin (1994) examined the assimilation rate of Canadian immigrants who arrived after 1970. The data used was from the 1971, 1981 and 1986 Canadian Censuses. Similarly to previous studies, the authors point out that immigrants first enter the Canadian labour market with relatively low earnings. However, unlike the results of Bloom and Gunderson (1991), Baker and Benjamin have a pessimistic view of the future for immigrants. They find that the rate of assimilation is quite low, suggesting that immigrants are unlikely to ever achieve the same earning levels as natives. Furthermore, they also find that the gap between immigrants' and natives' earning profiles is increasing.

Bloom, Grenier and Gunderson (1995), also using the 1971, 1981 and 1986 Canadian Census data, found that immigrants from Asia, Africa, and Latin America require more years to catch up to the same earning levels as the Canadian born than immigrants from the United States and Europe. Their analysis also reveals that the assimilation rate is much slower for post-1970 immigrants than for immigrants who came before 1965. They suggest that the decreasing quality of immigrants, discrimination, and the recessions are the main reasons of the failing assimilation rate.

Grant (1999) analyzed the performance of immigrants in the Canadian labour market as well as their assimilation rate on the basis of previous studies. The author uses the microdata files of the Canadian Censuses of 1981, 1986 and 1991. By adding the 1991 data, she found results that are different from the previous ones. They suggest that the assimilation rates of the new male immigrants who arrived in Canada during the early 1980s are rising and that there seems to be no downward trend in entry earnings. These findings indicate more optimistic prospects of immigrants than do the preceding studies.

Following the work on the assimilation rate in U.S by Chiswick (1978) and Borjas (1985), Aydemir and Skuterud (2005) investigated the causes of the drop in entry earnings of recent immigrants by using five Canadian Censuses data from the years 1981 to the year 2001. They attribute one-third of the decline in entry earnings to the language ability and the original birth place. They also find that the deteriorating return to foreign labour market experience is another major reason of the

decline in entry earnings. However, they find no evidence that foreign education is valued less in Canada.

Overall, although Grant (1999) found that there was no downward trend in entry earnings and that the assimilation rates of immigrants were rising, the later studies, like the earlier ones, found that immigrants were not doing well.

3.2 Net Economic Gains Generated by Immigrants

Some studies have analyzed whether or not immigrants place a burden on a country's fiscal resources or by comparing how much they pay in taxes and how much they receive in public services. In this section, four major contributions are summarized.

Simon (1984) analyzed the net transfers between American immigrants and non-immigrants using the *Survey of Income and Education (SIE) of 1976*. The SIE provides information about income received and the use of social services in 1975. The study finds that immigrants use less public services than natives during their first twelve years of residency; this is explained by the lower dependency on the Social Security regime by the younger people. After twelve years of residency, they make equal use of public services as natives. In terms of revenue contribution, after three to five years of residency, immigrants tend to pay as much in the way of taxes as natives do, and they surpass them in the following few years. Overall, Simon concludes that

immigrants generate benefits to the whole economy by making less use of public programs and by paying more taxes.

Using a similar methodology for Canada, Akbari (1989) examined the effect of immigration by analyzing the public funds transferred from immigrants to natives. The data are obtained from the Canadian Census data of 1981. The results reveal that an immigrant household can generate net transfers to natives for at least thirty-five years. Moreover, the present value of an immigrant household is estimated to be about \$29,000 in terms of net transfer funds, after eliminating the value of public goods. This amount is higher than the average earnings of natives in 1980, which is only \$17,311. The exceptions, however, are the pre-1946 immigrants and the immigrants with fewer than two years of residency. This is because the elderly immigrants tend to work less, and those with short residency are not yet assimilated into the labour market. These two types of immigrants generate a negative transfer of funds, but the net impact of immigration is positive.

Borjas (1995) analyzed whether the U.S. population and the economy as a whole benefit from immigration. His results are different from those of the above studies. Using data from the 1970, 1980 and 1990 U.S. censuses, he found that the economic benefits generated from immigration are quite small. This may be because the cost of immigration is large for the unskilled individuals. Moreover, unskilled immigrants are likely to experience the need of public benefits, while paying few taxes to the government. If only skilled immigrants were admitted, it is undeniable that they would be able to contribute higher taxes, but in this case immigration may also cause

natives to earn less since there would be more competition for skilled people in the labour market. Overall, Borjas concludes that immigration does not generate large benefits to the U.S. economy.

Baker and Benjamin (1995), using data from the 1986 and 1991 *Survey of Consumer Finances*, as well as from the 1986 and 1990 *Household Income, Facilities and Equipment surveys*, examined whether Canadian immigrants depend more than native born on unemployment insurance (UI), social assistance (SA), and rent subsidies. They found that the participation rates of immigrants in UI and SA are lower than those of natives, but that recent immigrants participate more than earlier cohorts do. However, the participation rate tends to converge to that of the natives. Finally, immigrants have a higher participation rate in rent subsidies than natives.

Generally speaking, the opinions diverge as to the net economic effect of immigration. Authors such as, Simon (1984) and Akbari (1989) believe that immigrants bring important economic benefits to natives, whereas Borjas (1995) holds the opposite opinion. Baker and Benjamin (1995) find that immigrants depend less on UI and SA, but rely more on rent subsidies than natives.

3.3 The Use of the Canadian Pension System by Immigrants and Natives

One of the major elements of the economic impact of immigration is their use of pensions. This section summarizes a few studies on the use of the Canadian Pension System by the immigrant and non-immigrant populations.

Morissette (2002), using the *Survey of Labour and Income Dynamics (SLID)* and the *Labour Market Activity Survey (LMAS)*, examined the differences in the use of registered pension plans (RPP) between immigrants, members of visible minorities, and non-visible minority Canadian born people from 1988-1998. The author found that immigrants enjoy lower pension income than natives, and that immigrant males who are members of visible minorities have lower pension coverage than other immigrant men. He also found that the amount of pension received by the earlier cohorts of immigrants is higher than that of the recent immigrants.

Marier and Skinner (2008) examined the impact of gender and immigration status on Canadian pension incomes. Using the *Survey on labour Income Dynamics (SLID)* for the period between 1994 and 2004, they found that elderly women who live alone and immigrants who came after 1970 tend to rely highly on the Guaranteed Income Supplement (GIS). This is because women and immigrants are more likely to live in poverty due to a short or interrupted career. They also proposed two potential solutions to make women and immigrants more autonomous. The first one was to raise the labour force participation and the second solution was to make the Old Age

Security pension (OAS) available on the basis of citizenship only, eliminating the length of residency requirement.

Hum and Simpson (2009) used data from the Canadian Census and the Survey of Labour and Income Dynamics (SLID) to investigate the differences between the retirement prospects of immigrant and that of the Canadian-born men. They found that there is a large gap in the coverage of the private pensions. Furthermore, recent immigrants enjoy less private pension income than do earlier cohorts of immigrants. Their results also reveal that, in the long run, if Canada fails to integrate immigrants into Canadian labour market, the costs of the retirement programs will be larger.

Finnie, Gray and Zhang (2012) used the 1982-2008 Longitudinal Administrative Database (LAD) to study participation in the Guaranteed Income Supplement (GIS). They found that the probability of receiving GIS is highly positively correlated with age without controlling for marital status. In addition, for both genders, individuals involved in a marriage relationship are less likely to receive payments from the GIS, and the participation rate of single women is 8% higher than that of men in the same situation. Furthermore, the results also reveal that immigrants who have been in Canada 11 to 15 years ago are the most likely to rely on GIS benefits. Finally, they also found a negative relationship between the amount of GIS benefits and permanent income.

To summarize, the participation rates of immigrants are lower than those of natives in the CPP/QPP and the private retirement pension plans, but higher in the

GIS. Moreover, for both immigrants and natives, single people are more likely to rely on GIS than married individuals.

4. Data, Samples and Descriptive Statistics

The data used in this paper are taken from the public use microdata file of the Canadian Census of 2006. This file contains a great deal of information on demographic characteristics, education, immigration status, places of birth, as well as on many sources of income during year 2005; among the sources of income, there are the benefits received from the various Canadian pension programs. Some selected descriptive statistics for both immigrants and natives are listed in Table 1, and some descriptive characteristics for immigrants and natives separately are in Table 2. The descriptive characteristics of all the variables used in the analysis can be found in Table A1 in the appendix.

Given the specific characteristics of the pension programs in Canada, the analyses that follow use samples with different age groups. When investigating the participation rate to the Canada/Quebec Pension Plan (CPP/QPP), I focus on individuals aged sixty to eighty four since an individual can begin receiving benefits from CPP/QPP at sixty years of age. The resulting data set contains 138,801 observations, with a mean age of 69.8 years. The information on whether an individual receives payments from CPP/QPP is transformed into a dummy variable that assumes a value “1” if the person received pension income in 2005 and a value “0”

otherwise. The mean value, also called the incidence rate of that variable is the participation rate to CPP/QPP. For the whole sample, the participation rate to CPP/QPP is 77.2%. Among all subjects who are sixty or older, immigrants account for 28%. Therefore, there are 38,814 immigrants in the sample, with a mean age of 70.1, as shown in Table 2. Among the immigrants, 68.6% receive CPP/QPP. This proportion is lower than the 77.2% that was observed when both natives and immigrants are included. As shown in Table 2, the average number of years since migration is 37.3 years; it can be noted that this program requires at least forty years of contribution.

The threshold for being eligible to receive Old Age Security pension (OAS) and the Guaranteed Income Supplement (GIS) is sixty-five years of age. Therefore, I exclude for this analysis the individuals who are below age sixty five. As such, there remain 97,386 observations, with a mean age of 73.1 years. One complication is that the amounts of the benefits received from OAS and GIS are combined in the census data. However, the density of the distribution of the amount of benefits shown in Figure 1 indicates that a large number of individuals received exactly \$5,700 per year in 2005. Given that incomes in the census are rounded to the nearest \$100, this coincides with the fact that the full amount of OAS in 2005 was \$476.97 per month, for a total of \$5723.64 for the year. It can be concluded that those who reported that amount or less received only OAS, while individuals who received more than \$5,700 in 2005 for those two programs combined received GIS. The rest of the analysis focuses on GIS only. Since OAS is a quasi-universal program, there is less interest in

studying it than is the case for GIS. The participation rate to GIS for the whole sample is 38.1%, which is much lower than that of CPP/QPP. In regards to immigrants only, there are 28,079 immigrants aged sixty five or older, and their mean age is 73.2 years. Among the immigrants, the participation rate to GIS is 39.5%, which is higher than the rate of the whole sample.

There are no specific age restrictions for receiving private pensions, but many employers have early retirement programs that start at age fifty five. Hence, the population of interest for this analysis includes individuals aged fifty five to eighty four, and the mean age of this group is 66.2 years. Thus, there are 192,838 individuals in the sample, and those who received private pension account for 40.8% of them, as shown in the third column of Table 1. Some selected summary statistics for immigrants only are presented in the third column of Table 2. The mean age of the 51,754 immigrants in the sample is 66.8 years, with a participation rate in private pensions of 36.7%. This number is 4.1 percentage points lower than the rate for the whole sample. Hence, immigrants are less likely to receive private retirement benefits compared to natives.

Table 1: Summary Statistics for both Natives and Immigrants

	CQP/QPP	OAS/GIS	RET
Number of observations	138,801	97,386	192,838
Mean Age	69.786	73.097	66.202

	(6.774)	(5.353)	(8.124)
Participation Rate	0.772	0.381	0.408
Proportion of Immigrants	0.280	0.288	0.268

Note: Standard deviations are in parentheses.

Source: Author's calculations from the Public use microdata file of the 2006 Census.

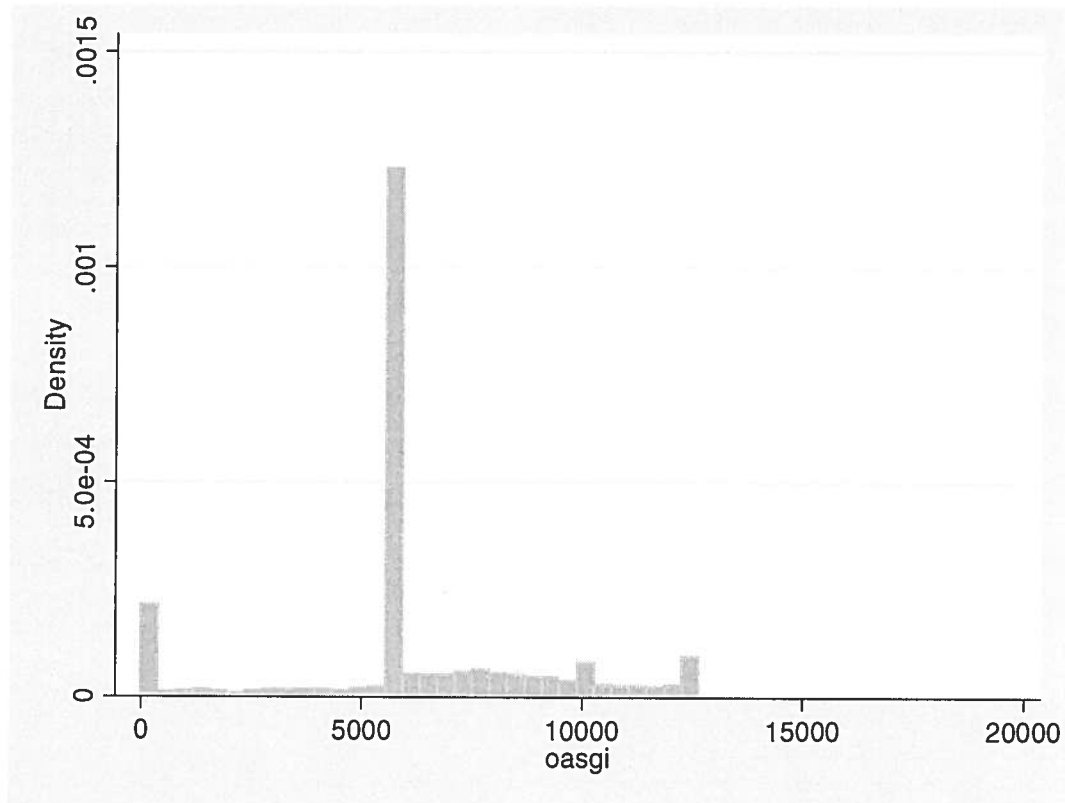
Table 2: Summary Statistics for Immigrants and Natives Separately

Immigrants	CQP/QPP	OAS/GIS	RET
Number of observations	38,814	28,079	51,754
Mean Age	70.099 (6.787)	73.196 (5.386)	66.824 (8.169)
Participation Rate	0.686	0.395	0.367
Years Since Migration	37.284 (14.872)	38.594 (15.097)	35.616 (14.960)
Natives	CQP/QPP	OAS/GIS	RET
Number of observations	999,87	69,307	141,084
Mean Age	69.664 (6.765)	73.056 (5.340)	65.975 (8.096)
Participation Rate	0.806	0.375	0.424

Note: Standard deviations are in parentheses.

Source: Author's calculations from the Public use microdata file of the 2006 Census.

Figure 1: Density of Amounts Received (in dollars) of Old Age Security Pension (OAS) and the Guaranteed Income Supplement (GIS), Population Aged 65 or Older



Source: Author's calculations from the Public use microdata file of the 2006 Census.

5. Empirical Strategy and Models

To investigate the use of Canada/Quebec Pension Plan (CPP/QPP), Guaranteed Income Supplement (GIS) and Private Retirement pensions (RET) by immigrants in Canada compared to the take up by the native born population, the econometric method that I use in this paper is OLS (Ordinary Least Square) method. With a dummy dependent variable, this method is also called Linear Probability Model. Theoretically, probit or logit estimation would be a better technique than linear

estimation, because the predicted probabilities always lie between zero and one.

However, in practice, the OLS method is good enough and it has been used by many scholars. For instance, Finnie, Gray and Zhang (2012) investigated the participation rate to GIS by using a linear probability model. Moreover, a logit model was estimated and the results are the same in terms of significance using these two difference methods.

Furthermore, the empirical models employed in this paper are similar to the one used by Ostrovsky, Y. (2012) when investigating the assimilation rate in transfer programs. The model includes age effects, the number of years since migration, a set of interactions between marital status and gender variables, and some other control variables, such as province of residence, education levels, and place of birth. The econometric model in this paper is as follows

$$\begin{aligned}
 Y = & \alpha_1 AGE + \alpha_2 AGE^2 + \alpha_3 ATL + \alpha_4 QUE + \alpha_5 MAN + \alpha_6 SAS + \alpha_7 ALB + \alpha_8 BCN \\
 & + \sum_{i=1}^3 \beta_i EDU_i + \sum_{i=1}^5 \gamma_i MARS_i + \sum_{i=1}^8 \delta_i POB_i + \alpha_9 YM + \alpha_{10} YM^2 \\
 & + \varepsilon
 \end{aligned} \tag{1}$$

Y is a binary variable indicating respectively whether or not an individual receives CPP/QPP, GIS or RET in year 2005. If Y, takes the value “1”, this indicates that the person receives payments (no matter what the amount) from the given pension programs; otherwise it takes the value “0”. AGE represents the age of each individuals. However, in the Canadian Census of 2006, the information for age is classified into different age groups. Hence, I choose the midpoints of each age group.

The important variable of years since migration is denoted by variable YM . YM and its squared capture the assimilation effect. Obviously, YM is set to zero for the Canadian born, so it can measure the changes in the participation rate for immigrants as the number of years living in Canada increases. A group of categorical variables capture the regional effects, using Ontario as the benchmark. ATL indicates the Atlantic Provinces that include Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick. The other variables are QUE (Quebec), MAN (Manitoba), SAS (Saskatchewan), ALB (Alberta) and BCN (British Columbia and Northern Canada). The education level is also an important potential determinant of whether or not an individual receive benefits. The higher the level of education, the more likely an individual is to find a good job with substantial pension payments. Thus, when analyzing the participation rate of immigrants compared to the natives in all three programs, I divide education levels into four categories: no degree, high school diploma, college or university degree and higher. I generate the last three types as dummy variables denoted by EDU_i , using no degree as the benchmark.

Gender and marital status are important determinants of participation in pension programs. $MARS_i$ represents a set of categorical variables, for which married men is the reference group, and the other groups are married women, widowed men, widowed women, divorced men, and divorced women (the individuals who reported being separated or single are included with the divorced groups). The original birth places of the immigrants are represented by POB_i , and they are classified into eight categories, with the Canadian-born as the reference group. The first group contains

the United States and the United Kingdom. The other countries in the Americas are put in the second group. Individuals from China and India are put into group three and group four, respectively. European countries are divided into two groups, Western, Northern and Southern Europe countries (group five), and Eastern Europe countries (group six). Finally, individuals from Africa and other parts of Asia (except China and India) are in groups seven and eight, respectively.

The analysis of all three pension programs is conducted separately but in a similar way. First I estimate equation (1) for both genders. Then, I investigate the participation rate in each pension program by focusing on males and females separately. The key variables I want to estimate are the immigration effects, the demographic effects, and the gender effects. Since the benchmark is the native population in each case, equation (1) provides a straightforward way to analyze discrepancies in the incidence rate between immigrants and natives.

6. Empirical Results

The regression results for the receipt of CPP/QPP, GIS and RET are shown respectively in Table 3, Table 4, and Table 5. For each of the three pension programs, I first examine the use of it by immigrants and natives for both genders. Then I compare the impacts by gender.

6.1 Estimation Results for CPP/QPP Participation

Table 3 summarizes the results for the use of CPP/QPP. The first column presents the results for both genders. The effects of the control variables are assumed to be common for both immigrants and non-immigrants. First, the overall partial effect of age on the probability of CPP/QPP participation can be expressed as $\partial CQP/\partial AGE = 0.387 + 2(-0.00261) AGE$. This means that if an individual is sixty years of age, the marginal effect on participation to the program of a one year increase in age is approximately 7.4 percentage points; The negative coefficient of AGE^2 indicates that the effect decreases with age. For example, at age sixty five, the marginal effect is only 4.8 percentage points. Concerning the regional effects, the coefficients of all the provincial dummies are positive, except for the one of Alberta (-0.00421), but it is not statistically significant. Thus, residents of Ontario (the omitted category) are less likely to receive CPP/QPP benefits than residents of all the other provinces. The level of education also affects the probability of receiving such benefits. The coefficients of the education levels are all positive and increase when the education level is higher. Surprisingly, this trend levels off when the education level is a university degree. Finally, the interactions of gender and marital status show that the participation rate of widowed males is the highest, while that of divorced or singled women is the lowest. The difference in participation rate between the two groups is 11.4 percentage points. The estimated coefficients of these variables are all significant at the 99% level.

In regards to the immigrant variables, the overall partial effect of years since migration for both genders can be expressed as $\partial CQP/\partial YM = -0.00165 + 2(0.0000849) YM$. This means that if an immigrant has lived in Canada for ten years, the marginal effect of a one year increase in the number of years since immigration is about 0.01 percentage points. The positive sign of years since migration squared indicates that the positive effect increases with age. Although the coefficients of years since migration are statistically significant, this effect is quite small. Moreover, except for the coefficients of the US and the UK, which are not statistically significant, the coefficients of all the birth places are negative and significant at the 99% level, indicating a low use of CPP/QPP by immigrants of all birth places compared to the natives. The participation rate of individuals from the European countries is the highest among all immigrant groups, whereas that of immigrants from China is the lowest, at 37 percentage points less than the Canadian born. Overall, two factors are responsible for the fact that immigrants receive less from CPP/QPP. The first is that they are less likely to meet the qualification threshold of 40 years of contribution. Second, immigrants face difficulties, such as the lack of language skills which causes them (along with other factors) to take a long time to adapt to the Canadian labour market. Thus, they are less likely to find a job and tend to contribute less.

In the second column of Table 3, I present the coefficients for males only. The results reveal again that all of the provincial dummies, except Alberta, have positive coefficients, with males residing in the Atlantic Provinces having the highest probability of receiving CPP/QPP, at 8.8 percentage points higher than the residents of

Ontario. In regards to education level, since the estimates of the coefficients of the first two education dummies are not statistically significant, there is no evidence of a positive relationship between education level and the incidence rate of receiving CPP/QPP. Somewhat surprisingly, the coefficient for the highest education level is even negative. I also find that the participation rate of widowed men is the highest, at 4.8 percentage points higher than the one of the reference group, whereas single men have the lowest probability of receiving CPP/QPP benefits. Finally, the negative signs of the birth place dummies demonstrate that immigrant males participate less than native men, and among them, the participation rate of men from China is the lowest.

The third column of Table 3 gives the results for females only. What is different from the male group is that women from Manitoba now have the highest probability of receiving CPP/QPP benefits. Another difference is that, for females, the participation rate is positively related to the education levels. Furthermore, the results also indicate that widowed women are more likely to receive pension benefits, while single and divorced women have the lowest probability of receiving such benefits. This is probably because a large number of widowed women receive such benefits as survivors to their husbands, while women without a spouse do not enjoy the same advantage. Another interesting result is that immigrant women from the United States and the United Kingdom are more likely to participate in CPP/QPP than native born women, while the difference was not significant for men. In regards to the other places of birth, the Chinese immigrants again have the lowest participation rate. Finally, I find that all the negative coefficients for the birth place dummies are larger

for females than for males, suggesting that immigrant females are more penalized than immigrant males with respect to the probability of receiving CPP/QPP benefits.

Table 3: Linear Probability Model Regression Results for Reception of CPP/QPP, Population Aged 60 to 84, Canada 2005

	Both Genders	Male	Female
AGE	0.387*** (0.00354)	0.447*** (0.00476)	0.327** (0.00505)
AGE2	-0.00261*** (0.0000246)	-0.0030*** (0.000033)	-0.00223** (0.0000352)
Province(Ontario omitted)			
Atlantic	0.0571*** (0.00395)	0.0882*** (0.00519)	0.0282*** (0.00577)
Quebec	0.0368*** (0.00270)	0.0564*** (0.00366)	0.0212*** (0.00385)
Manitoba	0.0284*** (0.00541)	0.0243*** (0.00756)	0.0329*** (0.00760)
Saskatchewan	0.0226*** (0.00571)	0.0267*** (0.00771)	0.0151* (0.00820)
Alberta	-0.00421 (0.00392)	-0.00913* (0.00537)	0.000758 (0.00562)
British Columbia and Northern Canada	0.0133*** (0.00323)	0.00910** (0.00448)	0.0168*** (0.00459)
Education(No Degree omitted)			
EDU1	0.0241*** (0.00276)	-0.00625 (0.00404)	0.0457*** (0.00371)
EDU2	0.0334*** (0.00263)	-0.00161 (0.00345)	0.0659*** (0.00393)
EDU3	0.00655** (0.00314)	-0.0334*** (0.00418)	0.0446*** (0.00466)
Gender and Marital Status	(Married Male omitted)	(Married Male omitted)	(Married Female omitted)
MARF	-0.0508*** (0.00261)	-----	-----
WIDM	0.0475*** (0.00435)	0.0182*** (0.00446)	-----

WIDF	0.0177*** (0.00279)	-----	0.102*** (0.00325)
DIVM	-0.0567*** (0.00440)	-0.0489*** (0.00438)	-----
DIVF	-0.0671*** (0.00425)	-----	-0.0207*** (0.00449)
Place of Birth (Natives omitted)			
USK	0.0286 (0.0494)	-0.0524 (0.0786)	0.129** (0.0555)
AME	-0.198*** (0.00936)	-0.157*** (0.0134)	-0.233*** (0.0129)
CHI	-0.370*** (0.00973)	-0.352*** (0.0143)	-0.389*** (0.0134)
IND	-0.308*** (0.0108)	-0.270*** (0.0146)	-0.338*** (0.0159)
EUR1	-0.125*** (0.00526)	-0.109*** (0.00740)	-0.138*** (0.00743)
EUR2	-0.159*** (0.00752)	-0.130*** (0.0103)	-0.183*** (0.0107)
AFR	-0.242*** (0.0136)	-0.188*** (0.0181)	-0.289*** (0.0202)
ASI	-0.327*** (0.00791)	-0.281*** (0.0115)	-0.370*** (0.0108)
Years Since Migration			
YM	-0.00165*** (0.000378)	-0.00255*** (0.000514)	-0.000393 (0.000545)
YM2	0.0000849*** (7.14e-06)	0.000092*** (9.60e-06)	0.0000685*** (0.0000104)
Constant	-13.389*** (0.127)	-15.676*** (0.171)	-11.146*** (0.180)
R²	0.193	0.273	0.149
Sample Size	138,801	64,667	74,134

Note: Standard errors are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$, the variable is statistically significant at 1% level, 5% level and 10% level.

6.2 Regression Results for GIS Participation

The results associated with GIS receipt for both genders are presented in Table 4, column one. The overall marginal impact of age can be expressed as $\partial \text{GIS} / \partial \text{AGE} = 0.150 + 2(-0.000957) \text{ AGE}$, meaning that if an individual is sixty-five years of age, the partial impact of one additional year of age is approximately 2.6 percentage points. The negative coefficient of age squared indicates that the positive effect decreases with age but very slowly. The place of residence also has an impact on the participation rate for GIS, with the residents of the Atlantic Provinces having the highest probability of receiving GIS benefits, at 19.9 percentage points higher than the probability of residents in Ontario. This is totally consistent with the findings of Finnie, Gray and Zhang (2012). As mentioned earlier, GIS is a benefit targeting those who are poor and less likely to receive payments from CPP/QPP or from private pensions. Since the Atlantic Provinces tend to be poorer than the other provinces, it is not surprising that people living there have a higher take-up rate for GIS benefits. I also expect individuals with low education to be more likely to be in low-income status and receive GIS benefits. This expectation coincides with the results since the coefficients of the education dummies are all negative and significant at the 99% level. The results also reveal that both men and women who are not involved in a partnership, such as the single and the divorced, rely more on GIS than those who live with a spouse or are widowed. Moreover, women without a spouse are 19.9 percentage points more likely to receive this benefit than the baseline group. I also

observe that the participation rate of single or divorced women is 7.8 percentage points higher than that of men in the same situation. This result is almost the same as what was found by Finnie, Gray and Zhang (2012).

In regards to the variables for immigrants, the marginal effect of years since migration can be written as $\partial GIS / \partial YM = 0.0096 + 2 (-0.000206) YM$, meaning that if an individual has lived in Canada for ten years, the partial effect is approximately 0.55 percentage points. The negative coefficient of years since migration squared indicates that the positive effect decreases with the number of years since migration. The positive signs of the coefficients of all the birth place dummies (except for that of the United States and the United Kingdom, but it is not statistically significant) indicate that the GIS participation rates are higher for immigrants than for the native-born. This result coincides with the one reported in Marier and Skinner (2007) and in Finnie, Gray and Zhang (2012). This may be explained by the fact that immigrants face more difficulties integrating themselves in the Canadian labour market, due to lower proficiency in the official languages, which results in a higher probability to be in a low-income status. Furthermore, among all immigrants, the participation rate of individuals from China is the highest, being 18.5 percentage points higher than that of native Canadians.

The second column of Table 4 shows the coefficients for males only, and the third one shows the same for females only. I find that the negative coefficients of all education dummies for males are smaller for males than those for females. This means that the education effect is larger among females than for males, suggesting

perhaps that higher education levels play a more important role in reducing the incidence rate of women than is the case for men. In terms of marital status, single and divorced men have the highest participation rate, at 12.4 percentage points higher than that of the married men. Furthermore, the positive signs of birth place dummies indicate that immigrant males rely more on this program, and almost all the coefficients of the birth place dummies are higher for males than for female. Finally, I also find among the immigrant males, those from China are the most likely to receive GIS benefits.

For the analysis that is restricted to females, I find that single or divorced women participate most in GIS since they are more likely to be in a low-income status, while women with a spouse have the lowest probability of receiving such benefits. Furthermore, the coefficients of the marital status dummies for females are larger than those of males, suggesting that the impact of being unmarried on living in poverty is higher for women than for men. This result is similar to the one of Marier and Skinner (2007).

Table 4: Linear Probability Model Regression Results for Reception of GIS, Population Aged 65 to 84, Canada 2005

	Both Genders	Male	Female
AGE	0.150*** (0.00886)	0.171*** (0.0132)	0.135*** (0.0120)
AGE2	-0.000957*** (0.0000599)	-0.00111*** (0.0000894)	-0.000852*** (0.0000809)
Province(Ontario omitted)			

Atlantic	0.199*** (0.00594)	0.192*** (0.00887)	0.205*** (0.00799)
Quebec	0.143*** (0.00387)	0.143*** (0.00571)	0.142*** (0.00526)
Manitoba	0.0631*** (0.00803)	0.0819*** (0.0119)	0.0479*** (0.0108)
Saskatchewan	0.0924*** (0.00858)	0.0955*** (0.0125)	0.0918*** (0.0118)
Alberta	0.0434*** (0.00557)	0.0485*** (0.00798)	0.0392*** (0.00776)
British Columbia and Northern Canada	0.0479*** (0.00452)	0.0542*** (0.00646)	0.0424*** (0.00631)
Education(No Degree omitted)			
EDU1	-0.154*** (0.00399)	-0.149*** (0.00631)	-0.161*** (0.00517)
EDU2	-0.176*** (0.00396)	-0.146*** (0.00560)	-0.208*** (0.00563)
EDU3	-0.303*** (0.00412)	-0.287*** (0.00564)	-0.319*** (0.00610)
Gender and Marital Status	(Married Male omitted)	(Married Male omitted)	(Married Female omitted)
MARF	-0.00713** (0.00362)	-----	-----
WIDM	0.0216*** (0.00741)	0.0265*** (0.00748)	-----
WIDF	0.174*** (0.00435)	-----	0.177*** (0.00466)
DIVM	0.121*** (0.00672)	0.124*** (0.00675)	-----
DIVF	0.199*** (0.00609)	-----	0.206*** (0.00624)
Place of Birth (Natives omitted)			
USK	-0.0631 (0.0803)	0.0155 (0.109)	-0.178 (0.114)
AME	0.0855*** (0.0123)	0.0849*** (0.0184)	0.0863*** (0.0166)
CHI	0.185*** (0.0113)	0.227*** (0.0169)	0.151*** (0.0152)
IND	0.109*** (0.0134)	0.138*** (0.0184)	0.0818*** (0.0196)
EUR1	0.0463*** (0.00715)	0.0749*** (0.0101)	0.0224** (0.0101)

EUR2	0.0799*** (0.00993)	0.102*** (0.0143)	0.0636** (0.0137)
AFR	0.0782*** (0.0177)	0.118*** (0.0247)	0.0418*
ASI	0.165*** (0.0101)	0.205*** (0.0149)	0.134** (0.0139)
Years Since Migration			
YM	0.00960*** (0.000512)	0.00867*** (0.000715)	0.0104** (0.000734)
YM2	-0.000206*** (9.74e-06)	-0.000196*** (0.0000137)	-0.000216** (0.0000139)
Constant	-5.457*** (0.326)	-6.230*** (0.484)	-4.916** (0.442)
R²	0.138	0.105	0.151
Sample Size	97,386	44,316	53,070

Note: Standard errors are in parentheses. ***p<0.01, **p < 0.05, *p<0.1, the variable is statistically significant at 1% level, 5% level and 10% level.

6.3 Regression Results for RET Participation

The left column of Table 5 presents the coefficients for both sexes when analyzing the incidence rate for private retirement pension. The overall marginal effect of age can be expressed as $\partial \text{RET} / \partial \text{AGE} = 0.206 + 2(-0.00133) \text{AGE}$, meaning that if an individual is fifty-five years of age, the partial impact is approximately 6 percentage points. However, the negative coefficient of age squared indicates that the positive effect decreases with age. In regards to provincial dummies, I find that residents of the Atlantic Provinces have the lowest probability of receiving private pension benefits, while people living in Ontario have the highest participation rate. In addition, the participation rate increases as the education level becomes higher. This is because individuals with lower education levels are more likely to work in unskilled

occupations or in lower-paying jobs. Hence, they are less likely to work for an employer that offers a pension program. By analyzing the interaction of gender and marital status, I find that single or divorced women have the lowest participation rate in private pension programs, with a rate that is 11 percentage points lower than that of married men.

In regards to the variables that measure immigrants' behaviours, the overall marginal impact of years since migration can be expressed as $\partial GIS / \partial YM = -0.0035 + 2 (0.000116) YM$, meaning that if an individual has lived in Canada for ten years, the partial impact is approximately 0.37 percentage points. The positive coefficient of the years since migration squared variable indicates that the positive effect increases with the number of years since migration. The results also reveal that the participation rates of immigrants are lower than those of the non-immigrant population. The negative signs of the birth-place dummies measure the differences in the use of private pension payments between natives and immigrants. Immigrants from all places of birth benefit less from the private pension programs than natives. This result coincides with what Morissette (2002) found. I also find that immigrants from Asia, especially those from China, are the least likely to benefit from a private pension program. They are 30 percentage points less likely to receive RET than natives.

The coefficients for males are presented in the second column of Table 5, and those for females in the third column. Males from Ontario have the highest participation rate, while those from Saskatchewan are the least likely to receive private pension payments. Considering the education levels, the coefficients for

females are larger than those for males, suggesting that education has a larger effect for women than for men on the likelihood of benefiting from a private pension. Furthermore, immigrant males also participate less in this program than natives, with immigrant males from China being 32 percentage points less likely to receive private pension payments than native men. Finally, I also find that the negative coefficients of birth place dummies are larger for males than for females. This indicates that the birth place effect is more important for males than for females.

The third column of Table 5 shows the results for females. It reveals that women from Manitoba have the highest probability of receiving private pensions, which is different from the results for males. With this exception, the other results are similar to the ones from the equation for males, such as the positive relationship between education level and the participation rate. In addition, the probability of receiving private pension payments is the lowest for single or divorced women. The discontinuous careers and the lack of contributions from the spouse could be contributing to this phenomenon. I also find that the negative coefficient of being single or divorced for females is smaller than that of men in the same situation. This means that the effect of being single has a larger effect for males than for females. Finally, the participation rates of immigrants are lower than those of non-immigrants. Among the female immigrants, those from China and India have the lowest incidence rates.

**Table 5: Linear Probability Model Regression Results for Reception of
RET, Population Aged 55 to 84, Canada 2005**

	Both Genders	Male	Female
AGE	0.206*** (0.00231)	0.214*** (0.00336)	0.195*** (0.00315)
AGE2	-0.00133*** (0.0000171)	-0.00137*** (0.0000248)	-0.00127*** (0.0000233)
Province(Ontario omitted)			
Atlantic	-0.0633*** (0.00401)	-0.0476*** (0.00587)	-0.0791*** (0.00546)
Quebec	-0.0340*** (0.00262)	-0.0164*** (0.00378)	-0.0483*** (0.00360)
Manitoba	-0.00720 (0.00555)	-0.0357*** (0.00802)	0.0175** (0.00766)
Saskatchewan	-0.0401*** (0.00590)	-0.0689*** (0.00855)	-0.0172** (0.00817)
Alberta	-0.0609*** (0.00367)	-0.0662*** (0.00529)	-0.0561*** (0.00508)
British Columbia and Northern Canada	-0.0284*** (0.00303)	-0.0383*** (0.00431)	-0.0201*** (0.00423)
Education(No Degree omitted)			
EDU1	0.0997*** (0.00272)	0.0829*** (0.00420)	0.115*** (0.00356)
EDU2	0.122*** (0.00263)	0.0973*** (0.00373)	0.142*** (0.00372)
EDU3	0.208*** (0.00291)	0.157*** (0.00407)	0.260*** (0.00417)
Gender and Marital Status (Married Male omitted) (Married Male omitted) (Married Female omitted)			
MARF	-0.106*** (0.00239)	-----	-----
WIDM	0.0314*** (0.00627)	0.004 (0.00637)	-----
WIDF	-0.0425*** (0.00364)	-----	0.0910*** (0.00392)
DIVM	-0.101*** (0.00372)	-0.1004*** (0.00379)	-----
DIVF	-0.110*** (0.00350)	-----	-0.00611* (0.00355)

Place of Birth (Natives omitted)			
USK	0.0184 (0.0549)	-0.0198 (0.740)	0.0653 (0.0807)
AME	-0.161*** (0.00715)	-0.176*** (0.0106)	-0.153*** (0.00968)
CHI	-0.296*** (0.00727)	-0.319*** (0.0107)	-0.277*** (0.00989)
IND	-0.251*** (0.00750)	-0.261*** (0.0109)	-0.235*** (0.0102)
EUR1	-0.109*** (0.00511)	-0.110*** (0.00720)	-0.109*** (0.00720)
EUR2	-0.162*** (0.00725)	-0.157*** (0.0102)	-0.170*** (0.0102)
AFR	-0.198*** (0.0102)	-0.213*** (0.0142)	-0.174*** (0.0146)
ASI	-0.238*** (0.00554)	-0.262*** (0.00797)	-0.221*** (0.00764)
Years Since Migration			
YM	-0.00350*** (0.000337)	-0.00442*** (0.000468)	-0.00243*** (0.000481)
YM2	0.000116*** (6.53e-06)	0.000131*** (9.04e-06)	0.0000985** (9.35e-06)
Constant	-7.288*** (0.0771)	-7.623*** (0.112)	-6.972*** (0.105)
R²	0.241	0.270	0.216
Sample Size	192,838	91,193	101,645

Note: Standard errors are in parentheses. ***p<0.01, **p < 0.05, *p<0.1, the variable is statistically significant at 1% level, 5% level and 10% level.

7. Conclusions

Using data from the Canadian Census of 2006, this paper has analyzed the participation rates of both immigrants and non-immigrants on the probability of receiving different types of pension benefits. All the regression results were generated

from a linear probability model. I investigated the participation rates of immigrants and natives for both genders as well as for males and females separately.

The regression results for CPP/QPP participation can be summarized as follows. There is a positive age effect that decreases for older ages. All of these effects are interpreted in *ceteris paribus* terms. Residents of Ontario are the least likely to receive CPP/QPP benefits. For both genders, the participation rates are positively related to education levels. Another noticeable finding is that single or divorced people are less likely to participate in this program than married ones. Immigrants are less likely to receive CPP/QPP benefits than are the native born, and among those, the Chinese ones have the lowest rate. When looking at males and females separately, I find that males residing in the Atlantic Provinces and women from Manitoba have the highest probability of receiving CPP/QPP benefits. Moreover, immigrant males participate less frequently than native males, but immigrant women from the United States and the United Kingdom are more likely to participate in CPP/QPP than native-born women. Finally, the place of birth effects for the immigrants are larger for females than for males.

In terms of the results for the receipt of GIS benefits, there is also a positive and declining effect of age. For both genders, the residents of the Atlantic Provinces have the highest probability of receiving GIS benefits, while those of Ontario have the lowest probability. Furthermore, the participation rate decreases as the education level becomes higher. The results also reveal that for both men and women not involved in a partnership, the single and the divorced, rely more on GIS than those with a spouse.

GIS participation rates are higher for immigrants than for the native born, and among the immigrants, Chinese immigrants have the highest rate.

The comparison of males and females indicates that the education effect is larger for females than for males, whereas the opposite pattern is the case for the place of birth effects. Furthermore, the results also reveal that the impact of being unmarried on receiving GIS benefits is higher for women than for men.

As for the regression results for the receipt of private retirement pensions, residents of the Atlantic Provinces have the lowest probability of receiving private pension benefits, while those from Ontario have the highest participation rate. In addition, the participation rate increases as the education level becomes higher. Single or divorced women have the lowest participation rate in this type of retirement benefit. Finally, for both genders, the participation rates of immigrants are lower than those of the non-immigrant population, and again, the Chinese immigrants have the lowest rate.

When focusing on genders separately, I find that males from Ontario and women from Manitoba have the highest probability of receiving private pensions. In addition, the education effect on the participation rate of private retirement pensions is larger for women than for men, whereas the birth place effect is more significant for males than for females.

Overall, immigrants rely more on GIS benefits but participate less in the CPP/QPP regimes and private retirement pension plans than native-born Canadians,

and among the former, Chinese immigrants participate the most in the GIS regime and the least in CPP/QPP and private retirement pension plans.

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Wikipedia: Types of Registered Retirement Saving Plan

http://en.wikipedia.org/wiki/Registered_Retirement_Savings_Plan

(Consulted on 11/11/2012)

Appendix

Table A1: Mean Values of All the Variables

	CQP	GIS	RET
Participation Rate	.772	.381	.408
Proportion of Immigrants	.280	.288	.268
AGE	69.786 (6.774)	73.097 (5.354)	66.203 (8.124)
Province(Ontario omitted)			
Atlantic	.0779	.0764	.0792
Quebec	.258	.251	.258
Manitoba	.0351	.0361	.0347
Saskatchewan	.0309	.0325	.0302
Alberta	.0812	.0806	.0836
British Columbia	.139	.140	.140
and Northern Canada			
Education(No Degree omitted)			
EDU1	.218	.214	.227
EDU2	.241	.223	.258
EDU3	.166	.144	.187
Gender and Marital Status (Married Male omitted)			
MARF	.295	.276	.311
WIDM	.0359	.0453	.0283
WIDF	.154	.196	.120
DIVM	.0721	.0594	.0856

DIVF	.0847	.0729	.0967
Place of Birth (Natives omitted)			
USK	.000231	.000308	.000290
AME	.0203	.0181	.0219
CHI	.0193	.0219	.0180
IND	.0149	.0139	.0152
EUR1	.0986	.106	.0898
EUR2	.0263	.0313	.0231
AFR	.00840	.00780	.00873
ASI	.0339	.0312	.0389
Year Since Migration			
YM	10.426	11.128	9.559
	(18.490)	(19.271)	(17.582)

Note: Standard deviations are in parentheses