

BUILDING ONTARIO UP | PROGRESS FOR PROSPERITY*Backgrounder**November 26, 2015***Strengthening Retirement Security****2015 Budget Commitment**

The government outlined a three-pronged approach to ensure a strong retirement income system. This includes implementing the Ontario Retirement Pension Plan (ORPP); introducing a new retirement savings vehicle, pooled registered pension plans; and strengthening existing workplace pension plans through ongoing pension reform.

Impact

By 2020, every eligible employee in Ontario would be covered by the ORPP or a comparable workplace pension plan, so they can have a predictable stream of income in retirement. The three-pronged approach will help ensure Ontarians can maintain their standard of living in retirement.

After a lifetime of contributing to the economy, Ontarians deserve a secure retirement. That is why the Province is committed to strengthening retirement income security.

Progress Report***Ontario Retirement Pension Plan***

In the *2015 Budget*, the government restated its commitment to implement a new mandatory provincial pension plan.

- The government has appointed the initial board of the ORPP Administration Corporation (AC), another step in implementing the ORPP. Susan Wolburgh Jenah will lead the board as chair, with two members, Murray Gold and Richard Nesbitt. This board will oversee the start-up activities of the ORPP AC.
- The government intends to confirm the ORPP minimum earnings threshold at \$3,500 for eligible employees between the ages of 18 and 70, aligning with the Canada Pension Plan (CPP).
- In August, the government announced staged enrolment in the ORPP, along with a phase-in of contribution rates. It also announced the definition of a comparable pension plan. Employers and employees who participate in a comparable plan would not be required to take part in the ORPP.

- Ontario and the new federal government are currently discussing ways to collaborate on the implementation of the ORPP to ensure the plan operates with the least possible burden on employers and employees.
- Ontario looks forward to participating in national discussions with the federal government and provinces on enhancing the CPP. The Province will support a CPP enhancement that is consistent with the ORPP's objectives with respect to adequacy and coverage. The implementation of a CPP enhancement would take considerable time and requires the agreement of governments across the country. In light of these circumstances and the pressing need to address retirement security, Ontario is moving forward with implementing the ORPP in 2017.

Pooled Registered Pension Plans (PRPPs)

- Regulations are currently being drafted to make PRPPs available to workers in Ontario.

Strengthening and Modernizing Workplace Pension Plans

- In July, Ontario released a consultation paper seeking input from stakeholders on a proposed regulatory framework for target benefit multi-employer pension plans. Responses will inform the development of a new framework for these plans.
- In November, the government made regulations to allow single-employer pension plans in the broader public sector to merge with or convert to jointly sponsored pension plans.
- The government plans to extend temporary solvency funding relief measures for private sector sponsors of single-employer defined benefit plans.
- The government will also initiate, on an expedited basis, a review of the current solvency funding rules for defined benefit pension plans, focusing on plan sustainability, affordability and benefit security.