

# UPDATE: ONTARIO REGISTERED PENSION PLAN

Jan. 14, 2016

## ORPP AND CPP DISCUSSIONS

In January 2016, Ontario's Premier Kathleen Wynne reiterated that the Ontario Registered Pension Plan (ORPP) will launch next year, regardless of whether the Canada Pension Plan (CPP) is enhanced. This comment was made in light of a meeting with provincial finance ministers in late December 2015, hosted by federal Finance Minister Bill Morneau. CPP expansion was discussed; however more research and consultation will occur before the ministers meet again in June and December 2016.

## ORPP TIMELINE OF EVENTS

### August 2015

The Ontario Ministry of Finance announces key details for the design of the ORPP.

### October 2015

The newly elected federal government commits to "direct the Canada Revenue Agency and the Departments of Finance and National Revenue to work with Ontario officials on the registration and administration of the [ORPP]" (*Toronto Star*, Oct. 27, 2015).

### November 2015

Ontario passes an act establishing the ORPP Administration Corporation, which will set up the ORPP, register plan members, and collect and invest contributions.

### January 2016

The ORPP Administration Corporation appoints Saad Rafi as its CEO. Rafi was most recently the CEO of the Toronto 2015 Pan Am/Parapan Am Games organizing committee. He has 25 years of experience as a leader in the public and private sectors, including serving as Deputy Minister in several portfolios with the government of Ontario.

## CONFERENCE BOARD'S REPORT ON THE ORPP

Recently, [\*A Cost-Benefit Analysis of the Ontario Retirement Pension Plan\*](#) was released to the Ontario Ministry of Finance by the Conference Board of Canada. The paper outlines the effect the ORPP could have on the province's economy and takes into consideration the short-, medium- and long-term impacts. Great-West Life Group Retirement Services is presently working with industry partners, including the Canadian Life and Health Insurance Association (CLHIA), to summarize the report. That summary will be made available to you as soon as we have finalized our review.

## INTERNAL ORPP WORKING GROUP

Great-West Life has established an in-house ORPP working group and is reviewing the paper and its assumptions. The working group's initial focus will be on identifying clients that are immediately affected and fall into wave 1 – employers with more than 500 employees, without registered workplace pension plans. Indications are that clients will have to have a comparable plan in place by Jan. 1, 2017 or be mandated to offer the ORPP by that date.

All other clients will have until at least 2018 to adopt a comparable plan. See the attached update provided in August 2015 for a review of the enrolment schedule and timelines or visit the [ORPP website](#).

## REGULATIONS PENDING

ORPP regulations were anticipated by the end of 2015, but haven't yet been published.

Without the regulations for the ORPP, it's difficult to determine with certainty the best steps for employers to take next. Once the regulations are released, we'll work with partners and plan sponsors who are most immediately affected.

## NO ACTION REQUIRED

At this time, there's no action we require you to take. We'll continue to provide updates as information becomes available.

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