

ATTENTION: News Editors, Business Editors

The Canadian Payroll Association Successfully Advocates for Delay of Ontario Retirement Pension Plan

Fact-Based Advocacy by the Canadian Payroll Association Relieves Undue Burden on Employers

TORONTO (February 22, 2016) – [The Canadian Payroll Association](#) (CPA) thanks the Ontario government on their decision to delay the implementation of the Ontario Retirement Pension Plan (ORPP). The decision to delay the ORPP until January of 2018 was announced by Ontario Finance Minister Charles Sousa on February 16, 2016 following a year-long consultation with the CPA.

The CPA has been advocating for over a year that the original proposal for a January 2017 implementation would not be feasible unless all administration details were announced by summer 2015.

Fact-Based Advocacy Integral to CPA Success

According to CPA feasibility analysis, which polled payroll service providers and software developers, implementing a new program of this magnitude into payroll systems would take 18 months. The CPA prepared an implementation schedule to illustrate and explain the necessity of an 18 month timeline which was submitted to the Ontario government in ongoing ORPP consultations.

“This advocacy win is an example of how the Canadian Payroll Association successfully utilizes fact-based research to achieve desirable outcomes for Canada’s employers,” said Rachel De Grâce, the CPA’s Manager of Advocacy and Legislative Content. “We are pleased that our ongoing advocacy and our unwavering, non-partisan approach have affected this positive change regarding ORPP. We will continue to advocate for administrative efficiencies surrounding any possible pension reforms.”

ORPP Advocacy by CPA Alleviates Undue Burden on Employers

During ORPP consultations, the CPA raised several concerns regarding the administrative burden associated with plan implementation. The CPA advised that ORPP remittance coordination through a third party vendor rather than the Canada Revenue Agency (CRA), as originally considered, would create undue financial and administrative burden to employers.

The CPA’s work was instrumental in Federal Finance Minister Bill Morneau’s announcement that the Federal government will agree to work with Ontario to ensure that key elements of the ORPP administration are completed efficiently and cost-effectively, such as the collection of employee and employer contributions. The CPA will continue to advocate that employers benefit from the administrative efficiencies inherent in their already established CRA remittance schedules and procedures, should the ORPP move forward.

CPA Supports Modest CPP Enhancements



The CPA's "Canadians Living Paycheque to Paycheque" market research has shown that Canadians need to save more for retirement and there are already many underutilized voluntary retirement vehicles available. In addition to encouraging Canadians to "pay yourself first" through automatic payroll deduction, the CPA has advocated from the outset of these discussions the need for a modest and mandatory enhancement to the Canada Pension Plan (CPP) rather than implementing the ORPP.

In our December 17, 2015 letter to Minister Sousa, the CPA advocated that the ORPP implementation be delayed until there is clearer direction on a possible enhancement to the CPP.

"Employers, payroll service providers and software developers should not be expected to spend millions of dollars on a program which is designed with the hopes of merging into an enhanced version of the already existing CPP," said Patrick Culhane, President of the Canadian Payroll Association. "The Association remains committed to working with the provincial and federal governments to ensure that retirement vehicles put in place work for employers, government and the general public."

In the months ahead, the CPA looks forward to continue working collaboratively with all levels of government to achieve payroll compliance through education and advocacy.

For more information on the Canadian Payroll Association, visit payroll.ca / paie.ca.

- 30 -

Contact:

Alison Rutka, Communications Specialist, alison.rutka@payroll.ca, 416-487-3380 x 125

About the Canadian Payroll Association:

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$901 billion in wages and taxable benefits, \$305 billion in statutory remittances to the federal and provincial governments, and \$169 billion in health and retirement benefits, while complying with more than 200 federal and provincial regulatory requirements. Since 1978, the Canadian Payroll Association has annually influenced the payroll compliance practices and processes of over 500,000 organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the Canadian Payroll Association promotes payroll compliance through education and advocacy.

