

## Ontario Budget Includes Key Recommendations by the Canadian Payroll Association

**Toronto (April 23, 2015)** -- Finance Minister Charles Sousa tabled the 2015 Ontario Budget on April 23, 2015, which contained no changes to personal income tax rates or employer payroll taxes.

The Ontario Budget summarized consultation recommendations on the proposed Ontario Retirement Pension Plan (ORPP) and announced other measures that may impact employers' payroll practices in future years.

### Ontario Retirement Pension Plan

The Canadian Payroll Association did not support the creation of a new retirement savings plan and instead advocated for a modest enhancement to the *Canada Pension Plan* (CPP). The CPP Investment Board is considered one of the top performers in the world and employers' payroll systems are already implemented to be compliant with CPP requirements.

Because the federal government did not introduce legislation to enhance the CPP, Ontario introduced Bill 56, the *Ontario Retirement Pension Plan Act, 2014* on December 8, 2014, which laid the foundation for the proposed mandatory provincial pension plan. Before January 2017, the province will introduce legislative details of the plan, based on extensive analysis with key stakeholders including the Canadian Payroll Association.

"We are pleased to see several recommendations from the Canadian Payroll Association's ORPP submission included in the Budget documents. Employers, payroll service providers and software developers are key stakeholders in the implementation of the ORPP," said Rachel De Grâce, Manager, Advocacy and Legislative Content with the Canadian Payroll Association.

The Ontario Budget supports the following stakeholder recommendations which were included in the Canadian Payroll Association's ORPP submission paper:

- Employers, and professional employer associations, must be part of the consultation process to help shape a plan that does not create undue administrative burden for employers.
- ORPP legislation, regulations and administration must be simple, effective and efficient.
- Ontario employers should be treated fairly and not incur competitive disadvantages on the basis of the retirement savings vehicles they provide for their employees (including exemptions for all employer-sponsored group savings plans).
- Financial literacy should be part of the plan design.



“Once details of the proposed ORPP have been finalized, the Canadian Payroll Association will develop training materials that will provide employers with the tools they need to be compliant,” said Janet Spence, Manager of Compliance Services and Programs with the Canadian Payroll Association.

### **Other Initiatives Which May Have an Impact on Payroll**

Ontario Budget 2015 also contained the following initiatives which may have an impact on employers’ payroll and human resources practices:

- Initiatives for matching skilled workers with the right job
- A review of the apprenticeship training tax credit
- Measures to combat the underground economy
- An action plan to stop sexual violence and harassment in the workplace and elsewhere

The Ontario Budget also stated that amendments will be proposed to the following acts in an effort to improve administrative effectiveness and enforcement, as well as to enhance legislative clarity and regulatory flexibility to preserve policy intent:

- *Employer Health Tax Act*
- *Freedom of Information and Protection of Privacy Act*
- *Insurance Act*
- *Pension Benefits Act*
- *Retail Sales Tax Act*
- *Taxation Act, 2007*

The Canadian Payroll Association will advise its membership once more details become available.

See [Ontario Budget 2015](#) documents for more details on these and other measures affecting individuals and organizations.

### **About the Canadian Payroll Association:**

Payroll professionals in 1.5 million organizations across Canada are responsible for ensuring the timely and accurate payment of \$860 billion in wages and taxable benefits, \$268 billion in statutory remittances to the federal and provincial governments and \$94 billion in health and retirement benefits, while complying with more than 190 regulatory requirements. Since 1978, the Canadian Payroll Association (CPA) has annually influenced the payroll compliance practices and processes of over five hundred thousand organizational payrolls. As the authoritative source of Canadian payroll compliance knowledge, the CPA promotes payroll compliance through advocacy and education. For more information on the Association’s [Professional Development Seminars](#), [Certification Programs](#), and the [Benefits of Membership](#) visit [payroll.ca](http://payroll.ca).

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