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Canada Pension Plan Changes Are On the Way. Is Your Organization Prepared?

Understanding Retirement Plans and Benefit Offerings Helps Employers and Employees Prepare for Changes

TORONTO (February 21, 2017) — Retirement will look very different for millennials, baby boomers and others as the economy continues to change. The move towards Group Registered Retirement Savings Plans (RRSPs), coupled with the decline of employer-sponsored defined benefit pension plans, brings a new retirement reality for many employees. This changing environment was the impetus for the expansion of the Canada Pension Plan (CPP), a deal struck between the Federal and provincial governments in late 2016, to ensure a higher level of retirement security for Canadians in the future. Employers, including those that currently sponsor retirement plans, will have to ensure compliance with the governments' plan to move ahead with CPP changes.

Employers will have to take stock of their internal retirement and benefit offerings to ensure they are operationally and financially equipped to make the proper changes needed. In evaluating an organization's employee offerings, employers should equip their payroll, human resource and accounting staff with practical pension and benefit knowledge through the [Canadian Payroll Association's](#) (CPA's) [Pensions & Benefits](#) seminar.

Understanding Changes to the Canada Pension Plan

Employers will need to have the necessary changes programmed into their payroll systems well in advance to fulfil their legal responsibilities when the CPP expansion goes into effect in 2019. Employers should also anticipate that such changes may affect organizational policies, staff responsibilities and remuneration planning. The CPA offers its members payroll compliance resources, including the valuable [e-Source](#) legislative newsletter, [Payroll InfoLine](#) Q & A inquiry service (by phone and email), and a host of [self-service web resources](#), to keep payroll, accounting and HR professionals up-to-date on regulatory and legislative changes impacting employers.

"With imminent changes to CPP, employers need to reassess their current retirement and benefit offerings for compliance, practicality, and financial preparedness," says Steven Van Alstine, Vice President of Education at the CPA. "Employers and employees alike will be impacted by such changes. Employers should make sure their staff and their organization are equipped with comprehensive retirement planning knowledge for the future."



Reviewing Your Full Offering of Benefits

Part of these preparations should also include an assessment of employer-sponsored benefits plans. Group health, disability and insurance plans should receive a thorough review to ensure that employees are receiving quality benefits without exorbitant costs to employers. Understanding the basics of such plans, how they are formed, and their tax and reporting considerations will help payroll, human resource and accounting staff to better support these functions within the organization and provide fundamental knowledge to help strike better deals at negotiation time. The [CPA's](#) seminars offer comprehensive overviews of these areas; [Pensions & Benefits](#) focuses on the key elements used to apply, administer or support pension and benefits functions within the organization, while the [Best Practices of Employee Group Benefits](#) seminar focuses on proper management and negotiation of group benefits.

For more information about the CPA and the many benefits that [membership](#) provides, visit [payroll.ca](#) / [paie.ca](#).

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About the Canadian Payroll Association:

Canada's 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$928 billion in wages and taxable benefits, \$313 billion in statutory remittances to the federal and provincial governments, and \$177 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.

