

Pensions Law

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Ontario Announces One Year ORPP Delay for Large Employers; Continues CPP Discussions

Ontario has announced a one year delay in implementing the Ontario Retirement Pension Plan (ORPP) for certain employers with 500 or more Ontario employees. Ontario and the federal government also announced plans to continue national discussions about Canada Pension Plan (CPP) enhancements.

As outlined in our November 10, 2015, *ORPP and CPP: Pension Reform Update*, the ORPP was originally scheduled to be implemented in four annual waves commencing on January 1, 2017. The wave classification is determined by the number of an employer's Ontario employees who did not have a registered pension plan as of August 11, 2015.

The first wave covers employers with 500 or more such employees and ORPP contributions for these employees was scheduled to commence on January 1, 2017. This contribution date has now been delayed until January 1, 2018. The contribution commencement date for the other waves remains the same: waves 2, 3 and 4 will be phased in, respectively, on January 1 of 2018, 2019 and 2020. Employer enrolment is scheduled to commence in January 2017.

Coordinating with CPP Enhancements

In a joint *announcement* with the federal government, the Ontario government announced that the delay will give federal and provincial governments more time to discuss how to enhance the CPP.

The federal government announced that if provincial agreement on CPP enhancement is not reached, it will work with Ontario as Ontario implements the ORPP by facilitating plan registration, data sharing and contribution collection.

Ontario continues to hedge its bets. As Minister of Finance Charles Sousa put it, "Our main objective is to intensively look at ways to meet the goals of the ORPP in an enhanced CPP framework while preserving our ability to implement the ORPP, should that not be possible."

In the meantime, employers should continue to plan for the ORPP.

For further information about the ORPP, please contact any member of our Pension, Benefits and Compensation Group.