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January 22, 2016

The Honourable Kathleen Wynne  
Premier of Ontario  
Legislative Bldg, Rm 281  
Queen's Park  
Toronto ON M7A1A1

Dear Premier:

As Canada's leading advocacy organization for pension plan sponsors, administrators and service providers, representing over 400 companies with retirement income plans covering more than 3 million plan members, we write to urge you to delay the implementation of the Ontario Retirement Pension Plan (ORPP) for one year. A one-year delay will allow the collaborative federal and provincial approach commenced last fall to continue, and will allow Ontario to assert its usual constructive and leading position in significant pan-Canadian public policy changes, such as potential CPP/QPP changes.

In June, 2014, ACPM published the [ACPM Principles for Mandatory Public Pension Plans](#). One of the key principles we enunciated was that any mandatory public plan reforms should occur on a national basis to ensure uniformity across jurisdictions. These principles were shared with your government upon publication. We have participated actively in the various discussions your government has conducted concerning the ORPP and appreciate the several opportunities we have had to meet with Minister Hunter and her staff to discuss the design and implementation of the Ontario Retirement Pension Plan (ORPP).

For the majority of the time since the last provincial election, the prospects of reforms of mandatory public pension plans being national in scope seemed remote. With the election of a new Canadian government in October last year, these prospects have now changed substantially.

At the recent Finance Ministers' meeting on December 20-21, 2015, federal Finance Minister Bill Morneau pledged that the CPP/QPP consultations would continue over the next year. Minister Morneau indicated that the federal government will be working with the provinces to identify potential CPP/QPP improvements and that a further Federal/Provincial finance ministers' meeting will occur this summer to review progress in this regard. Minister Morneau acknowledged that a sluggish economy is a factor that would lend itself to a measured approach to any future changes to CPP/QPP. This position was supported by a number of provincial finance ministers who indicated that they would prefer further consideration and study before coming to any conclusions on such changes.

If expansion of mandatory pension contribution programs is to be considered, we would be better served by a pan-Canadian approach that provides for a consistent application across Canada. Immediate implementation of the ORPP will materially detract from this objective, and may well foreclose prospects for any consensus-based national reforms.

In our respectful view, the difficulties of merging a nascent ORPP with the CPP could be significant and many. There will be a variety of complexities relating to contribution levels, pensionable earnings definitions, benefit formulas, and differing tax treatments, among other potential issues. These complexities may well be insurmountable, especially if CPP reform on a national level were to identify targeted reforms.

By proceeding with a 2017 implementation, the Ontario government is running a risk that Ontarians would be orphaned in a small-scale program. What's more, Ontario could, uncharacteristically, frustrate the ability to identify any broader national consensus for CPP reform.

Ontario has historically played a constructive role in national public policy discussions. In considering this request for a one-year delay, we appeal to you to consider the benefits to Ontarians of joint action over unilateral action. Pan-Canadian public policy approaches have invariably been shown to be more cost-effective. Consistent plan benefits across the country will be more encouraging of labour mobility. We firmly believe that the national interest of a uniform approach to pension policy coincides with the broad provincial interests of Ontario.

While we urge a one-year delay in the ORPP, in order to allow federal-provincial discussions to continue, there are key actions your government can take in that intervening period that will promote retirement savings for Ontarians and a positive role for Ontario on the national pension policy stage.

We look forward to Ontario's implementation of the Pooled Registered Pension Plan (PRPP), in conjunction with other provinces and the federal government, with the passage of the *Pooled Registered Pension Plan Act* (Ontario) in May 2015. The goal of the PRPP is to promote coverage for thousands of small businesses and their employees and would be an important option in the expansion of expanding coverage options for Ontarians who are presently not participating in a workplace pension plan.

Your government's most recent economic statement on November 26, 2015, announced an extension to solvency funding relief and a broader review, on an expedited basis, of the current solvency funding framework. We believe this is an important initiative in seeking an appropriate balance between plan sustainability, affordability and benefit security. We also encourage the Ontario government to move forward with expansion of the availability of Target Benefit Plans (TBPs), a concept that has been implemented in New Brunswick and has been legislated in Alberta and British Columbia. Provision for Target Benefit Plans in Ontario is found in the Pension Benefits Act provisions originally enacted in 2010. Finalization of associated regulations for Target Benefit Plans for single employer plans would also foster an improved balance between pension plan sustainability, affordability and benefit security.

These matters are all pension reforms which your government may pursue to enhance coverage and benefits for Ontario workers, while discussions on potential CPP/QPP reforms are proceeding.

On behalf of ACPM, thank you for your consideration and as always, we are available should you wish to discuss further.

Sincerely,



Bryan D. Hocking  
Chief Executive Officer

CC. The Honourable Charles Sousa, Minister of Finance, Ontario  
The Honourable Mitzie Hunter, Associate Minister of Finance, Ontario Retirement Pension Plan