



November 14, 2023

Honourable Doug Ford
Premier and Minister of
Intergovernmental
Affairs Premier's Office
Room 281
Legislative Building,
Queen's Park
Toronto, ON M7A 1A1

Honourable Peter Bethlenfalvy
Minister of Finance
Treasury Board Secretariat
Frost Building South
7th Floor
7 Queen's Park Cres
Toronto, ON M7A 1Y7

Honourable Monte McNaughton
Minister of Labour, Immigration,
Training and Skills Development
Ministry of Labour, Immigration,
Training and Skills Development
14th Floor
400 University Ave Toronto, ON
M7A 1T7

Dear Premier Ford, Minister Bethlenfalvy and Minister McNaughton:

Re: Automatic Features in Workplace Pension and Savings Plans

We are writing to reiterate our strong support for fully enabling automatic features for retirement savings plans in Ontario. Ontario employers want to implement automatic features that reduce red tape, helping workers more easily save for retirement. However, there are currently legislative barriers to making this happen. British Columbia recently moved forward with proposed amendments to its pension legislation to facilitate automatic contribution increases. We are urging you to include automatic features as part of the 2024 Spring Budget, signalling that the government will work to enable automatic features in workplace pension and savings plans.

ACPM previously wrote to the Ontario government on [July 16, 2020](#), and [November 30, 2021](#), in respect to this topic and please feel free to access those letters.

About us

ACPM is the leading advocacy organization for a balanced, effective, and sustainable retirement income system in Canada. Our private and public sector retirement plan sponsors and administrators manage retirement plans for millions of plan members.

Automatic features help workers save for a secure retirement

Many employers in Ontario offer their employees a workplace pension and savings plan. These plans can include Defined Contribution Pension Plans (DCPPs), Group Registered Retirement Savings Plans, Deferred Profit-Sharing Plans, and Group Tax-Free Savings Accounts.

Automatic features can help workers take advantage of these plans and achieve a better retirement income. Automatic features include:

- **automatic enrolment** and **deductions** from employee pay into voluntary workplace pension and savings plans so employees can receive the benefit of matching company contributions, and
- **automatic contribution rate increases** so employees can gradually increase their savings over time.

Current state in Ontario

In 2021, the Financial Services Regulatory Authority of Ontario (FSRA) released [interpretation guidance](#) on automatic features for DCPs. The guidance affirms that the *Pension Benefits Act* (PBA) and its regulations do not prohibit the use of automatic features. While automatic features may not be prohibited in Ontario under the PBA, Ontario's *Employment Standards Act* (ESA) creates uncertainty and limit an employer's ability to fully apply these features to their plan by creating burden and red tape; in particular, making it challenging to apply automatic features to existing employees due to the need to collect express employee consent.

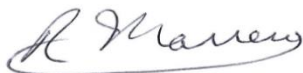
As a result of the requirements, a significant portion of Ontario workers are not fully benefitting from their workplace pension and savings plan. Some are not enrolled at all, causing them to miss out on the benefits of their workplace pension and savings plan such as company matching contributions, and many are not maximizing their savings opportunities, including maximizing the employer contribution.

Conclusion

Red tape and administrative burden are preventing Ontario employers from implementing simple, cost-effective solutions that help workers maximize the benefits of workplace pension and savings plans.

This government can help Ontario's workers save more for their retirement by including an intention in the Spring 2024 Budget to amend legislation to enable automatic features in voluntary workplace pension and savings plans.

Sincerely,



Ric Marrero
Chief Executive Officer, ACPM

cc: Patrick Sackville, Chief of Staff to the Premier
Richard Clark, Chief of Staff, Finance Minister's Office
Cam Vidler, Head of Policy and Budget, Finance Minister's Office
Joshua Workman, Chief of Staff, Labour, Immigration, Training and Skills Development Minister's Office
Alyx Holland, Director, Government and Regulatory Affairs, Sun Life