



**ONTARIO PENSION COMPARABILITY CHANGES “A STEP IN THE RIGHT DIRECTION,”
ACCORDING TO CHATHAM-KENT CHAMBER OF COMMERCE AND THE ONTARIO
CHAMBER OF COMMERCE**

CHATHAM-KENT, ONTARIO, AUGUST 11, 2015: Today, the Government of Ontario announced that it will expand the comparability rules under the proposed Ontario Retirement Pension Plan (ORPP). However, business owners remain concerned about the introduction of a new pension plan and the impact it would have on the cost of doing business.

The Chatham-Kent Chamber of Commerce is encouraged by the government’s decision to expand the definition of comparability under the ORPP to include some Defined Contribution (DC) plans. With this change, employers that already provide certain DC pension plans for their employees will be exempt from contributing to the ORPP. The Chatham-Kent Chamber of Commerce is also encouraged by a longer phase-in period announced today, which will help many Ontario businesses transition into the plan.

“Today’s announcement is a step in the right direction” said Gail Bishop “However, we remain concerned that the ORPP in its current form will have a negative impact on business competitiveness.”

In June, the Chatham-Kent Chamber of Commerce, the Ontario Chamber of Commerce (OCC), and a coalition of over 150 businesses, sector associations, chambers of commerce, and boards of trade came together to urge the government to expand its definition of pension plan comparability to include capital accumulation plans, including, but not limited to, Defined Contribution plans.

Despite today’s announcement, the Chatham-Kent Chamber of Commerce warns that in its current form, the ORPP will raise costs for the majority of businesses who operate in the province, including those employers that offer non-comparable plans like Group RRSPs. Recent OCC survey data indicates that if faced with mandatory increased contributions under the ORPP, 44 percent of businesses would reduce their current payroll or hire fewer employees in the future.

“We remain deeply concerned about the cumulative burden facing Ontario employers,” said Gail Bishop “Rising electricity prices, the introduction of a cap and trade system, and the ORPP will further add to the cost of doing business in Ontario. This is why we, along with the Ontario Chamber of Commerce, have asked the government to conduct and publicly release the results of an economic impact analysis of their proposed pension plan.”

Following considerable advocacy efforts by a coalition of businesses led by the Ontario Chamber of Commerce, the government committed to releasing a cost-benefit analysis of the ORPP before the end of the year.

“We will continue to work with government in order to ensure they have a full appreciation of the potential impacts of the ORPP,” said Gail Bishop.

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