

[Update On The New, Mandatory Ontario Retirement Pension Plan](#)



On December 8, 2014, the Ontario government introduced *Bill 56: An Act to require the establishment of the Ontario Retirement Pension Plan* regarding the establishment of the new, mandatory Ontario Retirement Pension Plan (ORPP) effective January 1, 2017. Bill 56 provides information about additional ORPP legislation to come. It also provides details about the administrative entity that will need to be set up to administer the ORPP and the collection of information that's necessary for the purpose of establishing the ORPP.

The ORPP was introduced in the 2014 Ontario budget as a new "made-in-Ontario" solution to the federal government's decision to not expand the CPP. It will be similar to, and build on key features of, the CPP and will be publicly administered at arm's length from the Ontario government. Employers and employees who are required to participate in the ORPP would be required to contribute up to 1.9% each (total of 3.8%) on the employee's earnings, up to a maximum earnings threshold of \$90,000. Additional details about proposed features of the ORPP can be found in our earlier blog posting [here](#).

All Ontario employers should be aware of the ORPP and how it might impact their business.

The main concern for most Ontario employers is whether they will be exempt from mandatory participation in the ORPP. The only information released by the Ontario government so far is that employees who participate in a "*comparable workplace pension plan*" will be exempt. It's unclear what "comparable" means. The legislation doesn't tell us exactly what types of retirement savings plans will exempt employers from the ORPP.

We will continue to provide updates on the ORPP as information becomes available.

If you have questions about the ORPP or would like more information, please do not hesitate to contact one of the pensions and benefits experts at Dentons.

Last Updated: December 10 2014

Article by Heather Di Dio