



CPP enhancement could spell the end of the ORPP

By: Sandra Dueck, Policy Analyst, Greater Peterborough Chamber of Commerce

From the Ontario perspective, the agreement in principle to enhance the Canada Pension Plan is a good thing for business. The solution is one that will still have impact, but less so than what we were facing here in Ontario.

According to Ontario Finance Minister Charles Sousa, this will be the end of the Ontario Retirement Pension Plan (ORPP), should the agreement be ratified by July 15, 2016. If that happens, there will not be a new 1.9 percent payroll tax. It means the government administration required to manage the ORPP will no longer be needed. It means that small businesses in Ontario will not have to add a line to their payroll deductions. It means that a province-by-province approach to pension reform is avoided and that would have been a costly venture.

"A province-by-province approach would have increased regulatory fragmentation and thus administrative burden. Ontario is doing the right thing by moving away from the ORPP in order to support a coordinated solution," said Allan O'Dette, President & CEO, Ontario Chamber of Commerce.

The devil is in the details. The nine ministers have agreed in principal to the following:

- The income replacement level will be increased to one third of income
- The upper earnings limit will be targeted at \$82,700 upon full implementation in 2025
- There will be a gradual 7-year phase-in beginning on January 1, 2019 consisting of:
 - A 5-year contribution rate phase-in below the Yearly Maximum Pensionable Earnings (YMPE), followed by:
 - A 2-year phase-in of the upper earnings limit
- An increase to the Working Income Tax Benefit (WITB) to help low-income earners
- Tax deductibility for the enhanced portion of the employee CPP contributions

The Peterborough Chamber was very vocal in presenting the impact of ORPP to the provincial government through presentations to the Associate Minister of Finance and letters to the Minister of Finance. Through the Ontario Chamber of Commerce, the Chamber Network was able to delay proposed implementation of the ORPP by one year to 2018.

Both the Peterborough and Kingston Chambers of Commerce were at the leading edge of pension reform when recommendations were submitted to government in 2015 asking that employees be allowed to contribute up to 1.9% more to CPP. The goal of the recommendations was to see an enhanced CPP in order to avoid a piecemeal province-by-province approach.



When the CPP enhancement is fully phased-in by 2025 the total increase in CPP contributions by employees and employers will be 1%, which is almost half the ORPP.

"While we were hoping to see little or no impact on businesses, we are glad to see that consideration has been given to the need for a long phase-in period," said Stuart Harrison, President & CEO, Peterborough Chamber of Commerce. "The ability for businesses to prepare and understand changes is paramount to ensuring Ontario stays competitive."

The ministers also agreed to three measures for implementation:

- introducing a long and gradual phase-in starting on January 1, 2019 that will allow more time for businesses to adjust
- enhancing the federal Working Income Benefit as a means of offsetting the impact of increased contributions on low-income workers

- providing a tax deduction - instead of a tax credit - for employee contributions associated with the enhanced portion of CPP in order to avoid increasing the after-tax cost of saving for Canadians

The Canadian Chamber of Commerce (CCC) still has concerns about the cost of the program and impact the plan will have on cash flow and business investment. However, because the business community has been at the table for the breadth of the discussion around pension reform, we hope to continue to work with the federal and provincial governments as they move forward.

Quebec and Manitoba are the only provinces not to sign on. Quebec is interested in some enhancement that works better with the Quebec Pension Plan.

The goal is to have the plan ratified by Friday, July 15, 2016.

Silver Bean's Andrea and Michael VanDerHerberg are no strangers to philanthropist work. Their efforts initiated the Paint the Town Red campaign for the United Way, they ride for Africycle, and they support local artists and local events and businesses. They also work tirelessly off hours to help refugees adjust to a new life in Canada through Michael's position at the New Canadians Centre.

And they're not finished yet.

Andrea and Michael have just promised to match all new, or upgraded monthly donors, before January 31st 2017 to the YWCA.

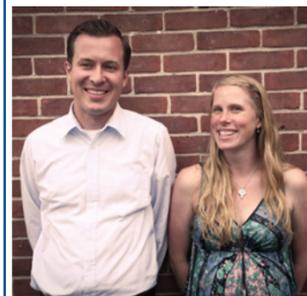
"Michael and Andrea's generosity and leadership is impressive. We've been at the Silver Bean each Friday and are really drawn to uniquely positive, community-oriented spirit at the Bean," said Miriam Lyall, Communications Coordinator at the YWCA Peterborough Haliburton.

The YWCA provides transitional housing, education and support for women and their families who are victims of domestic violence.

The two have stated that violence against women and children needs to end in Peterborough, and are hoping their actions will inspire others to join their fight.

To donate to the YWCA, go to: www.ywcapeterborough.org

#TeamPTBO #americanoFriday



Do you know or are you a Chamber Member who is going above & beyond for our Peterborough community?

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Contact: Shelby Parker shelby@peterboroughchamber.ca or 705.748.9771 x0



CELEBRATE SUMMER WITH US!

Tuesday, July 5th
4-6 pm

The Peterborough Lawn Bowling Club

peterboroughchamber.ca

Peterborough Chamber helps celebrate opening of 407

We had the opportunity to celebrate the opening of Phase 1 of the 407. The highway starting at Harmony Road in Oshawa to Brock Road in Pickering officially opened to traffic on Monday, June 20th and will be free to use until January 1, 2017.

The Peterborough contingent was MPP Jeff Leal, Mayor Daryl Bennett, Warden J. Murray Jones and the Peterborough Examiner.

"Ribbon of prosperity" and "important two-way street" were a few of the descriptors used to talk about the impact of this highway. The first part of phase 2, which will end at the 35/115, will be opened in 2017 with a link to Taunton



Peterborough MPP Jeff Leal, Mayor Daryl Bennett, and Warden J. Murray Jones help cut the ribbon to open the newest portion of the 407 on Friday, June 17, 2016.

Road. The full completion date for the highway is 2020.

The Chamber has a strong connection to the 407. In 2004, there was a policy resolution from the Oshawa Chamber of Commerce to continue the 407 eastward.

The then Chair of the Board for the Peterborough Chamber Dan Stanford and Stuart Harrison, President and CEO of the Peterborough Chamber asked that the recommendation to government include taking the highway all the way to the 35/115.

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Member Milestones: #TeamPtbo



S.O.S - Save Our Soles celebrates 10th Anniversary

Congratulations to Shelby and Mike Watt on the 10th anniversary of S.O.S - Save Our Soles. They've put together a wonderful video about their journey. Check it out on the S.O.S Facebook page at: facebook.com/sossaveoursoles

Local Artist and Business Owner selected for Toronto Artshow

Peer Christensen of Christensen Fine Art has been selected to exhibit at the 55th Toronto Outdoor Art Exhibition. The Art Exhibition runs Friday, July 8 to Sunday, July 10, 2016. You can find Peer in booths 59 and 60 along with several paintings including one of a train crossing George Street by the Peterborough Chamber office. Congratulations! More details on the show: www.torontooutdoorart.org

Nature book penned by two local residents

Camp Kawartha's Jacob Rodenberg and The Peterborough Examiner's Columnist Drew Monkman have

partnered up to publish a children's book *The Big Book of Nature Activities - A Year-Round Guide to Outdoor Learning*.

Peterborough Civic Awards

Camp Kawartha was also recently awarded a Peterborough Civic Award for Environmental Stewardship for the Environmental Education Centre.

For a complete list of Peterborough Civic Award Winners including more on Lifetime Achievement Award Winner Carl Oake of Century 21 United Realty go to thepeterboroughexaminer.com

More Member Milestones at: peterboroughchamber.ca/member-milestones.html

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