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## **Governments of Canada and Ontario Announce an Agreement Towards Improving Pensions for Canadians**

February 16, 2016 1:00 P.M.

Bill Morneau, Minister of Finance of the Government of Canada, Charles Sousa, Minister of Finance for the Government of Ontario and Mitzie Hunter, Associate Minister of Finance for the Government of Ontario, today announced they have reached an agreement to work together to achieve their mutual goal of improving pensions for Canadians.

Many Canadians are not saving adequately for retirement and, unless action is taken, will face a decline in their standard of living when they retire. The governments of Canada and Ontario have both prioritized improving retirement income security.

Ontario welcomes the federal government's leadership in renewing a national dialogue to enhance the Canada Pension Plan (CPP), and is committed to continuing to work collaboratively with the federal government, provinces and territories to make progress on a national solution that addresses the needs of future retirees.

To provide more time for discussion among provinces and the federal government, Ontario is proposing to phase-in the launch of the Ontario Retirement Pension Plan (ORPP) by starting enrollment in January 2017, one year later than the original start date, and by starting the first phase of contributions in January, 2018. This will give businesses more time to enroll, and provide about 400 businesses with the additional time they have been seeking.

Over the coming months, Ontario and the federal government will be working intensively with other jurisdictions to explore a range of potential CPP enhancements designed to improve Canadians' retirement income security. To this end, the governments of Canada and Ontario will work with other provinces and territories to develop options for CPP enhancements by the end of May - in time for the Federal-Provincial-Territorial Finance Ministers meeting in June, 2016.

In the spirit of collaboration, the federal government acknowledges that the Ontario Government has made important first strides in establishing the ORPP. If provincial agreement on CPP enhancement is not reached, the federal government acknowledges the Government of

Ontario's objective to move forward with the ORPP. As such, the federal government has agreed to facilitate plan registration and data sharing arrangements, and will work with Ontario to ensure that key elements of plan administration, such as the collection of employer and employee contributions, are completed efficiently and cost-effectively.

## QUOTES

" The Government of Ontario remains committed to finding a solution which will allow the needs of Ontario employees to be met under a national framework. Our main objective is to intensively look at ways to meet the goals of the ORPP in an enhanced CPP framework, while preserving our ability to implement the ORPP, should that not be possible."

- Charles Sousa

Minister of Finance, Ontario

" We believe in a Canada where people who work hard can look forward to a good standard of living, a secure retirement, and better prospects for future generations. Working with provinces and territories expeditiously to enhance the Canada Pension Plan is part of our government's commitment to the middle class and those who have been working hard their whole lives to earn a secure and dignified retirement. We know Canada works best when we all work together. For this reason, we will continue to work with Ontario on ORPP administration while pursuing our ultimate goal of one national uniform enhancement to the CPP."

- Bill Morneau

Minister of Finance, Canada

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### For Media Inquiries only:

**Kelsey Ingram** Minister's Office, Ontario  
416-326-1409

**Scott Blodgett** Ministry of Finance, Ontario  
416-325-0324

**Annie Donolo** Office of the Minister of Finance, Canada  
613-369-5697

**Jack Aubry** Department of Finance, Canada  
613-369-4000

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