

Caledon Chamber of Commerce says businesses are concerned about Ontario pension plan

The Caledon Chamber of Commerce is concerned that Ontario's proposed pension plan will negatively impact economic competitiveness and job creation in Caledon.

The Chamber is joining a coalition of more than 50 chambers of commerce and boards of trade from across the province in voicing its concern to the government of Ontario.

The government is planning to move ahead with its plans to implement a new pension scheme for the province. The Ontario Retirement Pension Plan (ORPP), which aims to supplement the Canada Pension Plan (CPP), will require employers to match employee pension contributions, increasing their cost of doing business. For example, in the case of a business that employs 10 people with an average salary of \$45,000, the employer will be obligated to pay almost \$8,000 per year in additional pension contributions.

According to a recent Ontario Chamber of Commerce survey, 72 per cent of businesses in the province believe that pension reform should be a priority for government. However, the same businesses have also been clear about their concern for Ontario's broader economic picture, in which the economy is projected to grow slowly for the foreseeable future.

Local businesses, for their part, worry about the cumulative impact that government regulatory and legislative changes will have on their competitiveness.

"Our members are worried about the costs that a new mandatory pension plan would impose on them," commented Chamber Board Chair Valerie Arnold-Judge. "Combined with increases in electricity costs, high WSIB rates, and in some employers' cases a higher minimum wage, the new pension plan will burden businesses that are already struggling to meet the costs of doing business in Ontario."

"Businesses in our area are wary of any increase in payroll taxes," she added.

The proposed pension plan comes at a challenging time for Caledon and the Greater Toronto Area, where the regional unemployment rate has risen to 9.1 per cent, 0.6 percentage points higher than this time last year.

In its letter to the provincial government, the Chamber calls on Queen's Park to provide employers with answers to a number of crucial, but unanswered questions.

"What will be the impact of a fully-implemented ORPP? What happens when a business can't afford to meet the requirements of the ORPP? What about the self-employed?" Arnold-Judge asked. "Businesses in Caledon are seeking answers to these questions."

"The retirement income challenge is a real one," observed Allan O'Dette, president and CEO of the Ontario Chamber of Commerce.

"But we need to ensure that any changes to the pension system are made with a full understanding of their impact on Ontario's business climate."

Learn more by reading the chamber's letter to the government of Ontario at

<http://www.occ.ca/policy/chamber-network-concerned-about-proposed-ontario-pension-plan/>