

## From Queen's Park by Sylvia Jones MPP ? Pooled Registered Pension Plans can help save for retirement

During this time of year, we frequently hear about and remind ourselves the importance of saving for retirement. There are many ways to do so, each appropriate to different circumstances that try to allow everyone to save a little bit for their retirement. Whether it is in a Retirement Savings Plan (RSP), Tax Free Savings Account (TFSA), Registered Retirement Savings Plan (RRSP) and the government's proposed two new forms of savings: pooled registered pension plans and the Ontario Retirement Pension Plan, it's important that you prepare yourself financially for when you retire, as long as it's within your means. In December, the government introduced two bills, which if passed, will impact workers and employers in Ontario. The government introduced a bill that would create Pooled Registered Pension Plans. In addition, they introduced a bill that would create the Ontario Retirement Pension Plan.

I would like to provide a breakdown of what each bill would do if passed and the implications of each bill. I will first discuss what pooled registered pension plans are and the benefits of them.

The government's introduction of a bill to create pooled registered pension plans would follow the Federal Pooled Registered Pension Plan (PRPP) which came into force Dec. 14, 2012.

A pooled registered pension plan is a voluntary plan that businesses can choose to implement. If a business chooses to implement a pooled registered pension plan, employees will automatically be entered with a 60-day opt-out period. The pooled funds would be administered and invested by a licensed organization, and employees can begin to receive their investments at the age of 55. The pooled registered pension plan will be available to self-employed individuals, as well as those who work for companies that choose to implement a pooled registered pension plan.

More than 80 per cent of small businesses have no company pension plan in place for their employees. This is why a pooled registered pension plan is beneficial to self-employed individuals, owners of small businesses and their employees, because it will provide them an opportunity to be part of a simple and low-cost retirement savings option. In addition, it can act as an additional saving tool for individuals.

Running a small business and being self-employed is tough, especially in our province's economic climate. That's why it's important that when implementing a pension plan for yourself and your employees, it's not complicated and expensive.

Saving for your retirement is important, but it is also important that it's within your means. That is why pooled registered pension plans are beneficial to the self-employed, small business owners and their employees, because it will provide them with the flexibility to invest in their retirement as they see fit.

I want to reiterate again the importance of saving for your retirement. Whichever option you choose, please save before it's too late

