

## Jones echoes concerns ORPP won't help

By Bill Rea

The move is on to make the Ontario Retirement Pension Plan (ORPP) a reality, but Dufferin-Caledon MPP Sylvia Jones is wondering who it's going to benefit.

Jones said she's been talking with business people from various sectors in the riding, and she couldn't think of another example where there is so much negativity.

"This has all kinds of repercussions," she remarked.

The plan, as announced recently by Premier Kathleen Wynne, is aimed at helping to close the retirement savings gap for roughly two-thirds of Ontarians who do not have workplace pension plans. A news release issued by the Province stated that many people are unable to save enough to maintain their similar standard of living when they retire. The government argued this places a significant financial burden on them in later years, and that impacts taxpayers in turn.

The government stated ORPP will not apply to people on workplace pension plans that provide a predictable stream of replacement income and an adequate standard of living. It added ORPP would be funded by equal contributions from both employers and employees. The plan also includes phasing in the program, reaching 1.9 per cent each from employers and employees by 2021.

"The ORPP is truly forward-looking, making Ontario a better place to work, invest and age," commented Wynne. "We're doing this for the next generation — our children and our grandchildren — to ensure they can retire with the security they deserve.

"Is it really going to help an individual save for retirement and have more in the end?" Jones wondered.

She pointed out that contributions to a Registered Retirement Savings Plan (RRSP) remain in one's estate. She suggested it would be better to encourage more people to contribute to RRSPs and save for their own retirement. Jones stressed that people have to understand the importance of taking responsibility for their own affairs.

"We're living longer," she said. "We need to have those nest eggs and saving plans in place. It doesn't work in a provincial format." Jones also wondered what happens to people who move out of the province, and whether they would lose out on the funds they have already contributed to ORPP.

Jones also cited the Canadian Federation of Independent Business (CFIB) as stating Ontarians won't be receiving full benefit from ORPP until 2057.

A news release issued by CFIB stated the Province was ignoring small businesses by granting exemptions to larger firms that can afford to contribute four per cent or more to a formal pension plan. It added that's beyond the reach of most companies.

"This move is a further slap in the face to Ontario's small businesses and their employees," said CFIB President Dan Kelly, adding the plan "feels a lot more like electoral sabre rattling than sound public policy."

CFIB added Ontario's small business owners are opposed to this "job-killing payroll tax," with 86 per cent opposing it. Seven in 10 said it would force them to freeze salaries, while more than half reported they would be forced to eliminate positions to cope with the added costs.

Jones wasn't sure why the government is making this move.

"My cynical side says because they want to pick a fight with the feds in an election campaign," she said. "That's never good policy. That's never a way to approach government policy."

She added there's lots of concern the government will use this as a bank account to finance infrastructure, which is "not what savings plans are all about."