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Export date: Sat Oct 31 17:20:50 2026 / +0000 GMT

How the ORPP will impact you

For many months the Wynne Liberals have been trying to convince Ontarians, through government paid advertising, that the Ontario Retirement Pension Plan (ORPP) is the only way to save for retirement. Recently, the Wynne Liberals have announced they are slowing down in the implementation of the ORPP because of its negative effects on small businesses. The fact is, that the ORPP will not only negatively affect small business but all businesses in Ontario. If this government was really listening to the concerns raised about the ORPP, they would put a full stop to this poorly thought-out scheme.

We are slowly getting more details about the ORPP. One of the key items announced was a three phase implementation. Employers who do not offer a pension plan or don't have a ?comparable pension plan? will be forced to implement the ORPP. In 2017, this will affect companies with 500 or more employees. In 2018, medium size companies will begin contributions. Finally, in 2019, companies with less than 50 employees will be forced to implement the ORPP. Companies that currently have either a voluntary pension plan or a plan that does not meet the provincial definition of ?comparable? will be forced to enroll in the ORPP. This means businesses and employees will have no say if they want to be in the pension or not. There will be no choice.

Even as the Wynne Liberals slow down the implementation phase of the ORPP over several years, many questions still remain unanswered. The government says they are not releasing further details of the plan because they are still working on the details. Premier Kathleen Wynne admitted during the announcement, that she doesn't know the full costs of implementing and managing the ORPP. This shouldn't come as a surprise after watching the Liberals track record including the failed $2 billion Smart Meter fiasco, the $1 billion eHealth scandal, the millions wasted on Ornge Air Ambulance Service, the $1 billion decision to cancel the Mississauga and Oakville gas plants, or the failed Green Energy Act, just to name a few.

Recent studies show that 90 percent of small business owners are opposed to the ORPP. An employee making $45,000 annually would be required to pay almost $800 per year towards the Ontario pension. Employers would be mandated to match the amount for every employee. For some businesses, especially small businesses, the impact of this additional expense would be devastating.

I have raised concerns about the ORPP. My Progressive Conservative colleagues have raised concerns, as well as many organizations including the Canadian Federation of Independent Business (CFIB), the Ontario Chamber of Commerce (OCC), the Fraser Institute, and the C.D. Howe Institute.

All these organizations agree that the proposed ORPP is a poorly thought out plan and that a mandated provincial pension plan will not actually help Ontarians. In fact, a recent report highlighted that the ORPP will actually lead to less personal savings by Ontarians.

There are already many options for Ontarians to save for their retirement, like the Tax Free Savings Account (TFSA) that was recently expanded by the federal government, and Registered Retirement Savings Plan (RRSP) as well as personal investments. Why not leave it up to Ontarians to decide on how they would like to save for their retirement? Clearly Premier Wynne doesn't trust you with your own money.

By Sylvia Jones, MPP