



AMO Communications  
<communicate@amo.on.ca>

06/29/2016 05:05 PM

To "Islomke@fort-frances.com" <Islomke@fort-frances.com>

cc

bcc

Subject New Federal/Provincial CPP Enhancement Agreement to  
Replace the ORPP

## MEPCO UPDATE

### New Federal/Provincial CPP Enhancement Agreement

#### To Replace the ORPP

On June 20, 2016, Federal and Provincial Ministers of Finance announced an agreement in principle to enhance the Canada Pension Plan (CPP) and increase retirement security based on:

- a long phase-in of all proposed CPP changes between 2019 and 2025;
- a gradual increase in the target income replacement rate from 25% to 33.3% of pensionable earnings between 2019 and 2023;
- a new upper earnings limit of \$82,700 when fully implemented in 2025, an increase of 14%.

Eight provinces (excluding Quebec and Manitoba) and the Federal Government are parties to the agreement, meeting the minimum threshold of seven provinces, representing two-thirds of the Canadian population, required to approve CPP changes. The parties to the agreement must formally approve the deal by July 15, 2016. We will monitor the agreement process and advise of any additional developments that may emerge.

Ontario's support for the proposed CPP changes, means that Ontario Retirement Pension Plan (ORPP) will not proceed. The phase-in and proposed changes to the tax treatment of CPP contributions help mitigate employer and employee affordability impacts. The OMERS Plan is integrated with the CPP as the OMERS pension and contribution formulas are linked to the CPP by the Years' Maximum Pensionable Earnings (YMPE). OMERS will be analyzing the impacts of the proposed CPP changes for communication to Plan members and employers.

For further information please contact Bruce McLeod, 416-971-9856 ext. 350 or by email [bmcLeod@amo.on.ca](mailto:bmcLeod@amo.on.ca)

**DISCLAIMER:** Any documents attached are final versions. MEPCO assumes no responsibility for any discrepancies that may have been transmitted with this electronic version. The printed versions of the documents stand as the official record.

**OPT-OUT:** If you wish to opt-out of these email communications from MEPCO please click [here](#).