

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

Hamilton, ON, October 08, 2014: *The Hamilton Chamber of Commerce is concerned that Ontario's proposed pension plan will negatively impact economic competitiveness and job creation in Hamilton. The Chamber is joining a coalition of over 50 chambers of commerce and boards of trade from across the province in voicing its concern to the Government of Ontario.*

The Government of Ontario 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 percent 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," says Keanin Loomis, President & CEO Hamilton Chamber of Commerce. "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."

The proposed pension plan comes at a challenging time for the province. Ontario's unemployment rate remains above the national average and has showed little improvement over the past year.

In its letter to the provincial government, the Chamber calls on the Government of Ontario 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?" asks Loomis. "Businesses in Hamilton are seeking answers to these questions."

Learn more by reading the chamber's letter to the Government of Ontario here:

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

- 30 -

For more information please contact:

Huzaiifa Saeed

Policy & Research Analyst, Hamilton Chamber of Commerce

E: h.saeed@hamiltonchamber.ca **T:** 905-522-1151 ext: 230 **C:** 905-220-3030

About us: Established in 1845, the Hamilton Chamber of Commerce is the definitive "Voice of Hamilton Business". Representing over 1000 members and 75,000 employees, it champions the interests of ethical, free enterprise by effectively engaging business, community, and government leaders in the promotion of the long-term economic prosperity of our region