Human Resources Legislative Update

ORPP Act Passes Third Reading as Amended by Committee

Date: June 2, 2016

On June 2, 2016, Bill 186, the *Ontario Retirement Pension Plan Act (Strengthening Retirement Security for Ontarians), 2016* (*ORPP Act, 2016*) passed Third Reading as amended by the Standing Committee on Social Policy. The *ORPP Act, 2016* is now awaiting Royal Assent, and will come into force on a date to be named by proclamation.

Of particular significance to employers and plan administrators, the Committee amendments add a definition of "remuneration" in relation to a pension plan as "regular salary and wages as determined under the plan for the purposes of the plan." This change provides additional clarity on the issue of remuneration, as it relates to the "comparable workplace pension plan" test in section 5(3) of the *ORPP Act, 2016.*

Other amendments include:

- Defining "employee" as (a) a person who is employed within the meaning of the definition of "employment" in subsection 2(1) of the *Canada Pension Plan*, other than a person who is an officer within the meaning of that Act, or (b) the holder of an office who is an employee under subsection (4)
- Clarifying that the 10-year post-retirement guarantee period is 120 months
- Changes with respect to the disclosure of information.

Supporting regulations are expected this summer.

For more information about the *ORPP Act, 2016*, please read our *FTR Now* of April 18, 2016, Countdown to ORPP: Ontario Tables New Implementation Legislation.

Should you have any questions regarding the ORPP or what mitigation strategies might be available to your organization, please contact your regular Hicks Morley lawyer.