



**FREDERICTON
CHAMBER
OF COMMERCE**

— The Voice of Business —

364 York Street, Suite 200
Fredericton, NB
E3B 3P7



7 March 2016

Hon. Roger Melanson
Minister of Finance, Government of New Brunswick
Chancery Place
P. O. Box 6000
Fredericton, NB
E3B 5H1

Re: Pooled Registered Pension Plans

Dear Minister Melanson:

We are writing today to express our support for New Brunswick adopting **Pooled Registered Pension Plan** (hereinafter “PRPP”) legislation.

Many Canadians (including New Brunswickers) are not adequately investing in their retirements, which will exacerbate the growing pressure on governments to provide care for aging populations. In December 2010, finance ministers across Canada agreed to construct a framework for PRPPs for allowing Canadian employers to better assist their employees in preparing for retirement. PRPPs offer more options to small and medium-sized businesses, many of which have limited or no resources for workplace retirement savings plans. Subsequent federal legislation (*Pooled Registered Pension Plans Act*) received royal assent on 28 June 2012.

The legislation provides a framework for employers which are federally regulated (such as banks, telecommunications and transportation), but provincial/territorial governments are required to enact enabling legislation for the plans to be fully operation in those provinces. To date British Columbia, Alberta, Saskatchewan and Nova Scotia have passed PRPP legislation. Quebec has passed legislation for Voluntary Retirement Savings Plans (VRSPs - which are essentially equivalent to PRPPs). Ontario’s PRPP legislation has been introduced and has passed first reading.

PRPPs are relatively uncomplicated plans with defined contributions that can be offered at a low cost by Canadian employers through regulated financial institutions. Employees of eligible businesses can participate in large pooled plans where economies of size can be realized. Plans also allow participation from self-employed individuals and the transfer of benefits when required.

As regulated financial institutions act as PRPP providers, these institutions are subject to rigorous oversight and regulation by government. In July 2015 the federal government further proposed a deal



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with the provinces that aims to streamline supervision of PRPPS by giving the Office of the Superintendent of Financial Institutions (OSFI) sole oversight of these retirement-savings vehicles. This would allow plan administrators to only deal with one supervisor and to only pay a single set of licensing and registration fees. It would also relieve the provincial government of these responsibilities.

We recommend that the Government of New Brunswick propose legislation that will allow more small and medium-sized businesses across the province to offer retirement plans to their employees, thereby lessening future straight on public resources.

Yours truly,

Stephen Hill
President, Fredericton Chamber of Commerce

Krista Ross
CEO, Fredericton Chamber of Commerce