

Almost two years after CPP/QPP changes were announced, many Canadian employers have yet to prepare

- Aon survey: most organizations have not addressed how they will respond to new Canada/Quebec Pension Plan rules
- Within months before changes kick in, employers should be in a position to fully understand the financial impact and communications strategy

Toronto (April 18, 2018) – Enhancements to the Canada Pension Plan and Quebec Pension Plan will begin to phase in next year, yet most Canadian employers have yet to take action to prepare, according to a new [report](#) from Aon, a leading global professional services firm providing a broad range of risk, retirement and health solutions. Aon's survey of 325 organizations from across the country also found that higher costs resulting from the enhancements are a concern among employers, but few have developed strategies for addressing cost increases and other impacts.

Quotes:

"With just months to go before the CPP/QPP changes kick in, it's a bit surprising to see that so few employers have taken steps to prepare," said William da Silva, Senior Partner and Retirement Practice Director for Aon in Canada. "The reasons aren't clear, but it appears that many employers might be underestimating the impact these legislated changes could have on their organizations and employees, including contributions and benefits under their current retirement programs."

"The good news is, employers still have time to address the new rules proactively," added Andrew Hamilton, Partner and Ontario Retirement Practice Leader for Aon. "Beyond preparing for increased costs – a key concern, according to our survey – they should develop strategies for incorporating the changes into their employee communications, their existing retirement plans and their overall benefits philosophy."

Key facts:

- Only 17% of employers have started planning for CPP/QPP enhancements.
- About two in five employers (37%) expect to prepare this year for the CPP/QPP enhancements, while a third (32%) do not know when they will do so.
- The chief concerns related to CPP/QPP enhancements are higher organizational costs (68%) and higher costs for employees (53%), followed by the impact on retirement programs (46%) and the potential for greater administrative demands (40%).
- More than half (57%) of employers say they understand the overall payroll costs resulting from the enhancements, but two-thirds (69%) don't know how they will manage the financial impact.
- Only 6% of employers have communicated the CPP/QPP changes to employees, but more than half plan to do so this year.

About Aon

[Aon plc](#) (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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