

June 23, 2016

The Honourable Bill Morneau, PC, MP
Minister of Finance
Office of the Minister
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Dear Minister:

We are writing to you to express our concerns about the CPP announcement made earlier this week and to urge you to not be rushed into a ratification agreement until more details and analysis are available on how it will impact: workers at various income ages and levels; government finances; jobs; and the economy.

Restaurants Canada is disappointed that an agreement couldn't be reached for a targeted approach to CPP enhancements that wouldn't be unfair to lower income workers and wouldn't jeopardize youth jobs.

Exemptions for employees earning under a threshold of \$25,000 and or under 25 years of age would have ensured that CPP enhancements were targeted to those Canadians who have been identified as needing additional support – middle income earners.

Although the enhancements have been portrayed as modest, a 20% increase in premiums from \$4.95 to \$5.95 is a significant new cost for employers, particularly in labour-intensive businesses like restaurants, and will have an impact on their ability to hire and sustain jobs.

We are relieved to not have a separate and more aggressive provincial pension plan in Ontario and recognize that a longer phase-in period was a negotiated trade-off. However, we do not believe that the federal government, provinces and territories should be held hostage to the Ontario government's demand for a quick ratification of the agreement.

Please take the time to allow for review and study of the agreement and its implications and slow down the ratification process until more details are available.

Sincerely,



Joyce Reynolds
Executive Vice President, Government Affairs

c.c.: The Honourable Bardish Chagger, PC, MP
Minister of Small Business and Tourism