

# the view

The voice of London Business

London  
**Chamber**  
of COMMERCE

## Upcoming CHAMBER EVENTS

- MAY 1 • Funny Business
- MAY 5 • Speed Networking
- MAY 11 • Breakfast With Champions

LF6-4016586



April 19, 2010

Chris Forbes  
Federal-Provincial Relations and Social Policy Branch  
Department of Finance, L'Esplanade Laurier  
15th Floor, East Tower, 140 O'Connor Street  
Ottawa, Canada K1A 0G5

Dear Mr. Forbes:

### Re: Ensuring the Ongoing Strength of Canada's Retirement System

The London Chamber of Commerce is pleased to have the opportunity to contribute to the federal government's consultation on Ensuring the Ongoing Strength of Canada's Retirement System in advance of the next meeting of federal and provincial/territorial finance ministers.

We believe that Canada's current retirement savings system works well and that the ministers' focus should be on improving it rather than fundamentally changing it. The latter could risk damaging a retirement savings framework that is currently functioning well. Much of the current discussion on the issue of retirement savings has focused on ensuring that private sector employees have more access to employer-sponsored retirement savings plans.

While larger businesses have the resources to manage pension/retirement savings programs, this is not the case for most small and medium-sized businesses. Those that wish to offer their employees group RRSPs work locally with their financial advisors. These plans provide employers with more flexibility and are easier to administer. There are more than two million Canadians currently saving for retirement through group RRSPs.

Canadian businesses need the flexibility to choose retirement savings solutions that fit their businesses' size and resources. At the same time, Canadians' retirement savings and income needs vary significantly. Therefore, we recommend the federal and provincial/territorial governments consider a balanced, competitive approach to retirement savings that includes more private sector options for businesses and employees. These options should focus on improving both Defined Contribution (DC) pension plans and group RRSPs making these plans less costly and easier for small and medium-sized businesses to offer to their employees.

DC pension plans can be improved and made more attractive to employers by:

- creating a new regulatory framework specifically designed for DC pension plans that eliminates unnecessary Defined Benefit (DB) plan rules and concepts,
- encouraging the creation of multi-employer DC pension plans,
- amending employment laws to allow employers to automatically enroll employees and increase employee contribution, and
- harmonizing DC pension regulations across federal and provincial/territorial jurisdictions.

These changes would lower the costs and administrative burdens for businesses making it more attractive and feasible for employers to offer these plans. The changes would also contribute to lowering costs and increasing contributions for the millions of Canadians currently enrolled in DC pension plans.

Group RRSPs can be improved and made more attractive to employers by:

- creating a new regulatory framework specifically designed for employer-sponsored group RRSPs that allows locking-in of some or all contributions\*,
- exempting contributions to a group RRSP from payroll taxes (EI and CPP), and
- allowing pension-like income splitting for withdrawals from a Group RRSP.

\*Many employers want their contributions to be locked-in so that the money is saved for retirement and not prematurely withdrawn by employees. Improving DC pension plans and employer-sponsored group RRSPs – and making the regulations governing them consistent across all jurisdictions – would be an effective, low cost, practical solution that could immediately benefit thousands of Canada's small and medium-sized businesses and the millions of Canadians who work for them. The London Chamber urges all levels of government to work with Canadian businesses to improve the existing framework for employer-sponsored retirement savings plans as a means of ensuring that Canadians have adequate retirement income.

Sincerely,

Gerry Macartney, CEO  
On behalf of the Board of Directors, London Chamber of Commerce

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## Letters and Lobbies

### PREPARING FOR THE HST — WHAT YOU NEED TO KNOW

The Harmonized Sales Tax (HST) will take effect in Ontario on July 1, 2010 replacing the existing provincial Retail Sales Tax (RST) and combining it with the federal Goods and Services Tax (GST).

The move to HST means you will now only deal with one set of forms, one payment and one point of contact for audits, appeals and taxpayer services. This checklist is a general guide of what you need to know as the July 1, 2010 implementation date approaches.

Here are some of the key dates you should be aware of as you prepare for the Harmonized Sales Tax (HST).

#### May 1, 2010

- Effective for transactions on or after this date, suppliers in Ontario are generally required to charge 13 per cent HST on goods where ownership and possession of the goods are transferred after June 30, 2010 or on the portion of services performed after June 30, 2010.

- The federal government has proposed changes to the place of supply rules for the HST that will generally apply to supplies made on or after this date to coincide

with the transitional rules. For more information on the place of supply rules, see GST/HST Technical Information Bulletin B-103, Harmonized Sales Tax – Place of Supply Rules for Determining Whether a Supply is Made in a Province, available on the Canada Revenue Agency's website at [cra.gc.ca/harmonization](http://cra.gc.ca/harmonization).

#### June 30, 2010

- All RST vendors will receive a final Retail Sales Tax (RST) return that ends on this date. Vendors whose normal reporting period ends after June 30, 2010 will be required to file a final RST return for the shortened period ending on this date. Final returns are due by July 23, 2010.

#### July 1, 2010

- Implementation date of HST in Ontario. Suppliers of taxable goods and services in Ontario are generally required to charge, collect and remit HST.

- RST will continue to apply to taxable insurance premiums and private sales of used vehicles.

October 31, 2010

- All RST liabilities are to be reconciled no later than this date and any RST that is collected or becomes payable (for example, any tax still owing from custom-

ers) after June 2010 is to be reported on a supplemental return to be filed by the business owner on or before the 23rd day of the following month. Additional information about supplemental returns will be provided in the near future.

For More Information

- Call Ontario's Budget hotline at 1 800 337-7222 and Teletypewriter (TTY) 1 800 263-7776 or visit [ontario.ca/taxchange](http://ontario.ca/taxchange) for general information on introduction of the HST in Ontario and wind down of the RST.

- To obtain a written interpretation on a specific situation relating to the RST on insurance that is not addressed in this publication, please send your request in writing to:

Ministry of Revenue  
Tax Advisory Services Branch  
Retail Sales Tax Section  
33 King Street West, 3rd Floor  
Oshawa ON L1H 8H5

- Canada Revenue Agency is your source for the latest information on how the transitional rules apply and how to get ready for the HST. Visit the CRA's "Are You HST Ready" website at [cra.gc.ca/harmonization](http://cra.gc.ca/harmonization) or call 1 800 959-5525



London City Hall

## CityHall File

### TAXES, TAXES, TAXES — FAQs

#### .....HELPFUL HINTS FROM THE CITY'S WEBISTE

##### What tax payment options are available to me?

The City of London's Pre-Authorized Payment Plan offers the convenience of paying your taxes over 10 months through automatic withdrawals from your bank account. Note: the Authorization Agreement has been updated to incorporate changes established by the Canadian Payments Association. The pdf version of this form ([prepay\\_0814V05P6TW.pdf](#)) must be used for all agreements signed after February 28, 2010.

Almost all financial institutions support tax payments through their telephone or Internet banking services. Please contact your financial institution for details. Other payment options are outlined on the back of your tax bill.

##### When are tax payments due?

Your tax bill and attached remittance stubs show the remaining 2009 tax instalments and their due dates. Please check the back of your tax bill for information on penalties and charges that apply to late payments. Property owners using the City's Pre-Authorized Payment Plan receive a statement showing automatic withdrawal dates and amounts.

##### Who can answer my tax bill questions?

We're here to help. You can call us at 519 661-4540 between 8:30 a.m. and 4:30 p.m., Monday to Friday. The telephone lines in the City Tax Office are always very busy for the first few days after the tax bills are mailed, so please try again if you get a busy signal. We apologize for any inconvenience.

##### Who can answer questions about my property assessment?

Please call the Municipal Property Assessment Corporation at 1-866-296-6722 for information or questions concerning the assessed value of your property or the appeal process.

##### What is the deadline to file for tax rebate programs?

The deadline for filing applications for 2009 property tax rebates for commercial and industrial vacancies and charitable organizations that are a tenant in commercial properties is the last day of February 2010. Information on both these programs is available on the City's website or at the City Tax Office.



## Legislative Landscape

### BUY AMERICAN RULES

The US Office of Management and Budget has just released the regulations pertaining to the Buy American deal that was reached in February. It is important that Canadian companies who are selling

into U.S. markets impacted by the Buy American restrictions understand these rules and share them with their customers. Documentation is available which outlines how the regulations are

to be applied and may be useful for Canadian firms who find procurement officers that lack an understanding of the new exceptions for Canadian goods.

Federal government consultation on retirement savings

The federal government has launched online consultations and a series of cross-country roundtable discussions, speaking engagements and town hall meetings to gather input from

Canadians on ensuring the ongoing strength of Canada's retirement income system. The input received from these consultations will be discussed at the next meeting of federal, provincial and territorial ministers of finance in May, where Canada's retirement income system will be a key agenda item.

You may recall that the Canadian Chamber of Commerce wrote to the federal and provincial/territorial finance ministers in advance of their December 2009 meeting proposing private sector options that would make it more

practical and affordable for small and medium-sized businesses to offer employees retirement savings plans. (This topic was also discussed on a Canadian Chamber network call last fall.) In our letter to finance ministers we said that:

- Canadian businesses need the flexibility to choose retirement savings solutions that fit their business models,
- Canadians' retirement savings and income needs vary significantly, and
- Federal and provincial/territorial governments should

consider a balanced, competitive approach to retirement savings that includes more private sector options for businesses and employees. These options should focus on improving both Defined Contribution (DC) pension plans and group RRSPs making these plans less costly and easier for small and medium-sized businesses to offer to their employees.

This is an opportunity for chambers and businesses of all sizes, from all regions of Canada, to make their views known on this issue. The government's consultation will close April 30.