



Task Force on Nonprofit Pensions

Terms of Reference

Overall Mandate	<p>The Task Force will:</p> <ol style="list-style-type: none"> 1. Develop recommendations on a proposed structure and process for establishing a sector-wide pension plan for the Ontario nonprofit sector, whether new or added onto/adapted from an existing plan. 2. Examine the policy implications and implementation of the Ontario Retirement Pension Plan (ORPP) in the nonprofit sector and develop recommendations to the sector and to government on how to ease the transition.
Context	<ul style="list-style-type: none"> • The retirement income security of Ontario nonprofit sector workers is an important priority for the Government of Ontario and the nonprofit sector. The community nonprofit sector employs approximately one million people. Approximately half the workers in the sector are on short-term, casual and/or part-time contracts. The sector includes many small organizations that generally do not offer workplace pension plans. • Barring enhancements to the Canadian Pension Plan, the Ontario Government will introduce an Ontario Retirement Pension Plan (ORPP) across most Ontario workplaces in 2017 to 2020, starting with large employers. Aside from organizations that have a “comparable” plan, employers and employees will each pay mandatory premiums of up to 1.9 percent of earnings. • The ORPP will be important but may not be sufficient for all nonprofit workers. For this reason, nonprofit organizations are interested in exploring options for a sector-wide pension plan that would go further towards providing adequate retirement income. <ul style="list-style-type: none"> ○ The ORPP aims to replace 15 percent of a worker’s pre-retirement income after they have contributed for forty years. Even with other public pension programs, a significant income gap for modest-income workers could remain, especially if their participation in the labour force has been part-time, seasonal, or intermittent. There will also be a generation of workers retiring before the ORPP matures and starts paying out full benefits. • There is a need to develop better labour market information (LMI) on the Ontario nonprofit sector to help provide an indication of the existing pension landscape, including the likely impact of the ORPP on the sector. • There is also a need for pension-related financial literacy training across the sector. • Nonprofit sector pension reform will be influenced by the broader context of the need to reform the funding relationship between the Government and the sector.
Purpose	<p>The Task Force would offer advice in its two main areas of responsibility:</p> <ol style="list-style-type: none"> 1. A recommended option for a sector-wide pension plan, based on factors such as the costs and benefits for nonprofit employers and employees, potential governance features, ease of administration for nonprofits, phase-in provisions, and adaptability to suit the diverse needs of the sector. Options include existing pension plans available to Ontario nonprofits (Multi-Sector Pension Plan, OMERS, HOOPP, etc.) as well as several

	<p>models from other jurisdictions (notably Quebec’s <i>Regime de retraite des groupes communautaires et de femmes</i>) upon which a new plan may be modelled.</p> <p>2. Implementation issues as the ORPP is rolled out in the sector, including:</p> <ul style="list-style-type: none"> ● identifying and addressing gaps in labour market information (especially data on compensation and workplace pension plans) for the sector, ● meeting the need for financial literacy on pensions in and through the sector, including boards of directors, staff, and clients, ● building increased staffing costs into discussions with funders, and ● transition issues facing nonprofits with existing retirement benefit plans that do not qualify them for ORPP exemption (e.g., Group RRSPs, defined-contribution pension plans below the government’s stated threshold).
Responsibilities	<ul style="list-style-type: none"> ● Identify and discuss policy issues, challenges, opportunities, and solutions. ● Provide non-binding advice to the ONN. ● Communicate with external bodies (existing pension plans, government ministries, etc.) as needed for advice and liaison, with support from ONN staff. ● Commit to an “open book process” that uses collaboration, transparency, and meaningful dialogue at all stages of the process. ● Serve as a conduit for nonprofit sector input and feedback into the work of the ORPP Implementation Secretariat within the Ministry of Finance.
Membership and Term Length	<ul style="list-style-type: none"> ● Five to eight members with representation from the Ontario nonprofit sector and independent pension experts (with no conflicts of interest). ● Term is ten months; no delegates permitted on behalf of a Task Force member. ● Representation is based on individual knowledge and skills. ● Guests with specific expertise may be invited to meetings as appropriate.
Chair	<p>Two co-chairs have been selected by the group. Supported by ONN staff, they will:</p> <ul style="list-style-type: none"> ● set agendas in consultation with staff and Task Force members; ● facilitate meetings; ● liaise with staff and Task Force members as needed between meetings; ● ensure documentation of Task Force meetings and decisions; ● ensure appropriate follow-up to actions identified by the Task Force; and ● submit progress reports to the nonprofit sector via ONN staff.
Meetings & Work Teams	<ul style="list-style-type: none"> ● Four in-person meetings from September 2015 to June 2016 held in Toronto; potential teleconferences if necessary. ● Communication via email to address logistics and emerging issues between meetings. ● Work teams may be established on a time-limited basis; they will report to the Task Force, thereby enabling a nimble and flexible structure to deal with emerging issues.
Quorum	<ul style="list-style-type: none"> ● 50% + 1 of Task Force membership.
Resources	<ul style="list-style-type: none"> ● Travel costs paid by ONN for nonprofit members outside the Greater Toronto Area. ● Policy, research, and administrative support provided by ONN staff.
Reporting	<ul style="list-style-type: none"> ● Chair(s) to report to the ONN Board of Directors. ● Recommendations are made by consensus; where consensus is not possible, the diversity of perspectives will be recorded. ● ONN to communicate issues and results to Ontario’s nonprofit sector and government.
Date Approved	<ul style="list-style-type: none"> ● November 25, 2015
Last Reviewed	<ul style="list-style-type: none"> ● November 25, 2015