

FINANCE MINISTERS' MEETING  
RÉUNION DES MINISTRES DES FINANCES



June 20, 2016  
Vancouver

Canada's Ministers of Finance agree in principle to a Canada Pension Plan (CPP) enhancement with the following design features:

- The income replacement level will be increased to one third of income.
- The upper earnings limit will be targeted at \$82,700 upon full implementation in 2025.
- There will be a gradual 7-year phase-in beginning on January 1, 2019 consisting of:
  - A 5-year contribution rate phase-in below the Yearly Maximum Pensionable Earnings (YMPE), followed by
  - A 2-year phase-in of the upper earnings limit.
- An increase to the Working Income Tax Benefit (WITB) to help low-income earners.
- Tax deductibility for the enhanced portion of employee CPP contributions.

Signed by Plan Stewards:

Cathy Bennett  
Newfoundland and Labrador

Allen Roach  
Prince Edward Island

Randy Delorey  
Nova Scotia

Cathy Rogers  
New Brunswick

Charles Sousa  
Ontario

Kevin Doherty  
Saskatchewan

Joe Ceci  
Alberta

Michael de Jong  
British Columbia

Bill Morneau  
Canada

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The government of Quebec did express its support for a modest, targeted and gradual enhancement of the Canada Pension Plan.

In regards to this, Quebec presented an enhancement proposal for the CPP that protects the buying power of low income households, contributes the revenue growth of retired workers who are facing insufficient savings, while favouring voluntary savings, especially with the Voluntary Retirement Savings Plans.

Looking forward, the government of Quebec intends to submit its proposal to its citizens during its consultations on the Quebec Pension Plan.

A handwritten signature in blue ink, appearing to read 'Carlos Leitão', written over a horizontal line.

Carlos Leitão

Québec