OMERS
retired member news

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OMERS Pensions to Increase 0.90% for 2014

OMERS pensions will receive an increase of 0.90% starting in January 2014. This increase reflects 100% of the change in the cost of living as measured by the Canadian Consumer Price Index (CPI). Your *Annual Statement of Pension* shows your updated pension amount for 2014.

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OMERS
Plan for the Future

An OMERS pension is a guaranteed source of inflation-protected retirement income. *Retired Member News* keeps over 118,000 retired OMERS members and survivors up to date on Plan news and benefits.

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OMERS uses a similar method to that used by the Canada Pension Plan (CPP) to calculate its annual increase for pensions. CPP rounds the monthly averages to one decimal place and then calculates the increase. OMERS rounds only the final increase to two decimal places.

Here's how this year's increase was calculated:

$$\frac{\text{CPI monthly average (for the period of Nov 2012 to Oct 2013)}}{\text{CPI monthly average (for the period of Nov 2011 to Oct 2012)}} - 1 \times 100 = \%\ \text{pension increase}$$

$$\frac{122.60}{121.51} - 1 \times 100 = 0.90\%$$ (rounded to two decimal places)

The CPI was established by the federal government to measure changes in the cost of living. It is based on the changes in the price of a fixed "basket" of goods and services that an average Canadian household would buy in a given month. Each January, OMERS pensions increase by the average increase in the CPI, to a maximum of 6%.

Did your OMERS pension start in 2013? If your pension started between January and November 2013, your 2014 increase is prorated. For example, if your pension started in February, you would receive an increase of 0.75% (which is 10/12 of 0.90%). If your pension started in December: you will not get an increase in 2014, but you will get a full increase in January 2015.

2013 Tax Slips

By the end of February, OMERS will mail your 2013 pension tax slip to your home address. You should receive it by early March. If you're a registered myOMERS user, you can view and print your tax slip directly from your online account.

Independent Chair Appointed to Board of OMERS Administration Corporation

Mr. George L. Cooke has been appointed as the Chair of the Board of Directors of OMERS Administration Corporation, effective October 1, 2013. Most recently, Mr. Cooke served as President and CEO of the Dominion of Canada General Insurance Company.

Mr. Cooke will serve as the first-ever Independent Board Chair of the OMERS Administration Corporation – a new position created by OMERS following the recent report on OMERS governance model, as planned under the *OMERS Review Act, 2006*. In keeping with the independent nature of the new position, Mr. Cooke has no affiliation with any of the sponsors of the OMERS Pension Plan.

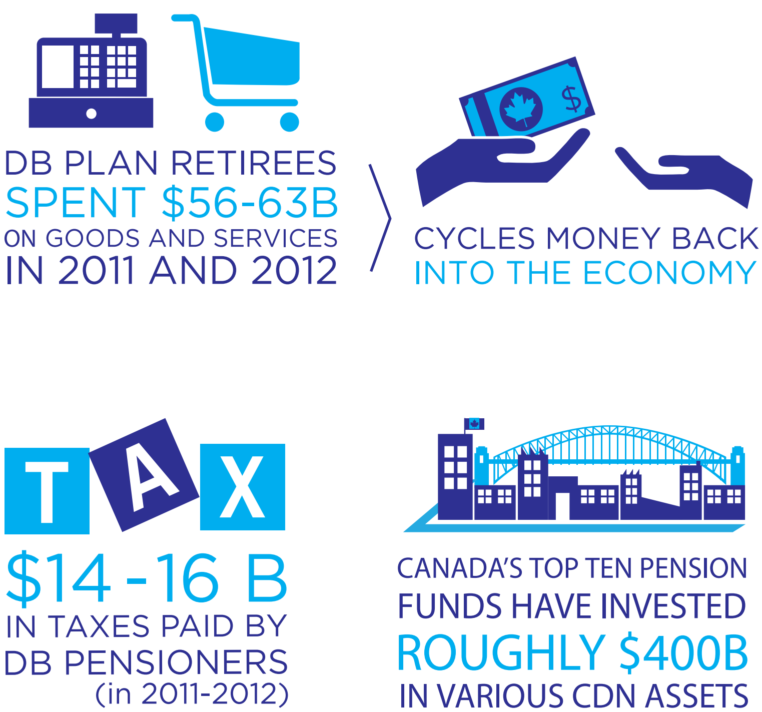
"Creating and filling this new position is an important step in the evolution of OMERS governance to ensure a model that best serves the OMERS Pension Plan and its members," said Rick Miller, the outgoing Chair. Mr. Miller will remain on the Board until the end of December 2013 to support a smooth transition.

Watch for an in-depth interview with Mr. Cooke in an upcoming issue of *Retired Member News*.

Pension Plans Help to Fuel the Canadian Economy

When you think of your pension, you probably think of the retirement income that it provides. And you'd be right to do so. Did you also know that two landmark studies conducted by the Boston Consulting Group (BCG) show pension organizations like OMERS help to strengthen the Canadian economy?

The first study released in June found that Canada's ten largest public pension funds, dubbed "the Top Ten," provide Canadians with one of the strongest retirement income systems in the world and also contribute significantly to national prosperity.



The second study released in October revealed that retirees with a defined benefit (DB) pension like OMERS are less likely to rely on government assistance and collect the Guaranteed Income Supplement (GIS). They also contribute significantly to the economy through spending and taxes:

- In the years analyzed (2011 and 2012), DB beneficiaries spent $56-63 billion annually on goods and services;
- DB pension beneficiaries paid taxes estimated at $14-16 billion annually;
- DB pension benefits had the greatest impact on small towns, with DB pensions forming on average 9% of the total earnings in those communities versus 6% for large metropolitan areas;
- The impact of DB pensions was especially strong in Ontario, translating into $27 billion in expenditures on consumables and durables, shelter, recreation, and services; and generating $6 billion in taxes.

Pension Pay Dates for 2014

OMERS pension payments are deposited on the first banking day of the month as follows:

Thursday, January 2	Monday, February 3	Monday, March 3	Tuesday, April 1
Thursday, May 1	Monday, June 2	Wednesday, July 2	Friday, August 1
Tuesday, September 2	Wednesday, October 1	Monday, November 3	Monday, December 1

BuildDirect Extends Discount Offer to OMERS Members

OMERS Ventures invests in and partners with the best – businesses with the potential of growing into world leaders in their field. Companies like BuildDirect, an online manufacturer-wholesaler of flooring and building materials.

Since 1999, builddirect.com has grown into a leading online supplier of building materials, including flooring, tiles and decking. OMERS Ventures invested in BuildDirect in June 2012.

Long recognized as a source for building products direct to contractors and homeowners across the U.S.A., BuildDirect's products are now available in Canada. BuildDirect is offering, exclusively to OMERS members, **5% off their lowest price**.

Go to builddirect.com, and when you call in or email, simply identify yourself as an OMERS member.

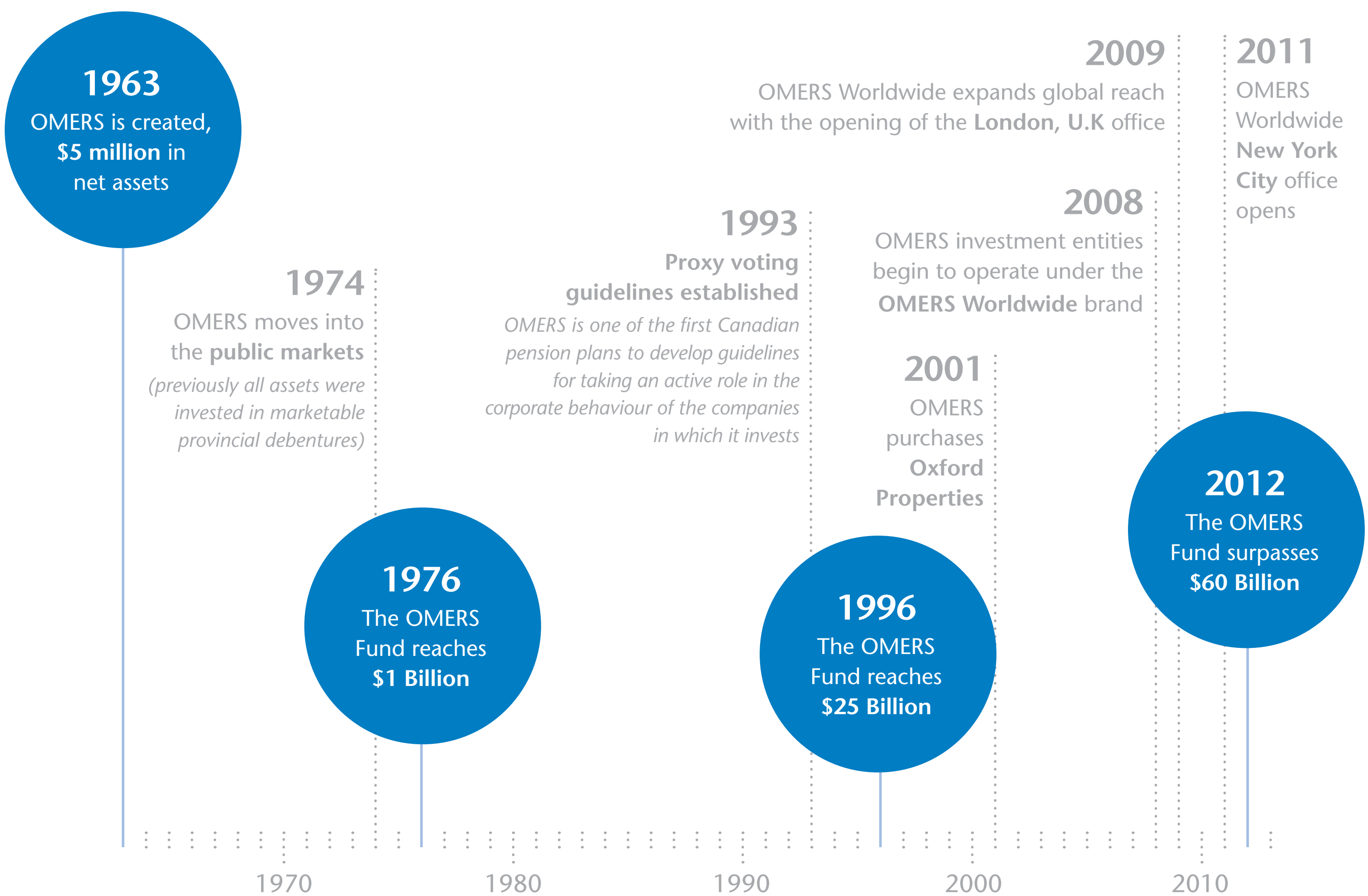
About OMERS Ventures

OMERS Ventures is the venture capital investment arm of OMERS. It invests in companies with the potential for leadership in the technology, media, telecommunications, clean tech and life sciences sectors.

OMERS Ventures looks for visionary entrepreneurs to partner with to further the goal of creating a strong knowledge economy and advancing venture capital in Canada.

OMERS celebrates 50 years of serving its members

Key milestones along OMERS path to becoming the global, diversified investor it is today.



Sign Up for myOMERS

myomers.com

You will need your reference number (listed on your *Annual Statement of Pension*), and the last three digits of your social insurance number.

Advantages of myOMERS

View
your pension information

Switch
to e-delivery of your *Annual Statement of Pension*

Print
your tax slip

Manage
your AVC account

Update
your contact information

Learn About OMERS AVCs and Your Pension

Take the time to learn how your pension works. Find out if AVCs can help you reach your unique retirement goals.

Attend an OMERS Information Session (Sessions run from 2:00 p.m. to 3:30 p.m.)

Ajax	Jan. 21	Peterborough	Mar. 12
Brampton	Jan. 28	Kitchener	Mar. 12
Scarborough	Feb. 04	Brantford	Mar. 19
Burlington	Feb. 18	Oshawa	Mar. 25
Newmarket	Feb. 18	Mississauga	Mar. 26
Hamilton	Mar. 04	Niagara	Apr. 09
Orangeville	Mar. 06	Brockville	Apr. 30
Etobicoke	Mar. 11	Toronto (OMERS)	May 14

In June 2014, we will be holding meetings in Sudbury, Chatham, Dryden and Fort Frances.

You can register and view the complete schedule at **omers.com/infosessions**, or contact OMERS Client Services at 416-369-2444 or 1-800-387-0813. Register early, as the sessions fill up quickly.

Everyone's vision of life in retirement is different. The peace of mind of lifetime income and survivor benefits that your OMERS pension delivers may be all you need. If you are looking for more, Additional Voluntary Contributions (AVCs) could be for you.

Similar to RRSPs in some ways, AVCs are administered as part of the OMERS Primary Pension Plan but separate from your OMERS defined benefit pension. Funds in an AVC account are invested in the OMERS Fund.

AVCs Earn the OMERS Fund Net Rate of Return

for the period ended December 31,	2012	3-year*	5-year*	10-year*
Net Rate of Return	9.5%	7.7%	3.0%	7.7%

*The OMERS Fund annual average net rate of return (after investment management expenses)

All members, up to the end of the year in which they turn 70, can transfer money from other registered retirement savings vehicles such as RRSPs to an AVC account.

AVCs have minimal management fees and expenses. In 2012, OMERS investment management expenses were only 0.53%.

Everyone has their own unique retirement goals. AVCs could help you reach yours.

To open an account visit **myOMERS.com**.

Learn more about AVCs. Visit **omers.com/avcs**.

In the Ontario government's fall economic statement, it announced plans to develop regulations to permit pension plans that provide defined contribution benefits to pay retirement income directly to retirees. Such regulations could allow OMERS to enhance the AVC program to give participants the option to receive an income stream from their AVC account. Currently, participants must withdraw the full balance of their AVC account before Oct. 31st of the year they turn age 71. OMERS will monitor the government's progress over the coming months.

For U.S. residents only: Neither the OMERS Primary Pension Plan nor the Additional Voluntary Contribution provision thereof (the AVC Option) is registered with the U.S. Securities and Exchange Commission. They are or may be offered and sold in the U.S. pursuant to an exemption from such registration.

Note: The AVC option is not available to members who are not resident in Canada or the United States.

OMERS
Plan for the Future

If there is any discrepancy between the information in this newsletter and the *Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006)* and the Plan text, the *OMERS Act, 2006* and Plan text will govern.

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