OMERS
Plan for the Future

The OMERS Plan at a glance

OMERS was established in 1962 as the pension plan for employees of local governments in Ontario. OMERS...

- serves about 364,000 current and former employees of almost 900 municipal governments, school boards, libraries, police and fire departments, children's aid societies and other local agencies throughout Ontario;
- provides guaranteed retirement income for life, including inflation protection and excellent survivor and disability benefits;
- has a defined benefit pension formula based on a member's years of service and salary;
- is funded by equal contributions from participating employers and members and by investment earnings of the OMERS Fund;
- has grown into one of the largest pension plans in Canada, managing about $41.6 billion in net investment assets; and
- is jointly managed by a 13-member Board appointed by the Ontario government (until the new OMERS Act is proclaimed). Six Board members represent employers, six (including one retired member) represent plan members, and one represents the Ontario government.

OMERS will begin making a transition to a new governance structure during 2006. The new OMERS Act received royal assent in the Ontario legislature on Feb. 23, 2006, and will become law after proclamation, likely to occur in the summer of 2006.

Under the new OMERS Act, a Sponsors Corporation replaces the Ontario government as plan sponsor, and will have final say on issues such as plan design and contribution rate changes. The Sponsors

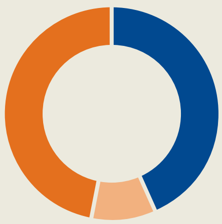
Continued on next page

This information page is designed as a handy overview of OMERS – facts and figures to familiarize you with one of Canada's largest pension plans.

2006

Plan participation *(AS AT DECEMBER 31, 2005)*

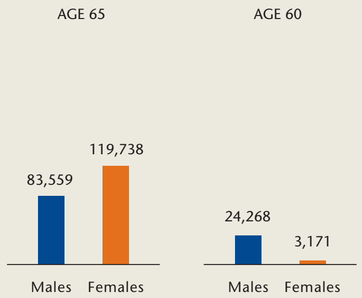
EMPLOYERS BY TYPE



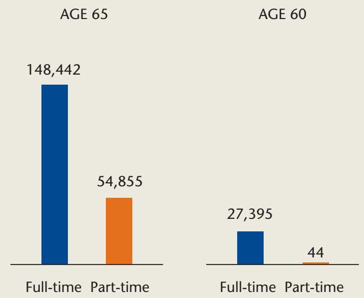
MUNICIPALITIES	387
SCHOOL BOARDS	88
OTHER LOCAL BOARDS	417

OMERS has 892 employers across Ontario – 50 of them have more than 1,000 employees.

ACTIVE MEMBERS BY NORMAL RETIREMENT AGE AND GENDER



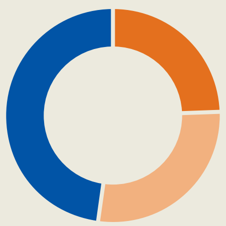
ACTIVE MEMBERS BY NORMAL RETIREMENT AGE AND WORK STATUS



ACTIVE MEMBERS BY AGE AND GENDER

Age group	Males	Females	Total
19 and younger	73	21	94
20 – 24	1,976	2,027	4,003
25 – 29	7,041	8,877	15,918
30 – 34	10,775	12,121	22,896
35 – 39	14,126	15,385	29,511
40 – 44	19,702	22,167	41,869
45 – 49	19,840	22,997	42,837
50 – 54	17,637	19,952	37,589
55 – 59	11,748	13,787	25,535
60 – 64	4,731	5,390	10,121
65 and above	178	185	363
Total members	**107,827**	**122,909**	**230,736**

ACTIVE MEMBERS BY EMPLOYER TYPE



MUNICIPALITIES	110,727
SCHOOL BOARDS	63,839
OTHER LOCAL BOARDS	56,170

RETIRED MEMBER AND SURVIVOR PENSIONS BY TYPE

Number of pensions	
Normal retirement	22,900
Early retirement	55,077
Disability pension	2,596
Spouses and children	18,432
Total pensions	99,005

RETIRED MEMBERS* BY AGE

Age group	% of total
50 and under	0%
51 – 60	20%
61 – 70	39%
71 – 80	29%
81 – 90	11%
91 and older	1%

OMERS pays pensions anywhere in the world (and by direct deposit in Canada and the U.S.).

**Not including spouses and children*

Continued from cover "The OMERS Plan at a glance"

Corporation Board will have an equal number of member and employer representatives. The current OMERS Board's responsibilities – plan administration and investments – will continue under the Administration Corporation.

OMERS pensions have guaranteed inflation protection to 100% of the increase in the Consumer Price Index (CPI) — up to a maximum increase in any year of 6%. (Any excess is carried over.)

Contribution rates in 2006

Matching member / employer contribution rates for normal retirement age:	65	60
Contributory earnings up to $42,100*	6.5%	7.9%
Contributory earnings above $42,100*	9.6%	10.7%

** $42,100 is the 2006 CPP earnings ceiling.*

- The normal retirement age of most OMERS members is 65; most police officers and firefighters have a normal retirement age of 60.
- The above rates came into effect with the first full pay period in 2006.

Contributions received in 2005

	millions
Basic plan contributions	$1,498
Transfers and other contributions	36
Total	**$1,534**

OMERS benefit formula

OMERS lifetime pension + bridge benefit to age 65				
2%	**x**	**credited service** number of years (maximum 35 years)	**x**	**"best five" earnings** average annual contributory earnings during the highest 60 consecutive months
Less OMERS bridge benefit at age 65				
0.675%	**x**	**credited service** number of years (maximum 35 years)	**x**	**lesser of** "best-five" earnings **or** $40,540*
Equals OMERS lifetime pension from age 65				

** $40,540 is the current five-year average of the CPP earnings ceiling.*

1963
- OMERS enrols its first members January 1.
- Initially, the pension formula is 2% x credited service x **career-average** earnings.

1966
- The CPP starts, and OMERS "integrates" (blends) its contributions and benefits with the new federal plan.

1968
- Municipal Affairs transfers its responsibility for the plan to the first OMERS Board (11-members).

1975
- OMERS starts investing in marketable securities.

1978
- Pension formula changes to 2% x credited service x average of **"best five"** years of earnings (integrated with CPP).

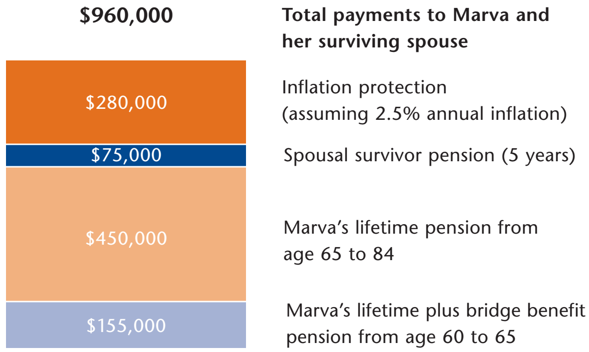
1983
- OMERS introduces its first unreduc
early retirement provision: 90 Fact
(age plus service).

1987
- OMERS i
the 90 F

OMERS provides a powerful financial benefit

Marva retired at age 60 with 32 years of service. Her "best-five" salary used to calculate her pension was $48,000.

At retirement, the value of Marva's contributions plus interest is about $99,000.



New pensions by normal retirement age*

	Normal retirement age 65	Normal retirement age 60	Overall average
Average annual pension	$15,109	$44,919	$18,987
Number of retirees	3,357	502	3,859

** Early and normal retirement pensions that started in 2005.*

Key member services in 2005*

	Retirement claims	Termination claims	Disability claims	Pension estimates
Total	3,900	8,564	2,311	8,917

** Requests received in 2005.*

Benefits paid in 2005

	millions
Pensions	$1,410
Refunds and transfers	193
Total	**$1,603**

ntroduces 85 Factor (a version of
actor) for police and fire members.

ted
or

1988
- Spousal survivor pensions increase from 50% to 60% of member's pension.

1991
- OMERS 30-year provision (service) joins the 90/85 Factor unreduced early retirement provisions.
- Members can now "buy back" any previous eligible public service – to increase their pension.

1992
- Inflation protection of OMERS pensions becomes guaranteed: 70% of CPI (up to a maximum increase of 6% per year).
- OMERS Board expands to 13 members.

1994
- Provincial government's Social Contract leads OMERS to introduce temporary benefit improvements and enhanced early retirement provisions.

1997
- Plan funding surplus enables OMERS to offer early retirement window with enhanced early retirement factors and a reduced early retirement penalty.

1998
- Federal law requires OMERS to begi contribution holiday.
- Survivor pensions (now available to s spouses) increase.

1999
- OMERS offers f improv
- Inflatio CPI (6

Plan benefits

Minimum age requirement	Early retirement criteria	Early retirement reduction
Members can retire early when they are within 10 years of their normal retirement age: • **Age 55** for normal retirement age 65 • **Age 50** for normal retirement age 60.	Members who meet the minimum age requirement can retire with an unreduced pension if they have 30 years of service or: • a **90 Factor** (age plus service) for normal retirement age 65 • an **85 Factor** (age plus service) for normal retirement age 60.	Or, their pension **will be reduced by 5%** for each year they're short of the least of: • normal retirement age; • early retirement factor; or • 30 years of service. This three-point test maximizes the member's pension and is a valuable feature of the plan.

Other plan benefits…

- **For members who retire before age 65** – the plan pays a bridge benefit until age 65.
- **For members who become disabled** – the plan provides a waiver that enables members to continue to earn credited service, free of charge, for as long as they're disabled (until they reach normal retirement age), or a pension if they are permanently disabled.
- **For survivors** – a member's eligible spouse is entitled to a survivor's pension equal to 66 ⅔% of the member's lifetime pension, plus an additional 10% for each eligible dependent child – up to 100% of the member's pension.
- **For members who leave their employer** – members can leave their pension benefits in OMERS or transfer them out of the plan.

Actuarial Valuation *(AS AT DECEMBER 31, 2005)*

millions

Basic plan	
Actuarial assets	$ 38,339
Actuarial liabilities	$ (41,123)
Basic plan funding deficit	**$ (2,784)**
Full earnings plan funding deficit	**$ (138)**

n a full

ame-sex

extends contribution holiday and
urther temporary early retirement
ements.
n protection increases to 100% of
% limit).

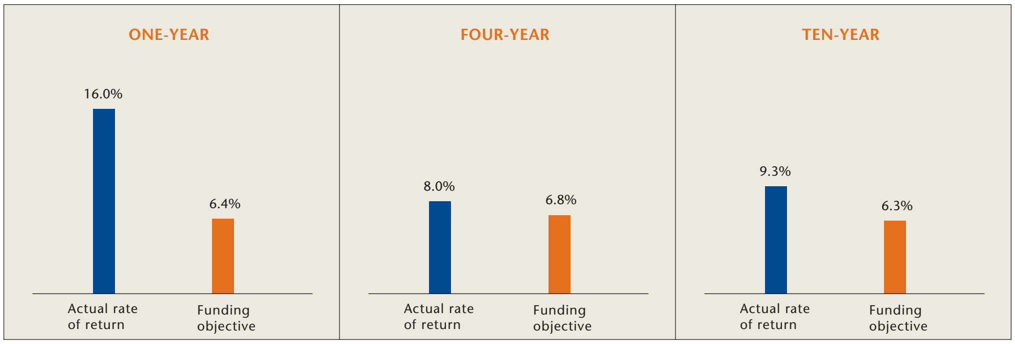
2000
- OMERS increases the lifetime pension of members by adjusting the bridge benefit.
- With the continuing funding surplus, OMERS further extends its contribution holiday.

2001
- The early retirement window is also extended, with a planned, gradual return to normal provisions.

2003
- Members and employers resume making contributions at about one-third full rates.

2006
- A new era for OMERS begins with Bill 206 (new OMERS Act) receiving royal assent. This legislation will give OMERS independence from the province.

Rate of return vs. funding objective



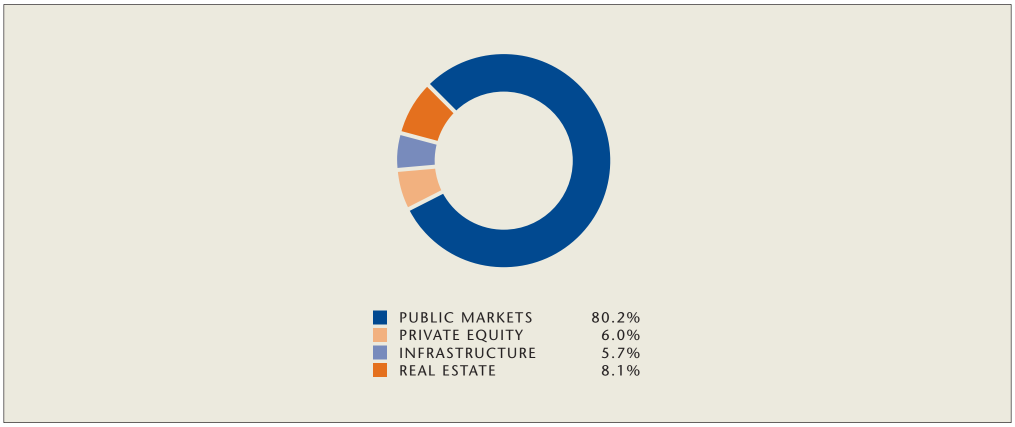
Net assets *(AS AT DECEMBER 31, 2005)*

	millions
Public market*	$39,338
Private equity	2,389
Infrastructure	3,679
Real estate	6,180
Total	**$51,586**
Other investment assets	807
Investment liabilities*	(10,772)
Net investment assets	**$41,621**
Non-investment assets/(liabilities)	
Administered pension plans	(639)
Other assets/(liabilities)	83
Net assets	**$41,065**

** Public market investments include short-term investments from cash collateral received from securities lending activities; investment liabilities include the obligation to return the collateral upon termination of the securities lending arrangement. There is no impact on net assets.*

For more OMERS financial information, please see the OMERS *Annual Report 2005* or *Report to Members* at **www.omers.com**.

Asset mix* *(AS AT DECEMBER 31, 2005)*



** Net investment assets.*

Senior management team

Paul G. Haggis
President and CEO

Jennifer Brown
Senior Vice President, Pensions

Selma M. Lussenburg
Senior Vice President, General Counsel and Corporate Secretary

Paul Pugh
Senior Vice President, Public Investments

Paul G. Renaud
Senior Vice President and CFO

Debbie Oakley
Senior Vice President, Corporate Affairs

Flo Paladino
Vice President, Human Resources

Michael Latimer
President and CEO, Oxford Properties Group

Michael Nobrega
President and CEO, Borealis Infrastructure

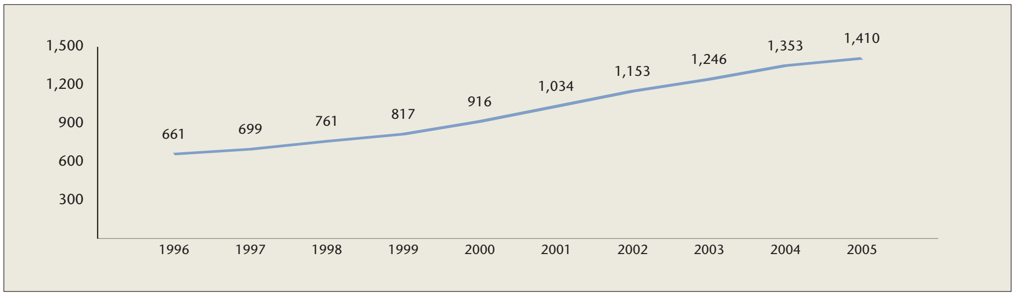
OMERS member and employer services continue to be strong

OMERS service and membership statistics for 2005 continued to be strong, and in some areas continued to grow. In 2005:

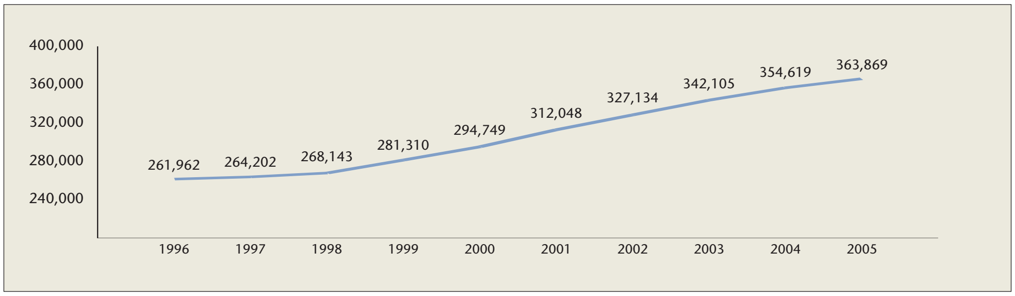
- Total OMERS membership grew by 2.6% to 363,869.
- Pension payroll and other benefit payments totaled $1.6 billion, an increase from $1.5 billion in 2004.
- OMERS received 3,900 retirement claims, more than 8,900 pension estimates for members planning to retire, and more than 8,500 termination claims for members leaving their OMERS employers; the majority of benefit applications and pension estimates are turned around within a three-day target.
- OMERS Presentations and Training team kept up a solid pace in 2005, with 1,085 information sessions and employer support visits across the province.
- OMERS Client Services responded to more than 94,000 phone calls; more than 90% of inquiries were resolved in the first phone call.
- Client Services handled more than 10,000 e-mails, letters and faxes.
- OMERS website had more than 483,000 visits.

Service statistics from 2005 confirm that OMERS continues to have one of the best service records among public-sector plans. The results show a satisfaction rate of between 83 and 92 per cent and indicate a continuing recognition of OMERS high standards.

Growth in pension payroll *($ millions)*



Growth in membership*



** Includes active and retired members, members who are no longer working for an OMERS employer but are entitled to a future benefit, and survivors receiving a pension.*

Phone
416-369-2444
1-800-387-0813

Fax
416-369-9704
1-877-369-9704

Mail
One University Ave.
Suite 700
Toronto ON M5J 2P1

E-mail
client@omers.com
(en français ou anglais)

Web
www.omers.com