OMERS
Plan for the Future

FACTS 2007

The OMERS Plan at a glance

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

- serves 372,000 members, retirees and survivors, and 906 employers including municipalities, school boards, libraries, police and fire departments, children's aid societies and other local agencies throughout Ontario;
- provides retirement income for life, with inflation protection and excellent survivor and disability benefits;
- is a defined benefit pension plan using a formula based on a member's earnings and years of service;
- is funded by equal contributions from employers and members and by investment earnings of the OMERS Fund; and
- has grown into one of the largest pension plans in Canada, with more than $48 billion in net investment assets.

On June 30, 2006, the new *OMERS Act* (the *Ontario Municipal Employees Retirement System Act, 2006*) came into effect. The new *Act*:

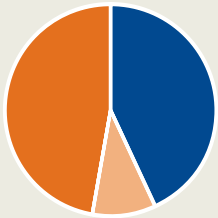
- continues the Ontario Municipal Employees Retirement Board as the OMERS Administration Corporation, responsible for pension services and administration, investments, and plan valuation;
- requires OMERS Administration Corporation to establish a Supplemental Pension Plan for members of the police sector, firefighters and paramedics within two years. This separately funded, stand-alone Plan will offer optional benefits not available in OMERS Primary Plan;
- creates a Sponsors Corporation to replace the Ontario government as plan sponsor, responsible for plan design, benefits and setting contribution rates (a two-thirds majority is required for approval).

This brochure is designed as an overview of facts and figures about OMERS — one of Canada's largest pension plans.

For more OMERS financial information, please see OMERS Annual Report 2006 or Report to Members at **www.omers.com**.

Plan participation *(AS AT DECEMBER 31, 2006)*

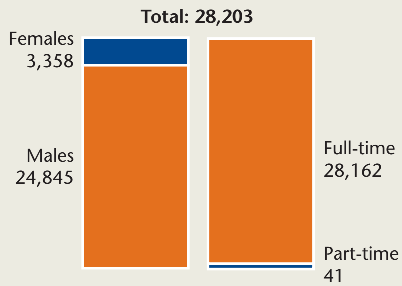
EMPLOYERS BY TYPE



MUNICIPALITIES	391
SCHOOL BOARDS	88
OTHER LOCAL BOARDS	427

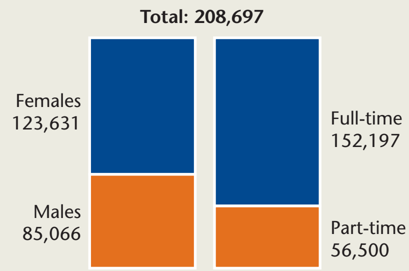
OMERS has 906 employers across Ontario – 51 of them have more than 1,000 employees.

ACTIVE MEMBERS BY NORMAL RETIREMENT AGE 60



Average age of a member in this group
Active member: 41.0 Retired member: 64.1

ACTIVE MEMBERS BY NORMAL RETIREMENT AGE 65



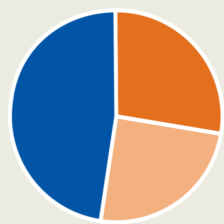
Average age of a member in this group
Active member: 45.6 Retired member: 70.4

ACTIVE MEMBERS BY AGE AND GENDER

Age group	Males	Females	Total
19 and below	32	21	53
20 – 24	2,003	1,879	3,882
25 – 29	7,364	8,819	16,183
30 – 34	10,783	12,382	23,165
35 – 39	13,966	15,200	29,166
40 – 44	19,192	21,895	41,087
45 – 49	20,317	23,864	44,181
50 – 54	18,321	21,321	39,642
55 – 59	12,280	14,814	27,094
60 – 64	5,434	6,543	11,977
65 and above	219	251	470
Total members	**109,911**	**126,989**	**236,900**

The largest concentrations of members are in the 40 to 49 age range.

ACTIVE MEMBERS BY EMPLOYER TYPE



MUNICIPALITIES	113,018
SCHOOL BOARDS	65,410
OTHER LOCAL BOARDS	58,472

PENSIONS BY TYPE

Normal retirement	23,101
Early retirement	56,614
Disability pension	2,560
Spouses and children	18,845
Total pensions	**101,120**

RETIRED MEMBERS* BY AGE

Age group	% of total
60 and under	19%
61 – 70	40%
71 – 80	29%
81 – 90	11%
91 and older	1%

**Not including spouses and children; including disability pensions*

Contribution rates

Matching member/employer contribution rates for normal retirement age:	65	60
Contributory earnings up to $43,700*	**6.5%**	**7.9%**
Contributory earnings above $43,700*	**9.6%**	**10.7%**

** $43,700 is the 2007 CPP earnings ceiling.*

- These contribution rates came into effect in the first full pay period in 2006.
- The normal retirement age of most OMERS members is 65.
- Most members of the police sector and firefighters have a normal retirement age of 60.

OMERS pensions have 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.)

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 unreduce early retirement provision: 90 Facto (age plus service).

1987
- OMERS i the 90 F

Contributions received in 2006

	millions
Employer and member contributions	$1,739
Transfers and other contributions	53
Total	**$1,792**

Benefits paid in 2006

	millions
Pensions	$1,492
Refunds and transfers	252
Total	**$1,744**

OMERS benefit formula

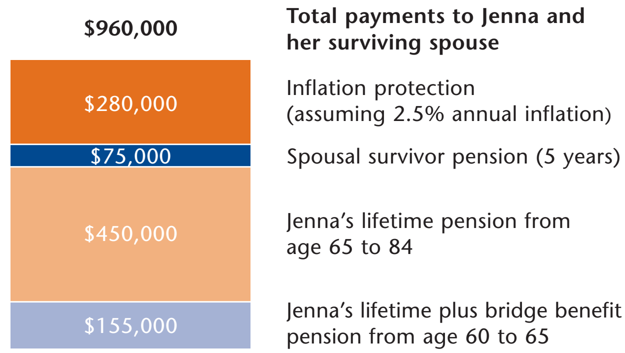
OMERS lifetime pension + bridge benefit to age 65				
2%	**x**	**credited service** number of years (maximum 35 years)	**x**	**"best five" earnings** average annual contributory earnings during the highest 60 consecutive months
Less OMERS bridge benefit at age 65				
0.675%	**x**	**credited service** number of years (maximum 35 years)	**x**	**lesser of** "best-five" earnings **or** $41,460**
Equals OMERS lifetime pension from age 65				

*** $41,460 is the current five-year average of the CPP earnings ceiling.*

OMERS provides a powerful financial benefit

Jenna 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 Jenna's contributions plus interest is about $99,000.



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

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or

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

1991
- 30 years of service added to 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 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 fu improve
- Inflation CPI (6%

New pensions in 2006 (normal and early retirement pensions)

	Normal retirement age 65	Normal retirement age 60		
Number of retirees	3,223	540	Total:	3,763
Average annual pension	$16,438	$47,335	Overall average:	$20,872
Average age at which a member begins an early retirement pension: 58				

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%** per year multiplied by the least of: • normal retirement age minus actual age • early retirement factor minus current Factor or • 30 years of service minus actual 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 $^{2}/_{3}$% 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, 2006)*

	millions
Primary Plan	
Actuarial assets	$ 41,785
Actuarial liabilities	$ (44,167)
Primary Plan funding deficit	**$ (2,382)**
Full Earnings Plan funding deficit	**$ (143)**

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extends contribution holiday and
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ments.
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.

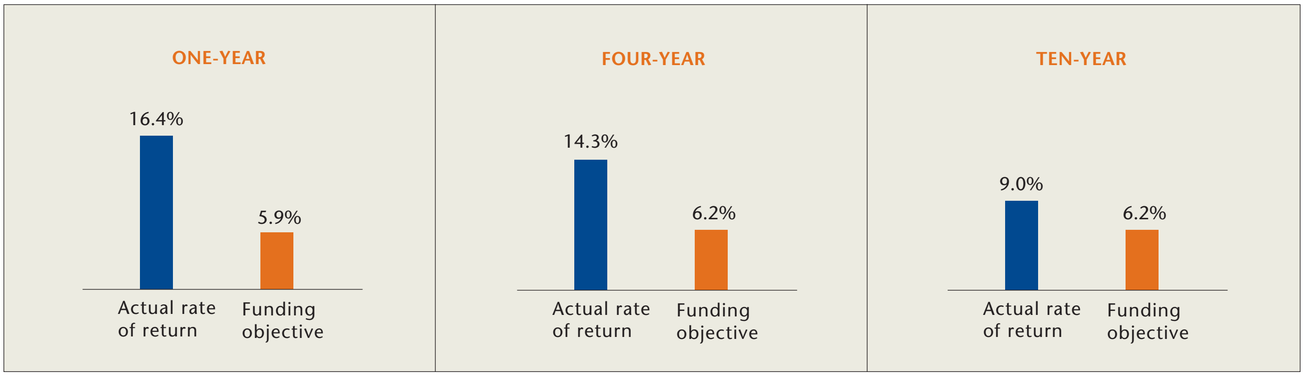
2001
- The early retirement window is also extended, with a planned, gradual return to normal provisions.

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

2004
- Full contribution rates return. Early retirement: window closes, age requirements and penalty return to normal, enhanced Factors end.

2006
- A new era for OMERS begins with the passage of the *OMERS Act, 2006*. Under the new legislation a Sponsors Corporation replaces the province of Ontario as plan sponsor.

Rate of return vs. funding objective

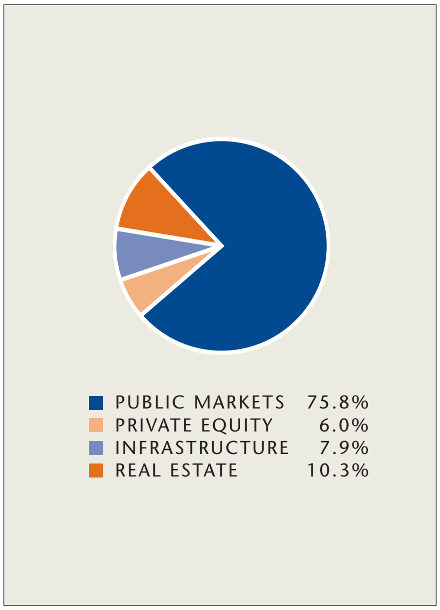


Net assets *(AS AT DECEMBER 31, 2006)*

	millions
Public market*	$43,573
Private equity	2,911
Infrastructure	5,585
Real estate	8,541
Total	**$60,610**
Other investment assets	699
Investment liabilities*	(13,088)
Net investment assets	**$48,221**
Non-investment assets/(liabilities)	
Due to administered funds	(741)
Other assets/(liabilities)	125
Net assets	**$47,605**

** 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.*

Asset mix** *(AS AT DECEMBER 31, 2006)*



*** Net investment assets based on exposure.*

OMERS Administration Corporation Board of Directors*

OMERS Administration Corporation Board of Directors is comprised of 14 voting members made up of an equal number of member and employer representatives and initially appointed by the Ontario government, for up to 3 years.

Employer representatives

Frederick Biro
Ontario Association of Police Services Boards

Cam Weldon
City of Toronto

John Sabo
Ontario Catholic School Trustees' Association

Ann Mulvale
Association of Municipalities of Ontario

Michael Power
Association of Municipalities of Ontario

Gerard Sequeira
Municipal Property Assessment Corporation

David O'Brien
Toronto Hydro Corporation

Plan member representatives

David Kingston
Police Association of Ontario

David Carrington
CUPE Ontario

John Weatherup
CUPE Ontario

Rick Miller
Ontario Professional Fire Fighters Association

Ed DeSousa
Association of Municipal Managers, Clerks and Treasurers of Ontario

Richard Faber
Retired Member

Peter Routliff
International Brotherhood of Electrical Workers

**Transitional composition, subject to Sponsors Corporation bylaws.*

Senior management team

Michael Nobrega
President and CEO

Patrick G. Crowley
Chief Financial Officer

John Macdonald
Chief Operating Officer

Jennifer Brown
Senior Vice President, Pension Division

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

Paul Pugh
Senior Vice President, Public Investments

Debbie Oakley
Senior Vice President, Corporate Affairs

Michael Latimer
President and CEO, Oxford Properties Group

J. Michael Rolland
President and CEO, Borealis Infrastructure Corporation

Paul G. Renaud
President and CEO, OMERS Capital Partners

OMERS member and employer services continue to be strong

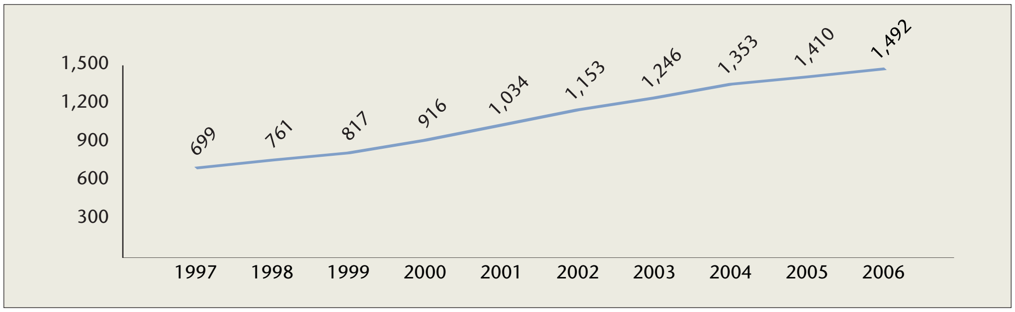
OMERS service and membership statistics show continued strength and growth. In 2006:

- Total OMERS membership grew by 2.2% to 372,021.
- Pension payroll and other benefit payments were $1.7 billion, an increase from $1.6 billion in 2005.
- OMERS received 4,080 retirement claims, 12,316 requests for pension estimates for members planning to retire, 8,285 termination claims for members leaving their OMERS employers, and 2,425 disability claims.
- The majority of benefit applications and pension estimates were turned around within a three-day target.
- OMERS Presentations and Training team kept up a solid pace, with 1,047 information sessions and employer support visits across the province.
- OMERS Client Services responded to more than 93,500 phone calls; 91.5% of inquiries were resolved in the first phone call.
- Client Services handled more than 11,000 e-mails, letters and faxes.
- OMERS website had about 607,600 visits.

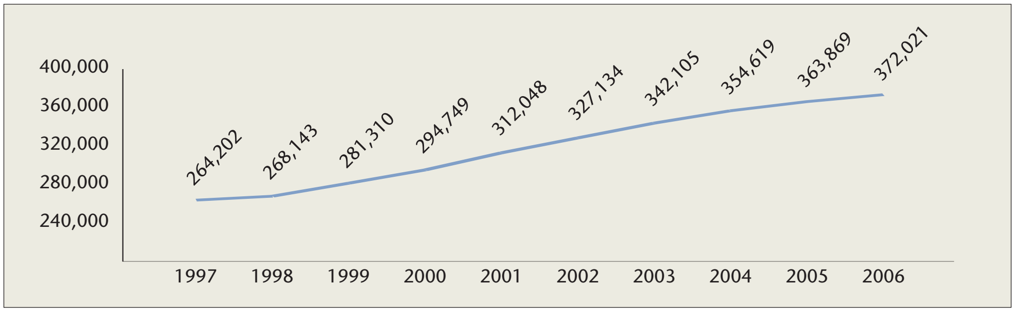
In surveys conducted on behalf of OMERS in 2006, satisfaction with OMERS service was consistently rated at 4 or 5 out of 5. (5 = completely satisfied; 1 = completely dissatisfied)

- 92% of employers surveyed gave a rating of 4 or 5 when asked "How satisfied are you with the current working relationship with OMERS?"
- 85% of active members surveyed gave a rating of 4 or 5 when asked "How satisfied are you with the overall level of service you receive from OMERS?"
- 97% of retired members surveyed gave a rating of 4 or 5 when asked "How satisfied are you with OMERS on the timeliness of getting your first retirement cheque OR your first direct deposit payment after you retired?"

Growth in pension payroll *($ millions)*



Growth in membership*



** Includes active and retired members, members with a deferred benefit, and survivors receiving a pension.*

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