OMERS
Plan for the Future

Employer Update

Number 40, Fall 2006

A newsletter for administrators of the OMERS pension plan

Five years and going strong – the evolution of e-access

Successfully "Bringing our office to your office"

New *OMERS Act, 2006*
See page 4.

Five years ago, a group representing a cross-section of OMERS employers met to preview a plan administration system OMERS was developing.

OMERS challenge was to streamline its reporting and administrative procedures, making them faster, easier, and more secure. The result was **e-access**, an online tool that dramatically improved the way OMERS and its employers do business together.

The cross-section of "pilot" employers has been integral to the development of e-access all along.

Pilot testing for success

The pilot group has tested each new e-access release, giving their feedback on what works and what needs fine-tuning or improving.

First, the pilot employers helped define the requirements for electronic access or "e-access" to their up-to-date information at OMERS.

Next, the pilot employers helped analyze and test the e-access prototype.

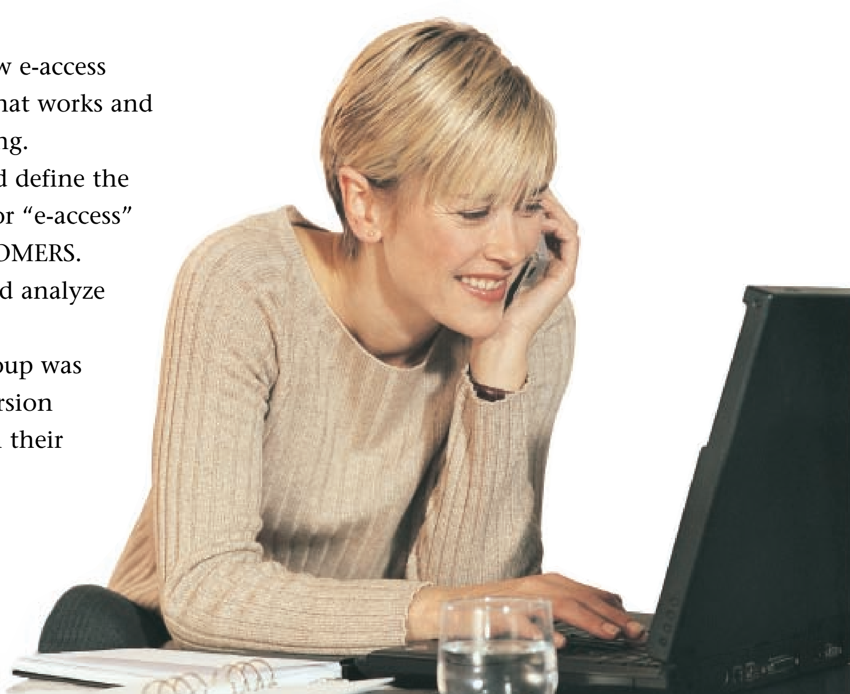
In December 2001, the pilot group was signed up for a fully functional version of e-access to use in real-time, from their own offices.

Then, in February 2002, e-access was released to all OMERS employers.

"e-access meant that for the first time, employers had electronic access to OMERS pension information through a secure, password-protected web channel," said Jennifer Brown, Senior Vice President, OMERS Pension Division.

"The goal of e-access was to help our employers improve their business efficiency using our technology."

Continued on page 2...



What's inside

...continued from page 1

Five years and going strong – the evolution of e-access

The e-access advantage

It's efficient: most e-access requests are processed in three business days or less.

It's easy to use: employers can export data from their payroll systems and submit it to OMERS, and track their own progress.

It's secure: information submitted through e-access is encrypted and uploaded into a secure database.

OMERS released e-access in phases. In the early days, e-access users could check the status of forms submitted to OMERS (enrolments, terminations, etc.); check members' service records; and get a year-by-year account of members' earnings, service, PA and contributions. Now, a registered employer user can complete almost all OMERS administration functions through e-access.

The e-Form advantages

A suite of e-Forms was developed to make it easier for employers to complete the administrative processes online and submit information through a secure channel. One at a time, forms for high volume requests were developed, refined and tested – with input from the pilot group – before being released to all employers. With e-Forms:

- member data pulled from OMERS database automatically populates many fields;
- requests can be completed individually or in batches;
- requests are completed online and processing is much faster;
- data is audited and confirmed as entered, helping the user pinpoint errors and make the necessary edits before submitting;
- there are fewer follow-up calls and less paperwork;
- e-Forms can be started and submitted by different users.

One of the biggest e-Form success stories is *e-Form 119 – Annual reporting of membership information*. In just two years, this e-Form has dramatically improved the speed at which we can turn out members' annual *Pension Reports*. Members say they appreciate the faster turnaround, not least because an up-to-date *Pension Report* is more relevant to them.

Do try e-Forms if you're still using the paper versions for transactions. Our goal is to have 80% of submissions come through e-access.

If you have questions about e-Forms, contact OMERS Client Services – we're here to help.

A look to the future

The next major web development for OMERS will be online member access. Following the successful launch of e-access to employers, we look forward to offering members the convenience of secure, web access to their pension information.

"Members have told us they'd like online access to their *Pension Reports*, for example," said Ms. Brown. "Web access is a service we plan to provide for members within the next few years."

"From an employer's standpoint, online access has allowed us to view members' pension service and deal with internal issues without having to constantly call OMERS.

Online submission of OMERS documents has provided employers with an easy tracking system to deal with queries.

Online filing has enhanced the processing time by OMERS which is an incredible benefit to members and employers alike."

Angelo Tassone, City of Toronto,
e-access employer pilot group participant

e-access has steadily evolved to become an indispensable tool for OMERS administration.

September 2001
First meeting of the e-access pilot group of employers: City of Hamilton, City of Kitchener, City of Toronto, County of Bruce, Durham District School Board and the Regional Municipality of Durham.

December 2001
e-access is released to pilot employer group to use in real-time from their offices, and give feedback.

February 2002
e-access is launched to all OMERS employers. OMERS asks, *Are you ready to join the e-access evolution?*

October 2002
The first e-access form is launched: *e-Form 143 – Request for an OMERS plan benefit.*

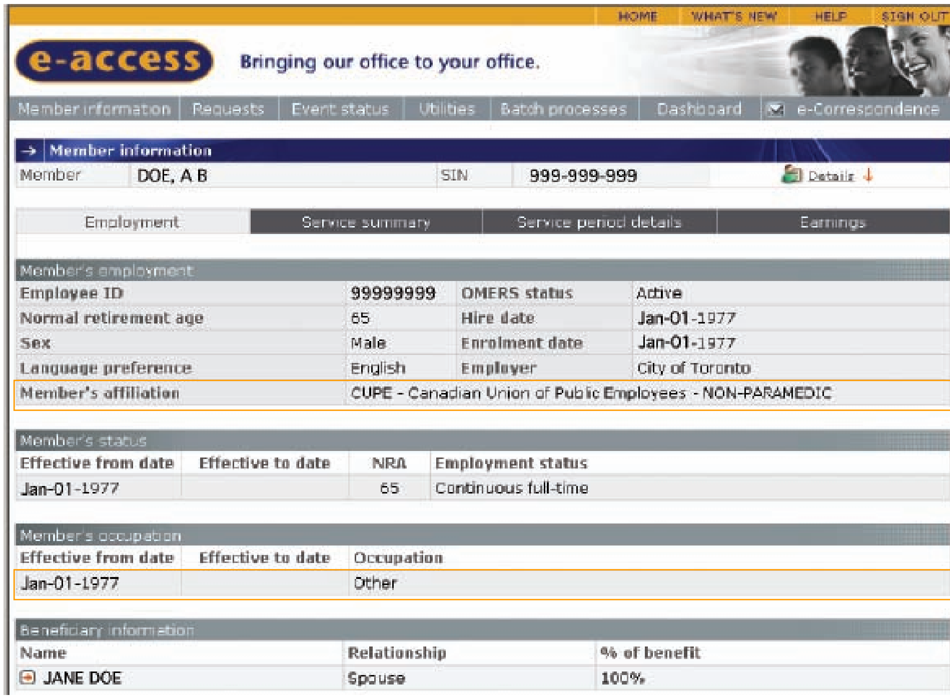
February 2003
e-Form 190 – Request for a pension estimate is released; estimate can be sent directly to the member or employer.

May 2003
e-Form 102 – Enrolling a member helps streamline the enrolment process.

What's new? The latest from e-access

Under the *Member information* tab

The member's affiliation, employment and occupation information is now shown in the *Member information* view in e-access.



HOME | WHAT'S NEW | HELP | SIGN OUT

e-access Bringing our office to your office.

Member information | Requests | Event status | Utilities | Batch processes | Dashboard | e-Correspondence

Member information

Member	DOE, A B	SIN	999-999-999

Details

Employment | Service summary | Service period details | Earnings

Member's employment

Employee ID	99999999	OMERS status	Active
Normal retirement age	65	Hire date	Jan-01-1977
Sex	Male	Enrolment date	Jan-01-1977
Language preference	English	Employer	City of Toronto
Member's affiliation	CUPE - Canadian Union of Public Employees - NON-PARAMEDIC		

Member's status

Effective from date	Effective to date	NRA	Employment status
Jan-01-1977		65	Continuous full-time

Member's occupation

Effective from date	Effective to date	Occupation
Jan-01-1977		Other

Beneficiary information

Name	Relationship	% of benefit
JANE DOE	Spouse	100%

New: member's affiliation

New: employment period and occupation records

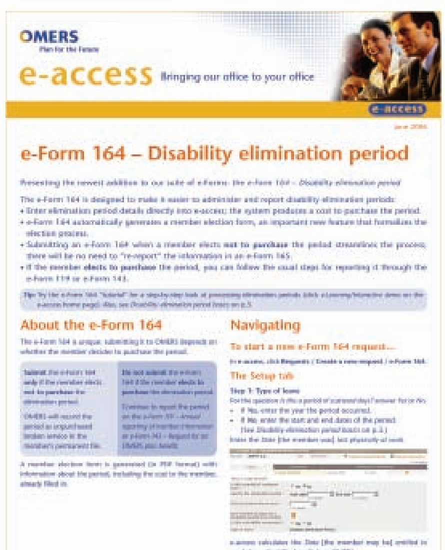
Reminder: report member affiliation changes through e-access

Use *e-Form 106 – Changing member information* to report a member's affiliation (union or association) change.

New: *e-Form 164 – Disability elimination period*

This new e-access form makes it easier to administer a member's absence due to injury or illness; the member's cost is calculated and a customized election form produced.

- If the member elects not to purchase the period, it can be submitted as broken service (no e-Form 165 required).
- An "e-learning" module takes you step-by-step through the e-Form 164's key processes and main features. Log in to e-access and try it out.



Enhancements to *e-Form 165 – Leave reporting/election*

- With the latest enhancements to e-Form 165, you can now report family medical and emergency leaves; and leaves with an end date in the future (up to December 31 of the current year).

If you have any questions about our forms and e-Forms, please contact OMERS Client Services.

September 2003
e-Form 165 – Leave period reporting/election simplifies leave reporting, calculates cost, and produces a member election form.

February 2004
e-Form 105 – Contribution remittance summary makes monthly reporting easier; service purchases, payment schedules pulled from OMERS database.

December 2004
- *e-Form 119 – Annual reporting of membership information* is more efficient; OMERS is able to produce *Pension Reports* sooner.
- *e-Correspondence* sends and receives correspondence through a secure channel.

February 2005
Membership data extract utility; download member information as needed, such as pension adjustments to prepare members' T4s.

January 2006
e-Form 106 – Changing member information: changes information online; creates data import file to change records in batches.

June 2006
e-Form 164 – Disability elimination period: easier reporting and administration; automatically produces a member election form.

A new era for OMERS begins

On June 30, 2006, the *OMERS Act, 2006* came into effect. This legislation:

- establishes a new and independent governance model for OMERS;
- gives employers and members more control over the plan;
- introduces supplemental plans;
- continues the existing OMERS corporation as the OMERS Administration Corporation.

Supplemental plans

Supplemental plans are separate, stand-alone pension plans that would offer benefits not available in the current primary plan, such as enhanced early retirement and a three-year best salary average. Eligible employers and members would locally bargain their participation and the benefits offered.

As of July 1, 2008, OMERS will be in a position to administer a supplemental plan for OMERS members in "public safety" occupations – members of the police force, fire fighters and paramedics.

OMERS focus does not change

As the Administration Corporation, we continue to focus on paying pensions, providing first-rate service to plan participants and earning top quartile returns on investments.

GOVERNANCE STRUCTURE: NEW *OMERS ACT, 2006*

Administration Corporation

Responsibilities: plan administration, investment of funds

BOARD OF DIRECTORS*

Employer Representatives	Plan Member Representatives
Frederick Biro – Ontario Association of Police Services Boards	**David Kingston** – Police Association of Ontario
Cam Weldon – City of Toronto	**David Carrington** – CUPE Ontario
John Sabo – Ontario Catholic School Trustees' Association	**John Weatherup** – CUPE Ontario
Ann Mulvale – Association of Municipalities of Ontario	**Rick Miller** – Ontario Professional Fire Fighters Association
Michael Power – Association of Municipalities of Ontario	**Ed DeSousa** – Association of Municipal Managers, Clerks and Treasurers of Ont.
Gerard Sequeira – Municipal Property Assessment Corporation	**Richard Faber** – Retired Member
David O'Brien – Toronto Hydro Corporation	**Peter Routliff** – International Brotherhood of Electrical Workers

Sponsors Corporation

Responsibilities: plan design, benefits and contribution rates (two-thirds majority vote required for approval)

BOARD OF DIRECTORS*

Employer Representatives	Plan Member Representatives
Garth Pierce – Ontario Association of Police Services Boards	**Bruce Miller** – Police Association of Ontario
Louise Eason – City of Toronto	**Brian O'Keefe** – CUPE Ontario
Brian Cain – Toronto Public School Board	**Ann Dembinski** – CUPE (Local 79)
Marianne Love – Association of Municipalities of Ontario	**Fred Leblanc** – Ontario Professional Fire Fighters Association
Bruce Stewart – Association of Municipalities of Ontario	**Marnie Niemi** – Ontario Public Service Employees Union
Charlie Macaluso – Electricity Distributors Association	**Glen Mills** – Municipal Retiree's Organization Ontario
Joe Aitchison – Ontario Association of Children's Aid Societies	**Jack Jones** – Ontario Secondary School Teachers' Federation

*Transitional composition, subject to Sponsors Corporation by-laws (directors initially appointed by the province of Ontario for up to three years to the Administration Corporation, or one year to the Sponsors Corporation).

The Sponsors Corporation is also supported by two advisory committees to be appointed by the Sponsors Corporation: an eight-member committee for police/fire/paramedics and a 12-member committee for other members and employers.

www.omers.com Visit our website for more information on the new *OMERS Act, 2006*. (Under *Quick Links* on our home page, click *OMERS Act* or see the *Plan Governance* section.)

Milestones in OMERS governance

1963	1968	2005	2006
OMERS enrols its first members.	The Ministry of Municipal Affairs transfers its responsibility for the plan to the first OMERS Board (11 members).	The Government of Ontario tables legislation to establish a new independent governance model for OMERS.	The new *OMERS Act, 2006* becomes law.

Retiree numbers start to “boom”

Aging workforce poses challenge

The next 20 years will see an acceleration in the aging of Ontario’s population as the majority of baby boomers move from working to retirement. Baby boomers make up about 30% of the population of Ontario and about 43% of the working-age population. This year, the first of the baby boomers (born in 1946) will turn 60. In 2011, they will begin to reach age 65. By 2025, the last of the boomers (born in 1964) will be 61. In 2031, all boomers will have passed into the “seniors” category.

The Conference Board of Canada says the “imminent retirement of the baby-boom generation heralds profound change” in the makeup of the workforce.

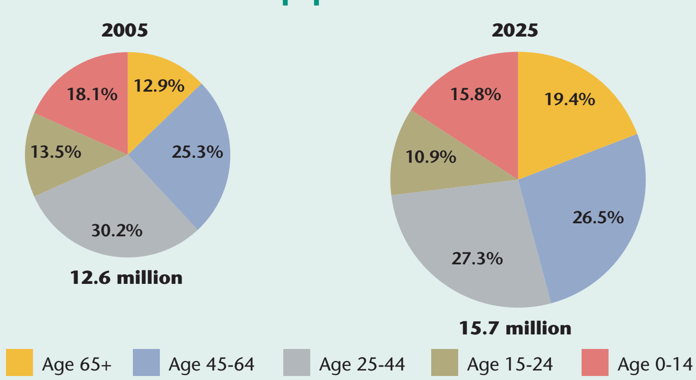
- Organizations and industries with mature employee populations may face significant skills, experience and leadership shortages.
- Ways to address the looming talent shortages include encouraging later retirement; retaining older workers by offering more flexible work arrangements; and introducing a more gradual transition from full-time work to retirement, such as temporary “bridge” jobs.
- Organizations will have to look to new technologies, increasing automation, streamlined work processes and previously untapped sources of labour, such as returning retirees.
- Pension legislation that can make it difficult to set up phased-retirement programs (such as letting older workers work part time while drawing on their pensions) may have to be amended.
- While some retirees are not interested in any kind of employment, others will be, at least some of the time, to supplement their income and to keep mentally, physically and socially active.

The Ontario Ministry of Finance says that while the recent trend of increasing numbers of seniors in the workforce is expected to continue, these increases will not likely counter the “downward impact of population aging on labour supply.”

Ontario will have to cope with an aging workforce and the resulting pressures on private- and public-sector pension plans. Encouraging older workers to stay working for a few more years will require changes in public policy as well as financial incentives.

Sources:
The Conference Board of Canada: *Canada’s Demographic Revolution: Adjusting to an Aging Population*, March 2006; *Too Few People, Too Little Time: The Employer Challenge of an Aging Workforce*, July 2006
Ontario Ministry of Finance: *Toward 2025: Assessing Ontario’s Long-Term Outlook*, 2005

Age distribution of Ontario’s population



The percentage of seniors in the population will increase from 12.9% in 2005 to 19.4% in 2025.

Source: Ontario Ministry of Finance. Some numbers have been rounded.

Phased-in retirement: the real deal

In *Employer Update* #39, we ran an article about phased-in retirement. Here is one of the comments we received:

> **"Phased-in retirement is a good option for many employees. It will also assist many employers with what could be a very large turnover of experienced staff and/or an opportune time to downsize somewhat through the use of more staff who are less than full time. The 'double dipping' option, receive a pension and continue working for the same employer, has some appeal. However I believe the combined income should be less than what the individual earned in their full-time employment. There shouldn't be an incentive to do this."**
>
> **Peter Lynch, Manager, Financial Services, Limestone District School Board**

Graham Hills, Vice President, OMERS Pension Policy and Client Services replies: "This is a good point, but keep in mind the rules around retiring and returning to work are very strict. For a member to start their pension in the first place, a bona fide termination (in this case a retirement) has to occur."

Is the retirement bona fide?

Here's a guideline for determining whether a bona fide retirement has taken place (the answer to these questions should be yes):

- Did the employee fully sever their employment relationship, e.g., lost both seniority and benefits? Were they issued a *Record of Employment*?
- Has a reasonable time elapsed between termination of employment and rehiring?
- Has the employee returned to a different OMERS employer? A different job? Work schedule? Different reporting structure?
- Has the employee's seniority and/or compensation changed?

Also, consider the purpose of the termination of employment. If the sole purpose is to obtain pension benefits and continue working at the same employer, a bona fide retirement may not have taken place.

If you're not sure a bona fide termination has taken place, you may wish to get qualified legal advice, or contact Canada Revenue Agency as there may be employment issues and tax implications under the *Income Tax Act*.

If you hire a retired OMERS member who is under age 69, he or she may be eligible to be re-enrolled in the plan. If so, the retiree must choose to re-enrol in OMERS (and stop their pension) or not re-enrol (and continue their pension).

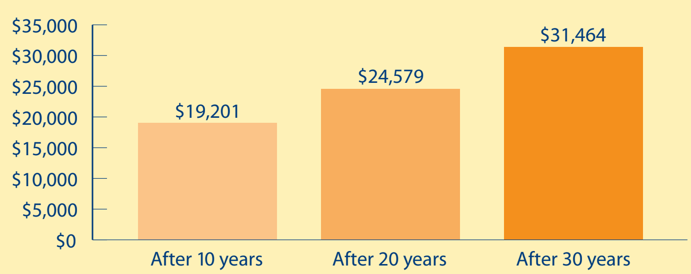
We appreciate your views. Please send your comments to employer@omers.com.

"Being an OMERS member gives me **great value**: inflation protection, guaranteed pension benefits and retirement security."

The OMERS difference

Inflation protection is one of OMERS most powerful benefits. Inflation protection means your pension will keep pace with rising costs. Your pension grows with your earnings before you retire and it is fully protected against inflation after you retire.

The illustration to the right is an example of how a $15,000 annual pension would grow with a 2.5% annual inflation increase.



To find out more about OMERS powerful inflation protection, visit ***www.omers.com*** *or call Client Services at 416-369-2444 or 1-800-387-0813.*

OMERS
Plan for the Future

Take note... administration updates

The Source: online Admin manual

Our online manual is a virtual encyclopedia of OMERS administration. (No bulky binder!) The manual is updated regularly so you can be sure that information is current. Use the Search function to find specific items.

To maximize on-screen reading space, try resizing the window and hiding the browser toolbars. (Under the Admin manual *Contents*, go to *How to use the Employer Administration Manual*, then to *Employer Administration Manual Window*).

Form 119 Annual reporting round-up

The 2005 annual reporting of membership information process was nothing less than remarkable. The results speak for themselves:

- by August 31, 2006, we had received information for more than 230,000 members and produced more than 221,000 *Pension Reports*;
- 90% of employers had fully completed the process;
- 96% of the information came through the e-Form 119;
- there were just over 3,000 members left to complete for the 2005 reconciliation year.

Congratulations to everyone for your excellent work! And here's to being even faster for 2006!

Forms update

For the most up-to-date version of an OMERS form, the best source is our website.

- The most widely used forms are available in e-access.
- There are a number of typeable forms to complete onscreen, print and fax to us.
- There are several forms that can be printed and completed manually, then faxed to us.

We are phasing out the practice of filling bulk orders of printed forms, to ensure that only the most up-to-date versions are used. All of OMERS forms are available online. If you have any questions, please contact OMERS Client Services.

News on the financial front

How we handle "over" payments

Starting August 2006: if you made an *overpayment* on your Form 119 remittances or leave period contributions, we will no longer issue a refund cheque. We will instead credit your current-year reconciliation account by the amount of the overpayment, regardless of which year the overpayment occurred.

- The credit will be applied against the next monthly remittance.
- Crediting the account directly is hassle-free: no waiting for a refund cheque.
- If we credit your account, we will send you a notice to reduce your next monthly remittance.

2006 Form 119 Annual Reconciliation

Starting March 2007: if you *underpaid on your monthly 2006* Form 119 remittances, OMERS will charge interest on the amount owing at reconciliation. We will also pay interest if you overpaid on your remittances. If you reconcile your 2006 Form 119 prior to March 1, 2007, no interest will be calculated at reconciliation.

New marriage breakdown info

A new information page on marriage breakdown and the effects on a member's pension is available on our website (see *Members/Details about your plan/Information pages*).

In it, we describe OMERS role and what the member and former spouse can expect; and outline the basics about payments, etc.

We make it clear that we cannot provide legal advice, and strongly encourage the member to contact a lawyer, and if necessary, to contact an actuary.

OMERS pays 100,000th pension

In July 2006, OMERS reached an important milestone: we are now paying more than 100,000 pensions to retired OMERS members and their survivors.

- Ten years ago, by year-end 1996, there were just over 67,000 pensions in payment.
- Each month, about 300 new OMERS pensions begin.
- OMERS has about 364,000 working and retired members. When you consider their spouses, children and other relatives, OMERS has a direct or indirect impact on many people across the province.

Support, training and service are keys to a successful partnership

As your "pension admin" partner, we travel across the province conducting seminars for employers, members and retired members. You can also arrange an employer support visit for one-on-one help with any OMERS administration questions. If we're in your area for a seminar, please contact OMERS Client Services to arrange a visit.

Seminars consist of three sessions and you can select which to attend.

Session 1 – OMERS administration basics (9:00 a.m. to 12:00 p.m.)
Enrolments; contributory earnings; credited service; omission periods.

Session 2 – Leave periods (1:00 p.m. to 2:15 p.m.)
Pregnancy/parental leave; scattered days; leave period data.

Session 3 – Disabilities (2:30 p.m. to 3:45 p.m.)
Elimination periods; Form 143; WSIB and OMERS; rehabilitation periods.

All OMERS seminars are free of charge, but travel and accommodation costs are up to you.

Employer administration seminar schedule – Fall 2006

Register online or contact OMERS Client Services.

Date	Location
Oct. 26	**Chatham/Wallaceburg** Oaks Inn 80 McNaughton Avenue, Wallaceburg
Nov. 8	**Kincardine** Municipality of Kincardine, Municipal Administration Centre, 1475 Concession 5
Nov. 16	**Markham** Holiday Inn Hotel & Suites Toronto-Markham, 7095 Woodbine Avenue
Nov. 23	**Halton/Burlington** Holiday Inn – Burlington 3063 South Service Road *(School boards only)*
Nov. 30	**Durham/Whitby** Le Gala, 65 Sunray, Whitby (Thickson & Consumers roads)
Dec. 6	**Toronto** OMERS, 1 University Ave. 7th floor reception (Front & York streets) *(Employers with more than 200 members)*
Dec. 7	**Toronto** OMERS, 1 University Ave. 7th floor reception (Front & York streets) *(Employers with less than 200 members)*

e-119 training seminars

This seminar is an overview of the e-119 reporting process.
Note: online registration is not available for these seminars. Register via e-mail to **e-119training@omers.com**. Include location, date and time, and name(s) of those who will be attending. Two sessions will be held in each location. Select morning (9:00 a.m. to 12:00 p.m.) OR afternoon session (1:00 p.m. to 4:00 p.m.).

Date	Location
Nov. 7	**Kingston** Best Western Fireside Inn 1217 Princess Street
Nov. 9	**Ottawa** Chimo Hotel 1199 Joseph Cyr St.
Nov. 15	**Kenora** Best Western Lakeside 470 First Avenue South
Nov. 15	**Toronto** OMERS, 1 University Ave. 7th floor reception (Front & York streets)
Nov. 17	**Thunder Bay** Valhalla Inn 1 Valhalla Inn Road
Nov. 21	**North Bay** Best Western 700 Lakeshore Drive
Nov. 23	**St. Catharines** Four Points by Sheraton 3530 Schmon Pkwy
Nov. 28	**London** Best Western Lamplighter Inn 591 Wellington Road
Nov. 29	**Toronto** OMERS, 1 University Ave. 7th floor reception (Front & York streets)
Nov. 30	**Peterborough** Best Western Otonabee Inn 84 Lansdowne St. East
Dec. 5	**Barrie** Holiday Inn Barrie Hotel & Conference Centre 20 Fairview Rd.
Dec 6	**Burlington** Best Western Inn 2412 Queensway Drive

"Delivering exceptional service drives everything we do – every payment, every service opportunity, every decision."

Jennifer Brown, Senior Vice President, OMERS Pension Division

OMERS
Plan for the Future

The OMERS pension plan provides secure, guaranteed retirement income to municipal employees at almost 900 employers across Ontario.

Employer Update keeps our employer representatives up to date on plan administration, news and benefits. We value your views and comments. Send us an e-mail at **employer@omers.com**, or write to us at the address below.
For more information on the OMERS plan, please contact Client Services at 416-369-2444 or 1-800-387-0813.
Our service hours are Monday to Friday, 8:00 a.m. to 5:00 p.m.

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
employer@omers.com
(en français ou anglais)

Web
www.omers.com
e-access.omers.com

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