OMERS
Plan for the Future

Employer Update

Number 41, Winter 2006/2007

A newsletter for administrators of the OMERS pension plan

It's a wrap: year-end time to close the books for 2006

OMERS can help make the process smoother

Annual reporting gets ready for "go"
See page 2.

What's inside

The thought of taking time to reflect on the past year is a pleasant one… changes, lessons learned, new processes… but in reality? There is much to do to wrap up 2006 and rev up for 2007.

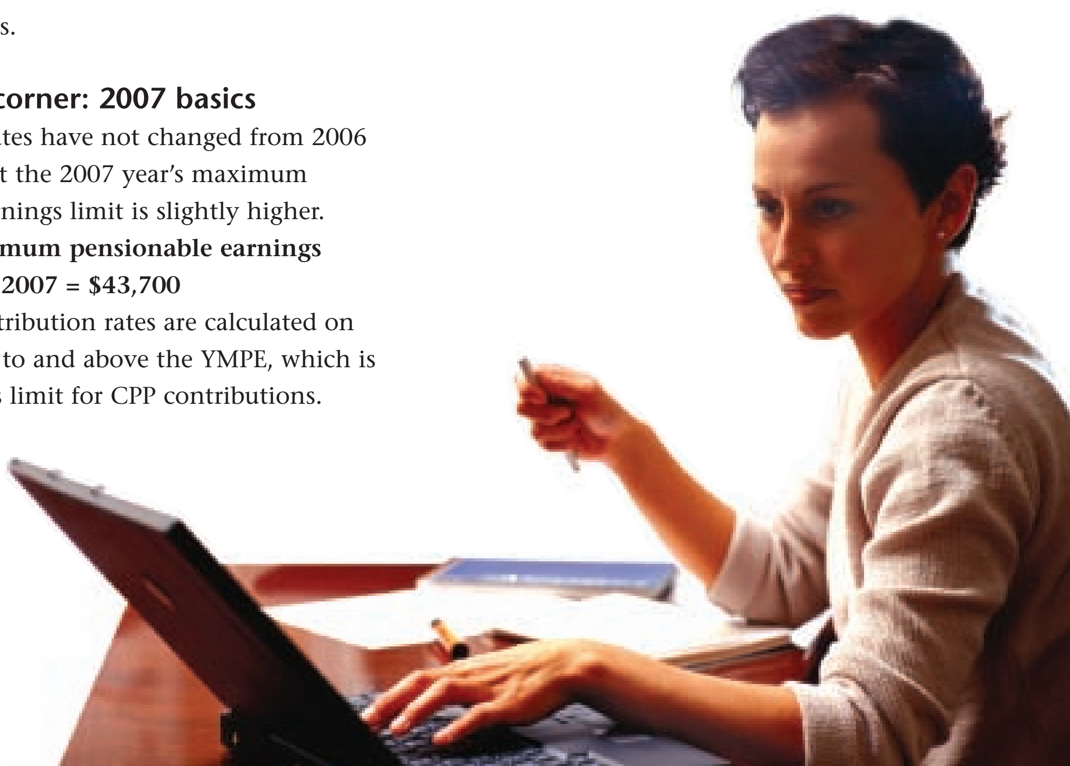
Year-end housekeeping

Before you close the file on 2006, you may want to refer to the year-end checklist we recently sent to all employers (via e-mail and post) of the housekeeping items that need to be completed (forms, enrolments, leave purchases, etc.). The checklist is also on our website under Employers/Tools.

Around the corner: 2007 basics

Contribution rates have not changed from 2006 (see page 6), but the 2007 year's maximum pensionable earnings limit is slightly higher.

- **Year's maximum pensionable earnings (YMPE) for 2007 = $43,700**
  OMERS contribution rates are calculated on earnings up to and above the YMPE, which is the earnings limit for CPP contributions.
- **5-year average YMPE (2003-2007) = $41,460**
  The five-year average YMPE is used in the calculation of OMERS bridge benefit, paid in addition to the OMERS lifetime pension for retired members up to age 65.
- **Maximum registered pension plan (RPP) earnings = $125,859.75**
  Contributions on earnings above this limit go into the OMERS retirement compensation arrangement account.



Annual reporting gets ready for "go"

Help with Form 119 is close to home

We'd like to help make Form 119 reporting even smoother this year. Please don't hesitate to ask for help at any stage of the process.

- Contact the Service Coordinator for your group or contact OMERS Client Services;
- Check the information on our website under Employers/ Annual Reporting (Form 119);
- Your Service Coordinator can arrange to meet with you at your office. **Important!** Have all Form 119 data ready for the Service Coordinator's visit.

Advantages of early reporting

- You can submit 2006 Form 119 information starting January 2, 2007.
- If you submit member data before mid-February 2007, you do not need to enter PAs. We will calculate the PAs for you. Once the data is validated, you can extract the PAs and upload them to your system for completing T4 slips. That's a time-saver!
- Once you complete your reporting, we can start to produce *Pension Reports*. If your employees' reports are mailed direct to their homes, please ensure their addresses are up-to-date for the Form 119 process.

New interest charges on Form 119 payments

In *Employer Update* #40, we told you about new interest charges on Form 119 payments. To recap, as of March 1, 2007:

- If you **underpaid** on 2006 monthly Form 119 remittances, OMERS will charge interest on the amount owing at reconciliation. However, if you reconcile your annual reporting before February 28, 2007, we will waive interest charges.
- If you **overpaid** on 2006 monthly Form 119 remittances, OMERS will pay interest on the amount of the overpayment and credit your current-year reconciliation account.

e-Form 119 training seminar

I have been using e-access since it first came to be and I love it. It is great because it is easy, efficient, saves time and the response time from OMERS is amazing.

e-Form 119 allows more than one user to be on it at the same time which speeds up the process. In the old days, we had to take turns to work on our portions so it took much longer to complete. This is much more user friendly and saves a lot of time and paper.

Teresa Shepperdson
Region of Durham

Since OMERS is a small part of what I do, coming to OMERS seminars is a great refresher, especially for something like the e-Form 119 reporting that is only done once a year. Seminars are a great way to keep up-to-date with new automated methods for OMERS administration.

Susan Burrill
Ajax Public Library

Employers and presenters at an e-Form 119 seminar at OMERS in November.

Best practices for using e-access

e-access contact information

- To register a new e-access user, complete an e-access registration form (in e-access/e-Learning) or call OMERS Client Services for a copy. We do not register e-access users by phone or e-mail.
- Your OMERS agent or authorized signing officer has to sign the registration form.
- To remove an e-access user from your account, please send a notice to employer@omers.com promptly, so we can deactivate old e-access passwords.

e-Forms deliver best service for members

Did you know that the majority of forms submitted to OMERS are e-Forms? The speed and accuracy of e-Forms translates to terrific customer service.

In the five years since e-access was launched, we've developed a suite of e-Forms that streamlines the most common administrative processes.

If you haven't yet signed up for e-access, contact OMERS Client Services and we'll guide you through registration and help you with e-Form requests.

Helpful features of e-Forms

e-Form 102 – Enrolling a member	• Can complete an enrolment without beneficiary designation; the benefit defaults to the estate until the e-Form 106 is submitted
e-Form 105 – Contribution remittance summary	• Quick and convenient way to report monthly contributions
e-Form 106 – Changing member information	• Use the batch processing feature if a large group of employees changes unions or associations
e-Form 143 – Request for an OMERS plan benefit	• Best practice: submit when the member's financial and service details are final (not estimated)
e-Form 164 – Disability elimination period	• Produce election forms in batches; submit to OMERS only if the member elects not to purchase • Try the online "tutorial" in e-access/e-Learning/Interactive demo
e-Form 165 – Leave period reporting/election	• Convenient way to report purchased service with batch processing and status tracking features • Has a handy "insert comment" field
e-Form 190 – Request for a pension estimate	• Produces personalized estimates; or use the batch feature to request quotes for a group (e.g., for an OMERS pre-retirement seminar)

Best practices for submitting benefit claims

Our record for processing benefit claims in most cases is three business days. We want to make the member's transition from paycheque to pension as smooth as possible.

The "perfect" retirement claim

- Submit the *Form 143 – Request for an OMERS plan benefit* by the middle of the month before the member retires, to leave time for any delays;
- Include the member's final (not estimated) earnings and service information;
- Complete broken service or leave period purchases before submitting the claim;
- Have the member complete and sign the *Advance Election Option*, and include all supporting documents with it (proof of age, banking information, etc.).
- The perfect result: the claim is processed quickly and efficiently and the member's pension starts in the first week of the month following their retirement.

Notification of death

Notice from an employer (current or former) is often how we learn of a member's passing. Understandably, the family may not be thinking about OMERS at that time, but it is in their best interests if we can quickly set up any survivor benefits. Please notify OMERS promptly if you learn of a member's death.

Active member

Submit a *Form 143—Request for an OMERS plan benefit* as soon as possible. We will send the survivor a *Benefit application form* to complete and return to us.

Retired member

Again, we often learn of a retired member's death through a former employer. A common scenario is a survivor calling the employer to ask about health benefits. In such a case, please refer the claimant to OMERS immediately and we will work with them directly.

New and noteworthy

Supplemental plan

Work has started on building a supplemental pension plan, required under the new *OMERS Act, 2006* for members in public safety occupations, i.e., police (may include police civilians), firefighters and paramedics.

The cost of supplemental benefits will be paid for entirely by the members and employers who may participate in the supplemental plan. There will be no subsidization by other pension plan members.

We will keep plan participants and stakeholders informed as the process moves forward. To read about the plan and its benefits in greater detail, please see our website under Plan Governance/OMERS Act/Supplemental Plan information.

Settlement reached in pay-in-lieu question

OMERS and the Ontario Professional Fire Fighters Association agreed to a settlement regarding pay-in-lieu of statutory holidays.

In accordance with OMERS definition of contributory earnings, pay earned over and above a member's normal wages for a particular day is a form of overtime, and is excluded from contributory earnings. A member's pay-in-lieu for working a statutory holiday is considered in addition to the normal pay received for that day and should be excluded from contributory earnings.

We have contacted the affected employers. Under the settlement, they will receive a credit and members will receive a refund of contributions made in error plus interest.

Reported PA cannot be revised, CRA confirms

The situation: A member on pregnancy/parental, emergency or family medical leave expresses some interest in purchasing the period. The employer reports a pension adjustment (PA) for the member that includes the leave period. The member then decides not to purchase after all.

Question: Should the employer revise the member's **reported pension adjustment**?

Answer: No. We consulted the Canada Revenue Agency which confirmed that a PA, **once reported**, stands, unless the PA has an error, or if the member elects to purchase the period before April 30 in the reporting year. Any lost RRSP room may eventually be regained on a pension adjustment reversal (PAR).

Assume the member will buy this type of leave and include it in the PA calculation **unless** the member declines in writing. If a member initially elects not to purchase the period and then elects to purchase it:

- **on/before April 30 of the reporting year**, recalculate the PA to include the period, issue a revised T4 to the member, and notify OMERS;
- **after April 30 of the reporting year**, do not revise the PA or the T4; OMERS will report a past service pension adjustment (PSPA) to the CRA.

www.omers.com Please see Employers/Employer Administration Manual, Section 11 – Leave Periods or Section 19 – Pension Adjustments.

Deals broaden OMERS investments

Fund continues to build private market portfolios

Satellites, power plants, property and pipelines. These are the types of investments that are increasingly being found in pension fund portfolios. In fact, in the long term, OMERS expects infrastructure, real estate and private equity investments to make up about 40% of its total investments. These investments are expected to earn higher, more stable returns than traditional stocks and bonds over the long term.

Four major additions to OMERS portfolio fit with the strategy of placing greater emphasis on private market classes.

Ciel-2 satellite

Borealis Infrastructure, an investment arm of OMERS, has invested in Ciel Satellite Group, the entity that will operate the Ciel-2 satellite. The satellite industry was chosen because of its stable long-term revenues and its potential for growth.

"The satellite industry is akin to the real estate industry, but in space," says Ed Sawaya, Vice President, Borealis Infrastructure.

When it is launched in late 2008, the Ciel-2 satellite will deliver television satellite services throughout North America for an estimated period of 15 years. Direct-to-home satellite television providers in Canada and the United States are target customers.

Associated British Ports Holdings PLC (ABP)

With 21 ports, ABP is the largest port operator in the United Kingdom. The company employs 3,000 staff. ABP handles almost one quarter of the United Kingdom's seaborne trade, in addition to operating a number of transport-related businesses and a property division. It also has car import services at four ports in the United States.

In August, a consortium consisting of Borealis Infrastructure (on behalf of OMERS), Goldman Sachs, Prudential Insurance PLC and GIC (the government of Singapore's pension plan) successfully completed the acquisition of 100% of Associated British Ports Holdings PLC (ABP).

MDS Diagnostic Services

MDS Diagnostic Services is Canada's largest provider of laboratory services. It provides 50 million diagnostic tests to 10 million patients and 20,000 physicians each year, and has annual revenues of $335 million.

On October 5, OMERS announced that its investment entity Borealis Infrastructure entered into an agreement to purchase MDS Diagnostic Services from its parent company MDS Inc.

Fairmont Hotels & Resorts

Fairmont Hotels & Resorts is the largest luxury hotel company in North America. Its portfolio includes historic icons, resorts and modern city centre properties.

OMERS, through its real estate investment arm Oxford Properties, acquired seven landmark hotels from Fairmont Hotels & Resorts: The Fairmont Banff Springs, The Fairmont Chateau Lake Louise (photo above), The Fairmont Chateau Whistler, The Fairmont Jasper Park Lodge, The Fairmont Vancouver Airport, Fairmont Le Château Montebello and Fairmont Kenauk at Le Château Montebello.

The properties will continue to be managed by Fairmont.

Our training adds to your success

Attending one of our seminars is a great way to learn about OMERS administration. For more information or to register, please see our website under Employers/Training or contact OMERS Client Services.

Seminars consist of three sessions and you can select which to attend. All OMERS seminars are free of charge, but travel and accommodation costs are up to you.

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.

Administration seminars for 2007

Date	Location
March 15	**Toronto** OMERS, 1 University Avenue, 7th floor, (Front & York streets)
March 29	**Peterborough** Kawartha Pine Ridge DSB, Education Centre, 1994 Fisher Drive
April 11	**Sarnia** Clearwater Arena, 1400 Wellington Street
April 12	**London** Best Western Lamplighter, 591 Wellington Road
May 10	**Thunder Bay** Best Western Nor'Wester, 2080 Highway #61
May 17	**North Bay** Library Auditorium, 271 Worthington Street East
May 31	**Kingston** Limestone District School Board, Board Office, 220 Portsmouth Ave.
June 14	**Guelph** Ramada Hotel and Conference Centre, 716 Gordon Street
June 21	**Newmarket** To be determined

Seminars for July to December 2007 will be held in Toronto, Windsor, Ottawa, Timmins and Niagara. Dates and places will be posted on our website.

Hats off to our employer-partners for a terrific year in 2006. One project that was truly outstanding was the Form 119 annual reporting. We had the greatest number of employers completing their reporting, we reconciled most accounts, and we produced the greatest number of *Pension Reports* earlier than ever. Thank you for making it possible. And I want to wish you and yours the very best in 2007.

Jennifer Brown, Senior Vice President, OMERS Pension Division

2007 contributions

Contribution rates have not changed from 2006.

Contribution rates	Up to YMPE	Over YMPE
Normal retirement age 65	6.5%	9.6%
Normal retirement age 60	7.9%	10.7%

Check www.omers.com for:

- 2007 Contribution tables
- 2007 Retirement compensation arrangement (RCA) tables
- 2007 PA Calculator and PA tables

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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.

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Disponible en français

Print ISSN 1499-3007 (Online ISSN 1499-3015)

Publications Mail Agreement No.: 40010368