OMERS employer news

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Taking steps forward: City of Kingston

see page 2 >>

Employer plans for the future of work

"Every magazine and newspaper you pick up today is talking about the boomer retirement and the resource pool shortage we're going to face going foward," says Sheila Hickey, Director, Organizational Effectiveness, for the City of Kingston. "We're trying to understand where we fit, knowing that we will be impacted, and seeing if we can gather some data and develop a strategy to help us move through it." *Continued on page 2*

OMERS employer representative, Jeremy DaCosta, City of Kingston

Continued from page 1

Employer News has been following the issue of the effects of demographics in the workforce. The retirement of baby boomers is expected to create labour shortages, as employers face greater competition in attracting and retaining talent.

We spoke to Sheila Hickey, Director, Organizational Effectiveness, and Jeremy DaCosta, Manager, Employee Relations and Development, both with the City of Kingston, which has 1,300 employees. Sheila and Jeremy spoke about the steps Kingston is taking toward the future of work.

On what prompted the City of Kingston to address the issue of the changing workforce

Sheila Hickey: I think for us it was a change in leadership at the CAO level at the City. We're looking for a very different organizational culture than the traditional hierarchy that most governments work in – looking for a workforce that truly engages its people and empowers them.

From a human resources perspective, that gives us a pretty important role. We're really thinking about trying to be a strategic group and helping to develop programs and give people information and facilitate learning sessions, so that every employee that works here has the opportunity to develop to their fullest.

On mining information from their summer students

Jeremy DaCosta: What we want to get from [the summer students] while they're here is an understanding from a young person's perspective. What are you going to want in a workplace in the coming years when you graduate? Why would you come and choose the City of Kingston?

We're going to get them together as a group with their peers, and let them hear from each other and build and grow on their own conversations. They'll meet at the beginning of the summer, then come back and revisit it in the fall. We want them to talk about what they experienced. What kind of workplace is this? And give us some real tangibles around the type of workplace they want to see.

On approaches to dealing with younger staff

Sheila: The trick I think is going to be trying to figure out how we can engage people. And it's not just to entice you to come. It's to keep you here. More and more, just in our casual conversations with employees, they want to earn a decent wage, but it's not all about money. That's part of it, but it's more about having the opportunity to do something meaningful, to accomplish something, and some flexibility in terms of work-life balance. That's becoming huge.

On whether the City has noticed any effects of a retirement boom

Jeremy: If you look at the work we did with the OMERS workshop folks who came down and did the one-on-one sessions, it was essentially fully subscribed for the whole time. And the OMERS general information session had more than 90 people. There was a definite interest and a huge, almost-to-capacity uptake on getting that information. I think that is a signal that they're genuinely figuring what the landscape is going to look like for them. And that for us we better start paying attention.

On advice for other employers

Sheila: For HR professionals I'd say get out there and start talking to employees and particularly the employees who are coming into that potential three- to five-year window for retirement. And talk to your young people and find out what kind of an employer they're looking for so that you can start to understand that. Because you need to have that vision-piece fairly well grounded before you try to move into strategy.

The population is aging and the numbers tell the story

- About 3.7 million Canadians are in the 55-to-64 age bracket; that includes about 39,000 active OMERS members.
- In Ontario, 13.6% of the population is age 65 and older, up from 12.9% in 2001.
- The average retirement age in Canada in 2005 was 61.4, compared to 64.9 in 1976.
- The average early retirement age of an OMERS member is 58.
- Within the next 20 years, most baby boomers will have left the workforce.

Sources

Portrait of the Canadian Population in 2006, by Age and Sex, 2006 Census; Statistics Canada

Canada's Demographic Revolution; Adjusting to an Aging Population; The Conference Board of Canada

Helping employees manage their retirement

Getting ready to retire test program

Several employers are helping test a new feature of our "age and stage" communications linked to member events.

- A new booklet, *Getting ready to retire*, was sent to members who are eligible for an unreduced early or normal retirement pension before 2011, to help explain the retirement process. The employers provided the members' addresses.
- Next year we will expand the program to more employers. And we will again use the three-year milestone to reach members eligible for an unreduced pension before 2012.
- The booklet is in PDF format on our website under Members/Publications.

Host a pre-retirement seminar

Our pre-retirement seminars for members are a huge hit. They have been very well attended and much appreciated by members who are close to retirement. OMERS staff can be on hand to take appointments for one-on-one meetings with members to discuss their pension estimate or *Pension Report*.

Contact us to find out how you can arrange a seminar for your own employees.

Members who have been to recent sessions gave positive feedback:

- *Excellent speaker – made a dry subject very interesting. Fantastic knowledge, highly enthusiastic.*
- *I have about five years left until retirement and the examples the presenter used really helped to ease my mind as to when would be the right time to retire.*
- *The most helpful item was the one-on-one session.*

Pension splitting – fast facts

If a retired member has questions about pension splitting, these fast facts may help:

- The budget Bill C-52, which includes pension splitting, received royal assent on June 22, 2007. It is now law.
- Pension splitting takes effect in the 2007 taxation year (for tax returns filed in 2008).
- For income tax purposes, Canadians can allocate up to half of their income that qualifies for the pension income tax credit to their spouse.
- To set up pension income splitting, the retired member and spouse must complete a *Form T1032, Joint Election to Split Pension Income* (available in January 2008).
- There will be a new line on the 2007 income tax return for the retired member to deduct the pension amount allocated to their spouse, and one for the spouse to report the allocated pension amount.
- Pensions are not split at source; the splitting takes place at tax time and for tax purposes only.
- Payments from government programs (CPP, OAS, etc.) are not included, although CPP has its own form of pension sharing.

For details, see Canada Revenue Agency's website at www.cra-arc.gc.ca

Contribution rates remain stable for 2008

OMERS current contribution rates

Members with a normal retirement age of:	Rate on earnings up to the YMPE* (currently $43,700):	Rate on any earnings above the YMPE* (currently $43,700):
65	6.5%	9.6%
60	7.9%	10.7%

*The YMPE for 2008 has not yet been announced.

OMERS contribution rates will remain stable in 2008 as a result of a July decision by the Sponsors Corporation (SC). Members contribute a percentage of their earnings to fund their future OMERS pension. Contributions are matched by the employer and will remain at the current rates for 2008. These rates have been in effect since 2006.

The SC makes decisions on plan changes, contribution rates and when to file the actuarial valuation. The valuation is a report on the funding status of the plan, including the value of its future obligations and current assets, and required contributions.

Pension plans must file a valuation every three years. Valuations can also be filed more frequently on an annual basis. The most recent valuation filed by OMERS was as at December 31, 2006. The SC has endorsed a recommendation by OMERS Administration Corporation (AC) to await the requirement to file the December 31, 2007 valuation in 2008, and not to file an interim annual valuation report (which would have resulted in a contribution rate increase).

"This avoids any adverse impact on OMERS contribution rates for 2008," said SC co-chair Brian O'Keefe. "Rates will remain stable next year and we will await the next valuation to determine the funded position, and whether any rate increase is required in 2009."

"Our commitment is to continue to move towards the 'green zone' of full funding for the plan," said OMERS President and CEO Michael Nobrega. "Our strong investment returns and diverse portfolio support that objective."

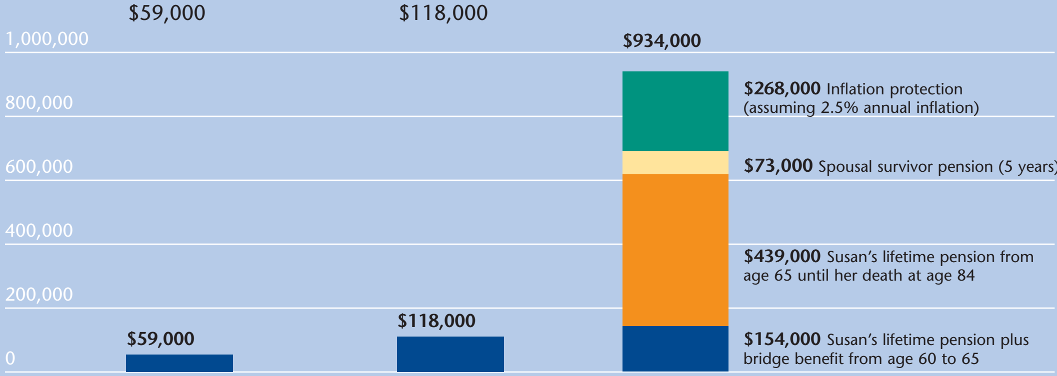
The OMERS difference

OMERS pensions are paid for life, and the total benefits paid can be substantial. OMERS pensions: solid financial benefits at a reasonable cost.

Susan's contributions to OMERS during her career: $59,000

Value of Susan's contributions + interest at retirement: $118,000

Total OMERS pension payments with inflation protection to Susan and her surviving spouse: $934,000



- Susan retires at age 60 with 32 years of service.
- As an OMERS member, Susan's contributions were matched by her employer.
- Susan's "best five" earnings used to calculate her pension are $48,000 per year.
- After Susan's death, her spouse is entitled to a lifetime survivor benefit. In this example, her spouse lives for five years after her death.

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

*To find out how your OMERS pension will pay off when you retire, try our Retirement Income Estimator at **www.omers.com**, or call OMERS Client Services at 416-369-2444 or 1-800-387-0813.*

OMERS seeks court direction on Sponsor costs

OMERS Sponsors Corporation ("SC") and OMERS Administration Corporation ("AC") are working together to seek a determination from the Ontario Superior Court of Justice to determine which SC costs may be lawfully paid by the OMERS pension plans and the types of support that can be provided by the AC to SC.

The SC was established under the *OMERS Act, 2006* to make decisions on plan changes, contribution rates as well as when to file the actuarial valuation. This role was formerly the responsibility of the province. The SC Board consists of 14 members representing OMERS employers, members and retirees, and has been meeting regularly.

Under the *OMERS Act, 2006,* the AC retains responsibility for investments and administration of the OMERS pension plans. The AC is also required, among other things, to support the SC – for example, by providing reasonable administrative and technical support.

After careful consideration, the SC and AC Boards have recently developed a common position on the reimbursement of SC costs and the types of support that the AC can provide to SC that each Board believes to be in the interest of the OMERS pension plans as a whole. The Court application seeks a ruling that this common position complies with the *OMERS Act, 2006.* The total estimated cost for funding the SC's annual costs from the OMERS pension plans will be nominal on a per member basis.

The Court application will be heard on January 21, 2008 at 10:00 a.m. Members (active members, retirees, inactives or deferred vesteds), employers and unions and bargaining agents of the OMERS pension plan may participate in this application by serving a Notice of Appearance and filing such Notice of Appearance with the Court no later than December 14, 2007. Details on how to serve and file a Notice of Appearance are contained on the website at **www.omers.com.** You can also call the Client Services number below to obtain further information.

To review the Court application materials prepared by the SC and AC, please visit **www.omers.com.** On the home page, see the "OMERS Updates" column.

Questions about this issue or your OMERS pension?
Call Client Services
at 1-800-387-0813 toll-free
or 416-369-2444.

OMERS response to FSCO report

In August, the Financial Services Commission of Ontario (FSCO) released its report on its review of certain OMERS investment processes. OMERS is pleased with the outcome, and has made the full report and our response available on our website.

"We were confident that FSCO would come to this conclusion and we are ready to move forward and continue our job in administering one of the best pension plans in North America," said David Kingston, Chair of OMERS Administration Corporation Board.

The FSCO report acknowledged the improvements in governance, including the creation of internal audit and legal departments and an internal compliance office, and the requirement that board members earn university accreditation as directors.

Supplemental Plan update

The development of the Supplemental Plan is on track for July 1, 2008, as mandated in the *OMERS Act, 2006.*

There are more than 40,000 police (officers and civilians), firefighters and paramedics (as defined in the *Police Services Act, Fire Protection and Prevention Act,* and *Ambulance Act* respectively) working for more than 200 OMERS employers, who are potentially eligible for Supplemental Plan benefits. These benefits are not automatically provided to all police, firefighters and paramedics participating in the OMERS Plan.

Participation in the Supplemental Plan can only be established by the employer for a class or classes of eligible OMERS members; for example, police officers, police civilians, police management.

Information sessions for employers were held this fall.

Best use of e-Tools, training and service

Reporting season gears down, new one revs up; employer service options

Membership reporting best year yet

The 2006 e-Form 119 reporting season has been the best yet. By August 31, 2007, most employers (95%) had "closed" their reporting, and there were fewer than 1,000 membership records left to be updated.

"We're thrilled that the e-Form 119 has made membership reporting quicker and more accurate," says Jennifer Brown, Senior Vice President, Pension Division. "But this would not be the best reporting year without the work and support from our employers. For that I have to say a big 'thank you' to everyone for their efforts."

With a new reporting season just around the corner, here are some suggestions:

- complete the paperwork for leaves and service purchases before year-end;
- complete any outstanding *Form 143 – Request for an OMERS plan benefit* event notices;
- offer OMERS membership to eligible part-time employees (see Section 6 in the online Employer Admin Manual);
- ensure all enrolments for 2007 are processed by year-end.

If you have questions at any point in the process, please contact us.

Training offered for e-Form 119

Get ready for the next reporting season by brushing up on your e-Form 119 knowledge. We're hosting e-Form 119 seminars until the end of November across the province. The two-part seminar gives you the option to register for one or both sessions.

The first part of the seminar is an introductory/refresher course and offers an overview of importing and submitting data, resolving exceptions, e-Correspondence and reconciling contributions. The second part is more advanced and covers the e-Form 119 process in more detail, resolving errors and warnings, broken service, and disability elimination periods.

Keeping e-access accounts current

You can help keep e-access safe and secure by contacting us to deactivate accounts for staff that are no longer authorized to use the system. For instance, has a registered user left or transferred to a job where they no longer need access? Please advise OMERS Client Services immediately.

e-Correspondence best practices

e-Correspondence was designed for sending messages through the secure e-access channel.

- The e-Correspondence is attached to the member's file, so keep the subject to one member only.
- Use the OMERS membership number.
- Fill in as many fields as you can.
- Check e-Correspondence daily.
- Don't use e-Correspondence for general admin or business questions; for those, use **employer@omers.com.**

OMERS service quick off the mark

We are committed to leading the pension industry with the quality and speed of our service. While our service target is three days, the actual turnaround time for processing key claims or application forms is – on average – less than two days. You can count on a quick and accurate response from us.

OMERS wide range of services

For the Presentations and Training Team, one goal is clear: to make OMERS administration easier. The team travels across Ontario, hosting information sessions and workshops. Check our website for the workshop schedule for 2008.

Service at your doorstep

Our service includes support visits with employers at their places of business. We try to visit each OMERS employer about once every 18 months. In fact, since 2003 we've made more than 3,100 on-site visits across the province. If you would like to arrange a meeting at your office, please contact us.

On the road to "retiree"

Communications Officer Phil Hollins is a familiar face to our employers and members – not surprisingly, as he sees more than 3,000 of them face-to-face every year across Ontario. Phil is retiring on October 31, after more than 20 years with OMERS.

"Phil's extensive knowledge of OMERS and retirement planning, his personable way of delivering service, and excellent relationships he's built with our pension team have been invaluable to the region and our employees," said John Nicol, Niagara Region HR Commissioner.

As for Phil, he has warm wishes for OMERS employers, members and retirees: "It has been my privilege to have worked with you and I hope that in some small way I have provided you with a greater understanding about the OMERS pension plan. I will miss the information and training sessions but take away wonderful memories."

In his OMERS role, Phil logged hundreds of thousands of kilometres on the road and in the air to reach our members and employers in every corner of the province.

In retirement he's not planning to let up: travel, researching family history, and keeping up with the grandkids will be a major focus for Phil and his wife, Pat.

Congratulations Phil, and all the best from your colleagues at OMERS!

Facts about Phil

500+

Number of meetings Phil has hosted from October 2006 to October 2007

350,000

Kilometres Phil has logged as a Communications Officer

Moose Factory

Phil's farthest meeting destination north of OMERS office

OMERS revised Primary Plan text registered: available online

OMERS is very pleased to have completed the revisions of our Primary Plan text and the related retirement compensation arrangement. The newly revised Plan text is available on OMERS website (in the Plan Governance section). The Plan text is a legal document governing how a registered pension plan is administered.

Highlights:

- Section 40 of the *OMERS Act, 2006* authorizes OMERS Administration Corporation (AC) to prepare a consolidation of the terms and conditions of the OMERS Primary Pension Plan (Primary Plan) and the related retirement compensation arrangement (RCA) by July 1, 2007, which is 12 months after the *OMERS Act, 2006* went into effect.
- OMERS AC prepared an amended and restated text for the Primary Plan, effective April 30, 2007. The Primary Plan text has been registered by the Financial Services Commission of Ontario (FSCO).
- OMERS AC also prepared an amended and restated text for the retirement compensation arrangement (RCA), effective June 30, 2007. The RCA is not a registered pension plan so its text is not required to be filed with FSCO or CRA.
- The terms and conditions of the OMERS Primary Plan and the RCA were previously contained in the *OMERS Act* and *Regulation 890*, which now have been repealed.

EMPLOYER WORKSHOP SCHEDULE

OMERS administration made easier

Need a refresher about the OMERS plan? Do new staff need training? Our one-day workshop is a great way to learn about OMERS administration: enrolments, leave periods and disabilities, leaving employment, and year-end reconciliation. The workshop includes case studies and group exercises.

2007 employer administration workshop schedule

Workshops run from 9 a.m. to 4 p.m.

Date	Location
December 6	**St. Catharines** Four Points by Sheraton, 3530 Schmon Parkway
December 12	**Toronto** OMERS, 1 University Avenue, 7th floor (Front & York streets)

Register online at **www.omers.com** or call OMERS Client Services. Workshops are offered free of charge and include a continental breakfast, lunch, coffee and snacks. Any travel and accommodation costs are up to you.

We're working on the schedule for 2008. Please check our website for an up-to-date list.

Brian Collins, Senior Information Officer, OMERS Call Centre

Call Centre standing by to help

OMERS Call Centre is a hub of information for every level. Have a quick question? Complicated situation? Simply call or e-mail us (our contact info is below). We will answer your questions and get you the information you need.

Information Officers are available to answer your calls and e-mails during business hours, 8 a.m. to 5 p.m., Monday to Friday.

In a post-workshop survey, 94% of attendees said their understanding of OMERS administration was "better" or "much better." Here's what some had to say:

Excellent. Very informative. Able to apply the information presented in our daily administration of OMERS. A great learning experience.

As a beginner in this subject, it was all new information for me. I found it to be very interesting and now have a better understanding.

The day allowed me to reinforce what I already know, to learn what I still need to know and to find new and better ways of doing my day-to-day administration.

Very good insight of OMERS. Was very glad I attended. Trainers did a great job.

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