OMERS employer news

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Mike Puddister (left) and Gerry Robin, Credit Valley Conservation Authority

Conservation authority adds to diversity

As a multi-employer plan, OMERS supports the people who serve the communities in Ontario. From parks and water works to libraries and policing, transit and social services, OMERS employers and members play a significant role in improving the quality of life for people across the province. Among a total of 921 OMERS employers, more than 20 conservation authorities are working hard to protect our environment as well.

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OMERS Plan for the Future

The OMERS pension plan provides secure retirement income to municipal employees at over 900 employers across Ontario. *Employer News* keeps our employer representatives up to date on plan administration, news and benefits.

Continued from page 1

"Our goal is to protect, restore and enhance the Credit River Watershed for the benefit of the people that live, work and visit here," says Mike Puddister, Director of Restoration and Stewardship at the Credit Valley Conservation Authority (CVC).

CVC partners with a number of municipalities that reside within the watershed, including the Regions of Peel and Halton, and the Town of Orangeville*.

The conservation authority offers a range of recreational opportunities through its ten core conservation areas. "The Rattray Marsh Conservation Area is a jewel in the middle of Mississauga. It provides incredible biodiversity for people to connect with. There are boardwalks, trails and interpretive signage to enjoy," says Mike.

Also, the Terra Cotta Conservation Area will likely be reopening this fall. "It's our premiere natural area. We're building an education centre there," says Gerry Robin, Director of Corporate Services.

"I've always advocated that OMERS is the best public sector plan. I tell my staff that it's the biggest and best benefit they have."

— Gerry Robin, Director of Corporate Services

Educating and engaging the community is key to the protection of the watershed. "We don't do anything without the public," says Mike. "Events such as a stream cleaning and tree planting depend on volunteers from the community."

He is also proud of CVC's Conservation Youth Corps program, which engages high school students to volunteer to plant trees, build habitat structures and restore streams.

CVC also spends time developing relationships with landowners so they can become better stewards of the watershed. "Working with the landowners, both private and public, is absolutely critical to the success of virtually everything we do," says Mike.

Focus groups are another way CVC connects with the community to achieve CVC's goals. "We get the community involved to understand the issues as they see them and to appreciate their vision for their local area," says Mike.

While CVC supports the community and environment, OMERS supports CVC's employees. "I've always advocated that OMERS is the best public sector plan. I tell my staff that it's the biggest and best benefit they have," says Gerry.

He says contributions to the pension plan may seem high for young staff who are starting families. "Every penny means something to them. But once they've been part of OMERS for over 10 years, they begin to really appreciate the value of their pension plan."

**Other municipalities include Cities of Mississauga and Brampton; Towns of Caledon, Erin, Halton Hills, Mono and Oakville; and Townships of Amaranth and East Garafraxa.*

Secure access coming soon for members

A state-of-the-art online member pension system is coming soon. myOMERS will give members online access to their OMERS information. myOMERS builds on our track record of success with e-access for employers.

Where we're at...

The site is in development and will be ready for active members in 2010.

Key features...

- The **RETIREMENT INCOME ESTIMATOR** and **BUY-BACK ESTIMATOR** tools will allow members to estimate their pension income or the cost of a buy-back purchase using their personal data.
- Through **MY INFO** and **MY REPORTS,** members will have easy access to service and earnings information as well as an electronic copy of their *Pension Report* and other personal documents, for example, a *Buy-back estimate* or a *Pension estimate.*
- With the **e-subscription** feature, members can sign up for e-only delivery of their *Pension Report.* myOMERS will also alert members by e-mail when their *Pension Report* is available electronically.

Next steps...

We'll promote myOMERS through next year's *Pension Reports* to encourage members to register with their *Pension Report* in hand – members will need their OMERS membership number to register.

In later phases, myOMERS will be available to retired members and deferred members (deferred members are members who kept their pension with OMERS after leaving their OMERS employer).

myOMERS: a sneak peek

With the launch of myOMERS in 2010, OMERS members will have safe and secure access to their OMERS information. More about myOMERS will follow in upcoming newsletters.

The RETIREMENT INCOME ESTIMATOR and the BUY-BACK ESTIMATOR will produce estimates based on membership information pulled from our database.

Through e-subscription, members can sign up for e-only delivery of their *Pension Report.*

Financial Services Tribunal – Notice of Hearing

Please see the following notice from the Financial Services Tribunal regarding an upcoming hearing in 2010.

Ontario

FST File No. #P0335-2008

FINANCIAL SERVICES TRIBUNAL

IN THE MATTER OF the *Pension Benefits Act,* R.S.O. 1990, c.P.8, as amended by the *Financial Services Commission of Ontario Act,* 1997, S.O. 1997, c.28 (the *"PBA"*);

AND IN THE MATTER OF the Registration of By-Law No. 7 of the OMERS Primary Pension Plan, Registration Number 0345983 (the "Plan");

AND IN THE MATTER OF a Hearing in accordance with subsection 89(8) of the PBA.

BETWEEN:
SUSAN MCGRATH
Applicant

- and -

SUPERINTENDENT OF FINANCIAL SERVICES, OMERS ADMINISTRATION CORPORATION, and OMERS SPONSORS CORPORATION
Respondents

NOTICE OF HEARING

TAKE NOTICE that the Financial Services Tribunal (the "Tribunal") will be conducting a hearing under section 89 of the *Pension Benefits Act,* R.S.O. 1990, c.P.8, as amended (the *"PBA"*) in respect of a Notice of Registration of Amendment (the "Registration") of the Superintendent of Financial Services (the "Superintendent") registering By Law No. 7 as an amendment to the OMERS Primary Pension Plan, Registration Number 0345983 (the "Plan").

THE HEARING WILL BE HELD commencing at 9:30 a.m. on **January 18, 19, 20 and 21, 2010 and February 8 and 9, 2010** at the Financial Services Tribunal, 5160 Yonge Street, 14th Floor, Toronto, Ontario.

THE PURPOSE OF THE HEARING is to determine whether the Tribunal should uphold the Registration of Article 2.1 of By-Law No. 7 (the "Amendment") which amends the method of calculating the indexing adjustments to benefits paid under the Plan.

PARTY STATUS has been granted by the Tribunal to: the OMERS Administration Corporation and the OMERS Sponsors Corporation.

THE ISSUES AT THE HEARING WILL BE:

(a) Is the Amendment void within the meaning of section 14(1) of the *PBA* because it reduces the amount or the commuted value of a pension or pension benefit accrued under a pension plan?

(b) Is the Amendment adverse within the meaning of section 26 of the *PBA*?

(c) If the answer to issue (b) is yes, were the notice requirements in section 26 complied with or were there grounds, as set out in section 26(4) of the *PBA,* to dispense with the notice required under section 26(1)?

(d) Depending upon the answers to issues (a), (b) and (c) above, what, if any, is the appropriate remedy and should it include revocation of the Registration of the Amendment?

IF YOU WISH TO PARTICIPATE in the hearing, you must file with the Registrar of the Tribunal, an Application for Party Status (Form 4) in accordance with Rule 38 of the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* at any time before **December 7, 2009** but thereafter only with the consent of the Tribunal. The Application for Party Status (Form 4), and Tribunal's Rules can be obtained by going to the Tribunal's website at www.fstontario.ca

Applications for party status will be dealt with at a **Pre-Hearing Conference scheduled on December 10, 2009 commencing at 9:30 a.m. at the offices of the Tribunal, 5160 Yonge Street, 14th Floor, Room 20, Toronto Ontario.** If you wish your application to be considered, you must attend in person at the pre-hearing conference on December 10, 2009 to address your application. The grant of party status to any applicant for party status is in the discretion of the Tribunal.

Applications must be filed with the Registrar at:
Rhonda Booth, Registrar
Financial Services Tribunal
5160 Yonge Street, 14th Floor
Toronto, Ontario M2N 6L9 Fax: (416) 226-7750

The hearing will be open to the public unless the Tribunal orders otherwise.

IF YOU DO NOT PARTICIPATE in the hearing in accordance with this Notice, the Tribunal may proceed without your participation and you will not be entitled to any further notice in this proceeding.

DATED at the City of Toronto, this Monday, August 17, 2009.

Rhonda Booth
Registrar, Financial Services Tribunal

OMERS SC approves plan change proposals

Below is a recap of the two plan changes approved by OMERS Sponsors Corporation (SC) in June 2009. Employers were previously notified of these changes by e-mail broadcast and mailed letter.

OMERS 2010 contribution rates

Beginning with the first, full pay period in 2010, the rates paid by active members (and matched by their employers) will be as follows. For comparison, we have also listed the current contribution rates.

		2009	2010
Normal retirement age 65 members	On earnings up to CPP earnings limit	6.3%	6.4%
	On earnings over CPP earnings limit	9.5%	9.7%
Normal retirement age 60 members	On earnings up to CPP earnings limit	7.7%	7.9%
	On earnings over CPP earnings limit	12.8%	13.1%

CPP earnings limit in 2009 is $46,300; we will know the 2010 limit later this year.

OMERS estimates that the amount an employer contributes to OMERS will increase by about 2% due to the rate increase. The SC may in the future decide that future changes are needed to address the funded status of the Plan. The rates will remain in effect until the end of 2012, unless the SC changes them.

Cap on level of incentive pay

This plan change will cap a member's earnings for pension purposes at 150% of contributory earnings calculated before incentive pay. For OMERS plan purposes, "incentive pay" means earnings related to short-term or long-term performance based bonus payments and similar pay arrangements. **Bonus payments based on length of service, such as service retention payments commonly paid in the police/fire sectors, are not considered "incentive pay" for OMERS purposes.**

This plan change applies to incentive payments attributed to calendar years after December 31, 2010. Incentive payments paid after 2010, but attributed to a year prior to 2011 would not be affected by the cap.

This plan change will only affect those members whose incentive pay is a large percentage of their earnings. Most OMERS members would not be affected by this plan change. Additional information will be issued to affected employers later this year.

Update: monthly payment option for buy-backs

In the last newsletter, we announced a new payment option for buy-backs. Members can now pay for a buy-back through a monthly payment plan. Monthly payments can be made directly to OMERS by pre-authorized withdrawals from the member's bank account.

How is the monthly payment plan different from borrowing money?

OMERS monthly payment plan offers flexibility. If a member's situation changes and they wish to discontinue payments, it's easy to do so.

The monthly payment option is a "pay-as-you-go" plan – service is credited as monthly payments are received. The member always has the option to stop the payments by notifying us in writing – the member keeps the credited service that has been paid for and the monthly withdrawals stop. As well, the member has the option to start up the payment plan again; however, we would treat it as a new purchase and re-cost the service, even if it's in the next month.

When a member takes a private loan or line of credit, they receive credited service for all service being purchased when we receive the funds; however, the member is obligated to pay back the full amount borrowed plus interest – the flexibility to discontinue payments is not there.

Quick review: labour disruption reporting

Please keep the following in mind when reporting periods of absence due to a labour disruption:

- An illegal strike or lockout, work stoppage, day(s) of protest are all non-purchasable leave periods.
- A legal strike or lockout is a purchasable OMERS leave period and the member pays the full cost (member and employer contributions) until the purchase deadline.
- The purchase deadline is the earlier of the end of the year following the year in which the leave ended or the date the member terminates employment.
- All purchasable leaves can be bought until the purchase deadline – even if the member originally elects not to buy the service. After the deadline the leave may be purchased as a buy-back, but the cost may increase.
- Use the *e-Form 165 – Leave period reporting/election* to report purchasable and non-purchasable leaves. (The e-Form 165 calculates the cost for you and generates the election form.)
- Always report the leave as soon as it ends – do not wait for the member to make an election.
- Always offer purchasable leave periods to members to avoid future omission periods.
- If the member is purchasing all or part of the leave, report the election and remit the payment – in a lump-sum, not instalments – with your next regular monthly remittance (or before you submit a Form 143 for the member).
- When you submit an *e-Form 105 – Contribution Remittance Summary,* list payments for leave periods separately under "Service Purchase."
- If you report an undecided purchasable leave period and the member subsequently elects not to purchase the service, you can report the election to OMERS but it is not mandatory. **Regardless, the period remains purchasable as a leave until the deadline.**
- Only include a leave period for a legal strike or lockout in the member's Pension Adjustment if the member has elected to buy it.

For more about reporting all leave periods, including details on how the cost is calculated and the purchase deadline, see OMERS Employer Administration Manual at **www.omers.com.**

Check the hire date on *Form 102 – Enrolling a member*

When enrolling a member, we ask for the hire date if it's different from the enrolment date. Be sure to provide the most recent hire date if there are multiple hire dates for a member.

Example

January 2, 2008: Jane is hired as a contract employee.
July 2, 2008: Jane's contract ends and she leaves her employer.
September 15, 2008: Jane is re-hired as a part-time employee, but not enrolled in OMERS (the enrolment criteria needs to be met before she can be offered membership).
August 31, 2009: Jane moves to another position, becomes a full-time employee and is enrolled in OMERS.

Jane's hire date is **September 15, 2008** because it's the most recent hire date. Her enrolment date is **August 31, 2009.** Her employer would also submit a *Form 168 – Proof of eligible service* for her first period of employment (January 2, 2008 to July 2, 2008).

Why is it important to get the right hire date?

Providing the correct hire date ensures the member's eligible service is correct. If the hire date provided is not the last continuous hire date, i.e., a break or termination occurred after the hire date, the member's eligible service will be overstated. In the above example, if January 2, 2008 was entered as Jane's hire date, her eligible service would be overstated.

Guidelines for submitting *Form 143 – Request for an OMERS plan benefit*

Background

Employers are required to complete and submit a Form 143 with any required documents, and any outstanding leave period election forms, after the member ceases employment. This initiates a benefit claim on behalf of the member.

Benefits presented to the member must be based on actual member information, not estimated. When member information is estimated then subsequently revised, we process an adjustment and send the member updated documents. This can be confusing to members and is more work for both employers and OMERS.

We understand that benefit adjustments are sometimes unavoidable, for example, when reporting a retroactive payment resulting from a new collective agreement. However, reducing the adjustments made to paid benefits provides better service to our members.

Please use the following guidelines when reporting member events on the Form 143:

Terminations	• Submit the Form 143 when the information is final or after the member's final payroll run.
Retirements	• Submit the Form 143 when the information is final. For salaried employees where the final figures are known this can be up to 60 days in advance. • Even if you don't have the final figures until just before or after the member's retirement date and as long as there are no other issues with the file, we can process the Form 143 and have the first pension payment in the member's account within seven business days – often earlier. For example, if a member retires on August 31 and you submit the Form 143 on September 3, the member's first pension payment can be deposited by September 14.
Pre-retirement deaths	• Only submit the Form 143 when you have final information – i.e., after the member's final payroll run.
Disabilities	• Only submit Form 143 when you have final information, including any elimination periods occurring in the calendar year before the effective date of the disability benefit – submit the Form 143 only after the member has decided whether or not to purchase the elimination period(s).

Offer of OMERS membership

Be sure to offer membership to part-time employees when they become eligible and immediately enrol members who elect to join.

To offer membership, give eligible employees *Form 104 – Offer of OMERS membership (part–time employee)* and a copy of the new *Offer of OMERS Membership (part-time employees)* booklet. If an employee elects not to join OMERS, keep a copy of the completed and signed Form 104. (Form 104 should be kept *permanently* in your records.)

Employers must offer membership each time an employee qualifies to join. A Form 104 signed in the past may not protect you with respect to an employee's right to claim an omission period for the current period. Keep copies of these documents indefinitely to ensure you have proof that you fulfilled your responsibility, in case you are ever challenged in the future.

Omission periods

An omission period can occur if an employee should have been offered membership in OMERS, but the employer did not make the offer. Omission periods can be very expensive for employers.

More information

For details on omission periods and OMERS enrolment policies and the definition of full-time and part-time members, see sections 2 and 6 of OMERS Employer Administration Manual at **www.omers.com**.

OMERS administration workshops

Need a refresher on pension administration? Do new HR or payroll staff need training? Our one-day workshop has something for everyone. It covers all aspects of OMERS administration; enrolments, leave periods and disabilities, and year-end reconciliation.

2009 Employer Administration Workshop Schedule

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

Date	Location
October 6	**Orillia** Best Western Mariposa Inn and Conference Centre 400 Memorial Avenue
October 28	**Brampton** Peel Regional Police Association, 10675 Mississauga Road
November 18	**Ajax** Hilton Garden Inn, 500 Beck Crescent
December 1	**Ottawa** (French) Chimo Hotel, 1199 Joseph Cyr Street
December 8	**Toronto** OMERS, One University Avenue, 16th Floor

Workshops are free, but travel and accommodation costs are up to you. Please check out our website for additional information and to register.

e-access security upgrade

To ensure our security safeguards meet the highest of standards, a new security infrastructure was implemented for e-access in July.

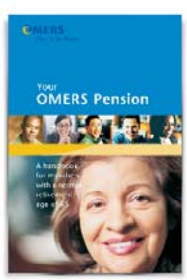
Security tips

You can also help to keep membership information safe and secure on e-access by:

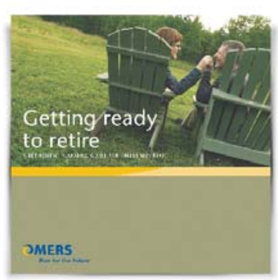
- ensuring each staff member has their own e-access account (i.e., no sharing of passwords); and
- notifying us when staff are no longer authorized to use e-access so we can de-activate the account.

Delivering the right information at each stage in the OMERS lifecycle…

NEW THIS FALL
This booklet helps you offer membership to part-time staff.



The handbook is part of OMERS welcome package for new members.



Getting ready to retire **is for members who are getting closer to retirement.**

OMERS
Plan for the Future

If there is any discrepancy between the information in this newsletter and the *Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006)* and the plan text, the *OMERS Act, 2006* and plan text will govern.

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