OMERS
member news
NUMBER 88 • SPRING • 2010

OMERS 2009 investment return

10.6%

See *OMERS In Focus* (in this issue) for full details.

myOMERS is a crowd pleaser

See page 6 >>

OMERS members Sarah Devlin (left), and Liane Kunath

New private sector service purchase option

OMERS members who have previously refunded service with a Canadian private sector registered pension plan may now be able to purchase that service and increase their OMERS benefit. This new option, approved by the OMERS Sponsors Corporation, began March 1, 2010. "With the advent of private sector purchases, members have more flexibility in their service purchase options," said Jennifer Brown, OMERS Chief Pension Officer.

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"Depending upon the specifics of the service they wish to purchase, members will be able to use cash or tax-sheltered funds to turn their previously refunded service into OMERS credited service, which will increase their OMERS pension."

To be eligible, the pension service must have occurred after 1991, and the member must have received a refund of their pension entitlement (there is no benefit remaining in the private sector plan). If the member still has a benefit in the private sector plan, there is an existing option to transfer that service into OMERS (see page 3).

The purchase cost will be calculated the same way as for previously refunded public sector service, and the payment methods will be the same:

- cash – either in a lump-sum or by using OMERS buy-back payment plan, which enables members to pay for their service purchase in installments over 12, 24 or 36 months;
- a transfer of funds from an RRSP or Locked-in Retirement Account (LIRA); or
- a combination of the two.

Cash purchases are tax-deductible.

For example, Alex worked for XYZ Corporation from 1985 through to 1995, and he was a member of the company's registered pension plan. When Alex left XYZ, he transferred the benefit he'd accrued during his 10 years with the company out of their plan into a locked-in retirement account (LIRA). He now has the option to buy the portion of his service that occurred after 1991 (up to four years) and convert it into OMERS service. And, to help pay for the service, he can use the funds from his LIRA (subject to acceptable locking-in agreements).

Private sector service purchases will be subject to the same income tax rules and limits as public sector service purchases – they must receive Past Service Pension Adjustment (PSPA) approval from the Canada Revenue Agency.

"The increased ability to buy past service can help to maximize their pension benefits, and it means that both past public sector and private sector service will be treated the same."

Jennifer Brown,
OMERS Chief Pension Officer

This new option provides members with greater choice and flexibility and builds upon OMERS existing provisions to buy past public sector service, to transfer in service (from both public and private sectors), and the newly introduced buy-back payment plan.

"The reality is that many employees change employers during their careers – sometimes between the public and private sectors," said Jennifer Brown. "The increased ability to buy past service can help to maximize their pension benefits, and it means that both past public sector and private sector service will be treated the same."

OMERS introduced a service buy-back provision for public sector service in 1992 – responding to members' requests to be able to buy back past service, and by so doing, to increase their OMERS pension when they retire.

Purchasing any previously refunded service brings two benefits to OMERS members: it increases their OMERS pension, and it may also enable them to meet one of OMERS early retirement factors sooner.

Along with new members, OMERS is encouraging any member who has transferred private sector service into OMERS since 2004 to look into this new provision. Sometimes, transfers-in from private sector plans don't purchase an equivalent amount of service in the OMERS Plan. Now, there is the option to make up the shortfall – if this wasn't purchased immediately after the initial transfer.

Next steps

Members who have previously refunded private sector service they'd like to purchase, should visit **www.omers.com** beginning March 1, 2010, and sign up for the new secure member access portal: myOMERS.

OMERS Buy-back Estimator, the service purchase cost estimate tool, now resides in myOMERS. And, because myOMERS has access to member records, it can pre-populate the member information fields – making it easier and quicker for members to get their cost estimate. The Buy-back Estimator also includes instructions on how to proceed with a service purchase, should the member wish to do so.

The private sector service purchase option is the latest development in OMERS commitment to improving the retirement flexibility and choices it offers its members.

At your service…

The new private sector service purchase option adds to the following OMERS existing options for members to maximize their OMERS service and retirement pension:

- **Public sector service purchase option** – if you have previously refunded service in the registered pension plan of a Canadian public sector employer, you may be able to buy this service and increase your OMERS service.
- **Private sector and public sector service transfer** – if you have funds left in the registered pension plan of a Canadian private or public sector employer for whom you worked previously, you may be able to transfer these funds directly into OMERS and increase your OMERS service.

For more information, or if you have service you'd like to purchase or transfer into OMERS, please contact OMERS Client Services. Our contact information is on the back page.

OMERS to introduce Additional Voluntary Contributions (AVCs)

Timeline: *Being developed for launch on January 1, 2011*

Quick Facts:

- AVCs will provide an additional retirement savings opportunity for OMERS members (active, retired and deferred members), within Canadian income tax guidelines.
- AVCs will be available exclusively to members of the OMERS Plan who choose to participate. Participation is not mandatory.
- OMERS active and deferred members and retirees up to age 70 will be able to participate.
- Active members will be able to contribute to the fund through ongoing contributions (direct debit from a bank account) or lump-sum transfers from registered retirement savings accounts, within established guidelines.
- Retired (to age 70) and deferred members will be able to make lump-sum transfers to their accounts within transfer rules.
- A member's AVCs will be in addition to the defined benefit pension they earn with OMERS.
- AVC features, rules and systems are being developed. Once this is completed, a Plan amendment giving effect to AVCs will be developed for the OMERS Sponsors Corporation's approval later in 2010.
- More details will be communicated throughout 2010 as this retirement savings option is finalized.

Pension reform – 2009

On December 9, 2009, the Ontario government released draft legislation of the *Pension Benefits Amendment Act, 2009* (Bill 236). Bill 236 is the first stage of what the government is calling a multi-stage pension reform process to modernize Ontario's employment pension system.

Many parts of Bill 236 deal with issues that have been in need of reform for some time, such as grow-in benefits, transfers of assets, phased retirement, plan valuations, confidentiality of information, Pension Advisory Committees, and marriage breakdown, amongst others.

OMERS is reviewing the Bill carefully and evaluating its implications. We have the opportunity to prepare and submit comments on Bill 236, and to consult with the government on the draft legislation.

As it goes through the legislative process, Bill 236 may change before it is final and passed. We will keep you posted on any news and developments.

OMERS investments – a new decade and a new CIO

Effective January 1, 2010, Michael Latimer assumed the role of OMERS Chief Investment Officer (CIO). He brings 30 years of corporate leadership experience – most recently with OMERS real estate arm, Oxford Properties, where he'd been President and Chief Executive Officer since 2004.

Member News *recently had the chance to ask OMERS new CIO some questions about how he sees his new role, and what future he sees for OMERS investments.*

What made you want to become the head of OMERS investments?

Previously, Michael Nobrega was OMERS President and CEO, as well as OMERS CIO. OMERS is separating these positions – a sign of the growing responsibilities of each position and their respective focuses. This new, separate position gives me the chance to be involved with OMERS investments on a broader scale.

Also, OMERS has an ambitious and exciting plan to expand its global footprint and its capital infusions, which I very much want to be part of. This is an exciting time to be with OMERS.

How do you see your role as Chief Investment Officer?

Primarily, I see my role as a steward of OMERS investments. I was given the responsibility by Michael Nobrega, and my job is to continue to build and develop the OMERS Fund.

I'm not looking to make any wholesale changes in OMERS investment strategy. We have a successful direction and plan in place, and I have a team of seasoned investment professionals who all know what they're doing.

I headed up Oxford Properties before this, and I'm very familiar with the OMERS executive team and all aspects of OMERS investments.

What is your first priority as CIO?

I want to make sure that the transition for the new CEO at Oxford Properties goes smoothly – that Blake Hutcheson has the support and resources he needs to continue building Oxford.

I'm also meeting with OMERS other investment entities – OMERS Capital Markets, OMERS Private Equity,

> ***"There is really only one overriding focus that the OMERS CIO must have: make sure the OMERS Fund continues to grow to pay pensions."***
>
> *Michael Latimer, OMERS Chief Investment Officer*

Borealis Infrastructure and OMERS Strategic Investments – to fully understand their focuses and priorities.

Why are OMERS investments so important?

OMERS investment capital must work to achieve the Plan's needs. Member and employer contributions aren't sufficient to pay for a member's OMERS retirement income; investment earnings cover about 70% of the cost. So, there is really only one overriding focus that the OMERS CIO must have: make sure the OMERS Fund continues to grow to pay pensions. That is what we're all here to do – fulfill OMERS pension promise to all our Plan members.

What opportunities do you see in the future of OMERS investments?

Adversity creates opportunity, and market difficulties have encouraged business and government to work closely together to create opportunities. We're taking advantage of this for the benefit of our stakeholders.

We've learned a few things from the recent market collapse – including the importance of our infrastructure and real estate holdings, which continued to grow as public equities fell.

We went into the events of 2008 in a strong position. While OMERS was affected by the downturn, as were many others, we weathered the storm better than most, which confirmed our investment strategy.

We're looking to grow – both by broadening our investment exposure and by increasing OMERS capital – and we're moving towards having more direct control over our investments. This is why we're bringing our externally managed funds under the guidance of our investment team – managing our money with our people. This not only saves management fees, it also enables us to apply our proven expertise more broadly.

Our business is becoming more outward-looking and, as we broaden our exposure, we continue to grow our talent pool. After all, you can only be successful if you attract and retain the best people.

Any final comments?

I feel privileged to have this role. It's a phenomenal opportunity, the timing is great, and Michael's leadership across the organization has set up all aspects of OMERS for success.

At the end of the day, we know what we have to do: pay pensions.

OMERS Worldwide

OMERS is establishing its global footprint under the OMERS Worldwide brand. This will showcase the full capabilities, accomplishments and talents of our investment entities that are specialists in private and public markets.

OMERS Strategic Investments

OMERS Capital Markets

OXFORD

OMERS Private Equity

BOREALIS Infrastructure

myOMERS member access site proving to be a crowd pleaser

myOMERS is quickly becoming a popular addition to OMERS online tools, since it was launched in December 2009.

By February 2010, nearly 4,000 members had registered for the new system that gives plan members online access to their pension information.

These numbers are expected to grow more quickly once members begin to receive their sign-up instructions with their Pension Reports this spring.

The Retirement Income Estimator and Buy-back Estimator in myOMERS both conveniently access information directly from the member's file. Plus members can sign up for e-only delivery of their annual statements – saving time and paper!

Alan DeVillaer is the Coordinator, Emergency Medical Services/Emergency Management, for the Municipality of Chatham-Kent. He also has the distinction of being the 500th member to register for myOMERS.

"I found myOMERS really easy to navigate," Alan says. "I appreciate having the ability to see my personal information up-to-date. And it's really great that I'll be able to get my *Pension Report* online.

"The Retirement Income Estimator is an easy way to plan for your future," Alan says. "For curiosity's sake, I worked through a few different scenarios and found the Estimator to be quick and accurate, with the information being available immediately."

Denise Jones was involved with the testing and launch of myOMERS – as an employer user. Denise is a Pension Specialist at the Dufferin-Peel Catholic District School Board.

"I, of course, love it, and I found the site to be visually appealing and easy to navigate," Denise says. "I must confess to needing a few tries to get a proper user name and password. All-in-all, I

"I think that it is going to be a very useful tool, not just for OMERS members, but also for employers."

Liane Kunath, Pension and Benefits Manager, Regional Municipality of Durham think it's great! Congratulations to the development team!"

Dave Arnott is a Captain with the Niagara Falls Fire Department.

"I thought I would try the OMERS website before going to a members' meeting," Dave says. "It was great! I had my *Pension Report* within about 10 seconds."

Liane Kunath, who is a Pension and Benefits Manager for the Regional Municipality of Durham, was also involved with testing myOMERS, as an employer user, along with colleague Sarah Devlin.

"I think that it is going to be a very useful tool, not just for OMERS members, but also for employers," says Liane. "Instead of the employer checking beneficiaries and service, and requesting pension quotes, we can point our employees to myOMERS."

Liane also has high praise for the ease-of-use of myOMERS. "myOMERS is easy to navigate, and has a lot of information," she says. "The Retirement Income Estimator is a really nice feature. The layout of everything is logical."

myOMERS user tips

- Follow the username and password instructions exactly – the number of characters needed, upper case, numerals, and special characters.
- Once you successfully register, you should receive an activation email from OMERS with the link to the myOMERS site. If you don't, try the following:
  – check to see whether the email went into your "Spam," "Deleted" or "Junk" folders; and/or
  – add client@omers.com as one of your contacts.
- Make sure that the email address you register is correct. This is the address we will use to communicate with you.
- Be sure to save your username, password and challenge questions – exactly as you created them – in a safe place. You will need these in future.
- The myOMERS site responds better when you navigate or perform actions slowly.

ESA statutory leave now for organ donors

On June 26, 2009, the Ontario Employment Standards Act (ESA) was amended to include a new protected statutory leave for organ donors.

About the new leave

- An employee who has been employed for at least 13 weeks by his or her employer and undergoes surgery for the purpose of organ donation is entitled to take a leave for a maximum of 13 weeks.
- The leave may be extended for up to an additional 13 weeks if authorized by a qualified medical professional.
- The organ donor leave is in addition to any time taken as a personal emergency leave.
- Members on an organ donor leave have the same pension rights as members on other statutory leaves such as a pregnancy and parental leave or emergency leave. The normal statutory leave rules for elections, Pension Adjustment (PA) reporting, cost and purchase deadlines apply, and the leave will count as eligible service in OMERS if the member doesn't purchase the period.

The member cost for an organ donor leave is single contributions. The employer pays a matching amount.

Plan for the future – with OMERS

Learn about your pension at an OMERS member information session. The sessions are fun, informative and free of charge. Topics include early retirement options, inflation protection, survivor benefits and investments.

Information sessions scheduled for April to September 2010 (5:30 to 7:30 p.m.)

Date	City	Date	City
April 13	**Sarnia**	July 22	**Toronto (OMERS)**
April 28	**Belleville**	August 11	**Kincardine**
May 11	**Sault Ste. Marie**	August 19	**Kingston**
May 20	**Toronto (OMERS)**	August 26	**Cambridge**
May 25	**Perth**	September 1	**Burlington**
June 2	**Stratford**	September 9	**Newmarket**
June 23	**Sudbury**	September 15	**Cornwall**
July 8	**Ajax**	September 23	**Toronto West**
July 14	**Fort Frances**	September 29	**Orangeville**

Later in 2010, we'll be hosting information sessions in Brantford, Kitchener, Niagara, Toronto (OMERS), Oshawa, Ottawa, Renfrew, Toronto East, Toronto North and Windsor.

For meeting locations and to register, contact OMERS Client Services or visit OMERS website under Member/Information sessions.

Register early; the sessions fill up quickly.

Reminder…

OMERS 2010 Spring Information Meeting

OMERS 2010 Spring Information Meeting will be held in Toronto on Wednesday, April 21.

You will be able to listen to a LIVE audio webcast available on our website, or attend in person.

Date: Wednesday, April 21, 2010

Time: Doors open at 9:30 a.m. meeting commences at 10:00 a.m.

Location: OMERS 1 University Avenue, 16th Floor, Toronto

Check **www.omers.com** for registration details.

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.

Phone
416-369-2444
1-800-387-0813

Fax
416-369-9704
1-877-369-9704

Email
client@omers.com
(en français ou anglais)

Mail
One University Ave.
Suite 800
Toronto, ON M5J 2P1

Web
www.omers.com

ISSN 1913-7400 (Print)
ISSN 1913-7419 (Online)

Printed on paper made from 50% recycled material, 30% post-consumer waste.

Disponible en français

Publications Mail
Agreement No.: 40010368