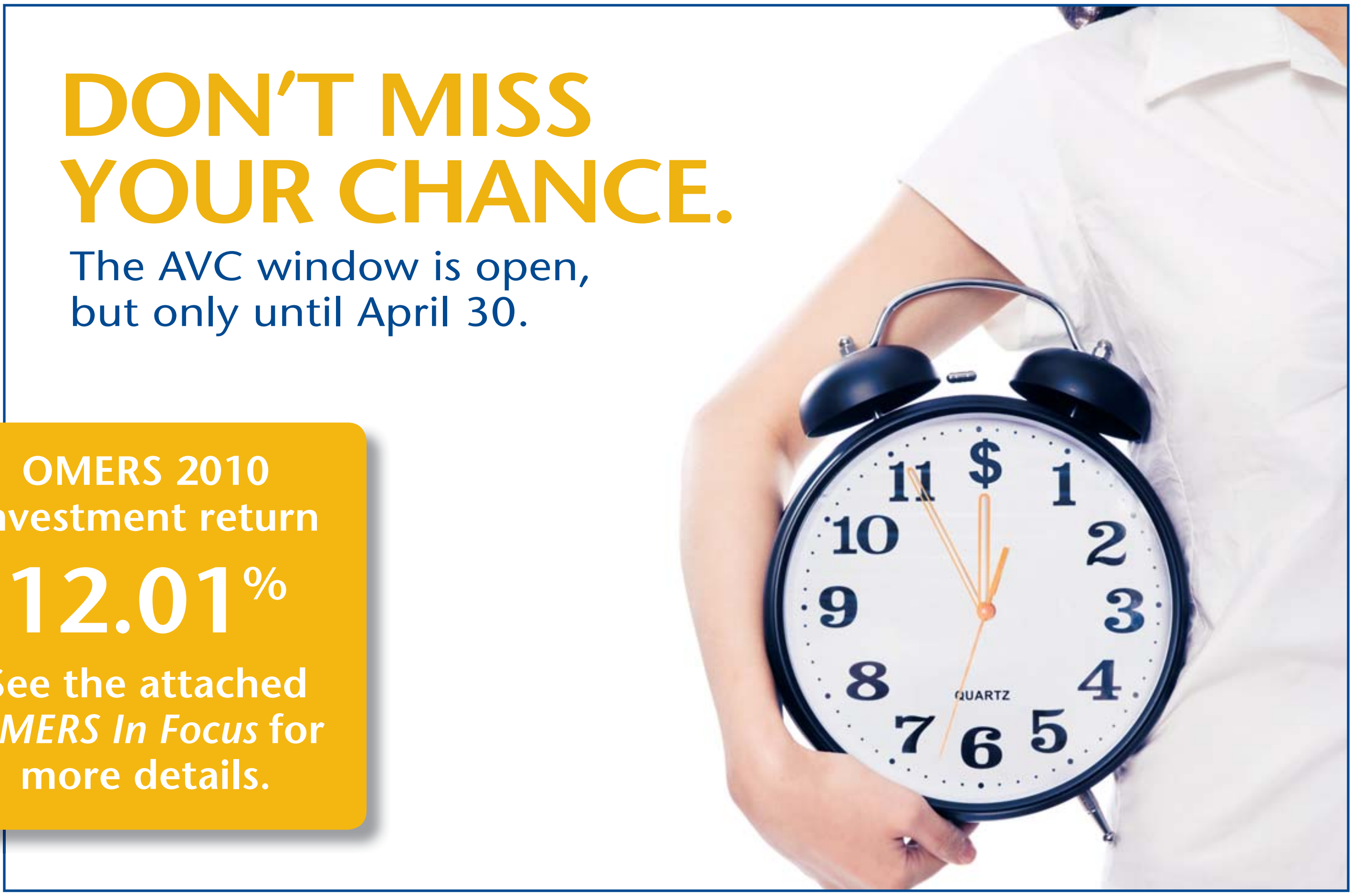
# OMERS
member news

NUMBER 90 • SPRING • 2011




**OMERS 2010 investment return**

**12.01%**

**See the attached *OMERS In Focus* for more details.**

# Members quick to invest in OMERS AVCs

OMERS members were opening Additional Voluntary Contributions (AVCs) accounts as soon as this exclusive retirement savings and investment opportunity became available on January 1, 2011. There's still time to transfer funds in from a registered retirement vehicle – the transfer window closes on April 30. And there's the year-round option of setting up automatic contributions by pre-authorized debit.

*Continued on page 2*



An OMERS pension will provide you with retirement income for life and includes inflation protection, early retirement options and survivor and disability benefits. *Member News* keeps more than 259,000 members up to date on Plan news and benefits.

*Continued from page 1*

AVCs are similar to registered retirement savings arrangements, but they are part of the OMERS Primary Pension Plan – enabling members to take advantage of the same investment expertise, strategy and diversified fund they rely on for their OMERS pension.

OMERS hosted AVC information sessions across the province that generated a lot of interest in AVCs. OMERS member Steve Bedley, who is with the Toronto District School Board, was intrigued by the potential of AVCs after attending an information session.

"What attracted me is that I think it's a very solid investment," said Steve. "They have low administration fees and the potential for good returns. I was looking for ways to increase my retirement savings beyond my pension."

*"I think AVCs are an excellent option – you're investing in the OMERS pension fund."*

*–Steve Bedley, Toronto District School Board*

## How to contribute

- **Transfers** – You can transfer funds from a registered retirement savings vehicle to an AVC account during the January 1 to April 30 window each year. There is no minimum or maximum transfer amount imposed by OMERS.

  Complete and submit *Form 402 – Transferring funds to your AVC account,* and a T2033 tax form.

- **Automatic contributions** – You can make automatic contributions to an AVC account, using pre-authorized debit, every two weeks (minimum of $20) or monthly (minimum of $40).

  Complete and submit *Form 401 – AVC automatic contribution plan.* This can be done at any time of the year.

  Forms are available at **www.omers.com** or call OMERS Client Services at 1-800-387-0813.

- **myOMERS: help manage AVCs** myOMERS is the secure, online pension portal for members. myOMERS users can monitor AVC accounts, modify automatic contributions, or start the process to transfer funds. See **www.omers.com.**

## Find out more…

- **AVC Information sessions:** See the schedule on page 8 or on our website.
- **AVC guide:** The complete AVC guide, *Consider the AVC option,* has details, case studies and the Terms of Participation. View it online or call OMERS Client Services.
- **Online AVC presentation:** View our 15-minute presentation and see why the AVC option is worth considering.
- **Client Services:** Our Contact Centre has knowledgeable representatives to answer your questions about AVCs.

## Investing with OMERS

OMERS is one of the largest pension plans in Canada and a participant on the world investment scene. With AVCs you're investing in the OMERS Fund.

OMERS also encourages you to seek the counsel of a qualified financial adviser you trust before you make any decisions about your future retirement or investment income.

## OMERS Plan rate of return

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| Annual rate of return | 12.01% | 10.6% | -15.3% | 8.7% | 16.4% |

| | 1-year return | 5-year | 7-year | 10-year |
|---|---|---|---|---|
| Average rate of return | 12.01% | 5.83% | 8.11% | 5.73% |

## Illustrative example of net returns

**Note:** this illustrative example, using OMERS 2010 rate of return, less an assumed investment management expense of 0.64%, results in a net annual return for an AVC account of 11.37%. Expenses and net returns for AVCs for 2011 will be known in March 2012. The administration fee for 2011 is $23.

| | Annual return | Less investment costs | Net annual return |
|---|---|---|---|
| AVC account | 12.01% | 0.64% | 11.37% |

# OMERS Jennifer Brown speaks on pension reform

Ontario has announced several proposed reforms and continues to participate in national discussions on pension innovation, coverage, and the Canada Pension Plan.

OMERS Chief Pension Officer, Jennifer Brown, is a key player in pension reform as a member of Ontario's Advisory Council on Pensions and Retirement Income. In November, she joined Ontario Finance Minister Dwight Duncan at the Canadian Pension and Benefits Institute (CPBI) Pension Summit in Toronto.

Jennifer gave the viewpoint from a jointly sponsored plan – in which the governance structure represents both members and employers, and where both of these groups are responsible for plan decisions.

The unique characteristics of jointly sponsored, multi-employer plans like OMERS were acknowledged in the 2008 report from the Ontario Expert Commission on Pensions. (The OECP was set up by the government to review the province's pension system.) Recent pension reforms continue to reflect that view.

"It's a good sign that legislation is being drafted indicating there are strong public policy reasons to provide some different rules for jointly sponsored plans," Jennifer said.

Specifically, the province is moving ahead with reforms to:

- provide solvency funding relief to jointly sponsored plans; and
- offer solutions to divestment situations – to find ways to combine members' pensions that have been split between two plans after their employer transferred all or part of its business to another employer.

Jennifer also offered OMERS support for Canada's ideas on ways to improve retirement income and the Canada Pension Plan. "OMERS has supported many initiatives that strengthen the pension system for all Canadians and will continue to do so. With nearly 50 years of experience in pension plan administration and funding, OMERS has much to offer in discussions related to making the parts of the Canadian retirement income system work together."

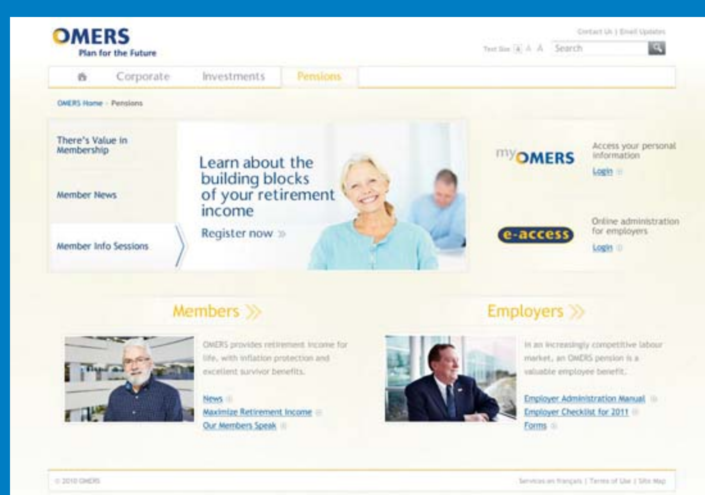
"We are encouraged by the momentum of pension reform," Jennifer said. "We see the reforms as positive changes that address the current challenges in Canada."

OMERS submissions are available under Pension Reform in the Corporate section of our website.

## A new look for www.omers.com

OMERS website has a new look and new navigation features.

Go to **www.omers.com** and click on the "Pensions" section to find information for members, retired members and employers.



# Early Childhood Educators joining OMERS

OMERS is pleased to welcome many Early Childhood Educators (ECEs) to our pension plan over the next several years.

Ontario is rolling out full-day early learning for four- and five-year-old children, with the goal of full availability in the province by 2015-2016. The province estimates that this major development in early childhood education will result in more than 20,000 additional ECE positions in Ontario school boards. Many of these ECE employees may be eligible for OMERS Plan membership. The program is expected to be in 800 schools by September 2011.

# Contribution rate increase recap

The OMERS Sponsors Corporation has developed a multi-dimensional strategy to address the OMERS Plan's funding deficit – including a three-year contribution rate increase (2011-2013). The contribution rate increase for 2011 is the first step.

Beginning with the first, full pay period in 2011, the contribution rates paid by OMERS active members (and matched by their employers) increased as indicated in the table.

| | | 2010 | 2011 |
|---|---|---|---|
| **Normal retirement age 65 members** | On earnings up to CPP earnings limit* | 6.4% | 7.4% |
| | On earnings over CPP earnings limit* | 9.7% | 10.7% |
| **Normal retirement age 60 members** | On earnings up to CPP earnings limit* | 7.9% | 8.9% |
| | On earnings over CPP earnings limit* | 13.1% | 14.1% |

***CPP earnings limit in 2011 is $48,300***

- In 2012, contribution rates will increase another 1% (on average) of a member's earnings per side (members and employers);
- In 2013, contribution rates will increase a further 0.9% (on average) per side.

Contribution rates for 2012 and 2013, and information about the changes to benefit calculations in 2013 will be covered in future issues of *Member News*. You can also refer to the latest member handbook for details at **www.omers.com.**

# Borealis, Teachers' acquire U.K. high-speed rail link

Borealis Infrastructure (an OMERS company) and Ontario Teachers' Pension Plan have partnered for the purchase of High Speed 1 (HS1), which operates Britain's only high-speed rail link to the Channel Tunnel, an acquisition valued at £2.1 billion.

Britain's state-owned railway sold the 30-year concession to own and operate the 68-mile (109 km) HS1 rail network, connecting St. Pancras International Station in central London to the Channel Tunnel.

"This acquisition supports OMERS long-term strategy to diversify internationally and we view the U.K. and Europe as primary markets in meeting this objective," said Michael Rolland, President and CEO of Borealis Infrastructure. "HS1 operates in an attractive and stable regulatory environment with good long-term visibility on inflation-linked cash flows."

Borealis manages a diversified portfolio of over C$8 billion in net infrastructure assets for OMERS, including investments in energy, transportation, government-related services and institutional facilities.

Borealis Infrastructure's portfolio includes Associated British Ports and The Detroit River Rail Tunnel.

The HS1 purchase also fits OMERS long-term strategy of increasing private market investments (i.e., private equity, infrastructure and real estate) to 47% of the Fund's asset mix.

Read about Borealis returns for 2010 in the attached *OMERS In Focus*.

## OMERS retirees share their wisdom

**There's no substitute for experience.** The OMERS Plan has over 100,000 retirees who have been through the processes leading up to retirement, followed by their life experiences after work. This wealth of experience is best when shared, which is why we ask our retirees to contribute what they've learned about retirement. We read through their advice and lessons learned, and post as many as we can on our website.

Here are just a few examples of advice you'll find online...

*"Being wise with my money, maintaining friendships, and staying as active as I can."*
Elizabeth, 62, retired member and former Manager.

*"I attended the OMERS retirement seminars and met with my financial planner."*
Tom, 62, retired member and former Reference Librarian.

*"I began to think things out five and eight years in advance, and did not expect OMERS to be my only funding. Plan ahead!"*
Ernie, 59, retired member and former Bus Operator

If you're nearing retirement, or know someone who is, visit "Advice from Members" at **www.omers.com** to get ideas on what you may need to prepare for retirement – from those who have blazed the trail.

# OMERS is best employer, pension fund; OMERS employees give generously

We Day in Toronto's Air Canada Centre in September.

## OMERS a top 50 employer

OMERS was recognized as a Best Employer in Canada for the third year in a row. OMERS placed 13th on the list of 50 employers, up from 23rd the previous year.

The best employers list is compiled by Aon Hewitt, based on employee engagement levels at more than 250 employers, and from 134,000 employee survey responses.

"Our employees are encouraged to develop their careers, take ownership of their decisions and have an impact on the company's success by sharing their creative ideas on how we can continue to improve as an organization," said Michael Nobrega, President and CEO of OMERS. "Our employees have a track record of being highly engaged in delivering investment returns to the Plan and exceptional service to Plan members."

BEST EMPLOYERS IN CANADA 2011

## Pension Fund of the Year

OMERS was named Pension Fund of the Year – Canada, for the second year in a row. This distinction is from World Finance, a U.K.-based magazine. Among the key areas considered in the award are investment strategy; improvements to member relations and services; and investment returns.

## Caring employees

"OMERS employees have always been proud to give back to their communities," said John Macdonald, OMERS employee campaign chair. "In 2010, that giving spirit was extended when OMERS employees not only made record donations to United Way, but also supported OMERS Worldwide Sponsorship of Free the Children's We Day."

## Supporting the United Way

Employees at OMERS and its investment entities raised more than $900,000 for United Way in 2010. This year's campaign included vacation day donations, an auction, a broomball tournament, and our "big event," the musical *Wicked*. OMERS teams also participated in The Scotiabank Rat Race and the Enbridge CN Tower Climb, events sponsored by United Way Toronto.

## Free the Children

In 2010, OMERS Worldwide became a co-title sponsor of Free the Children's "We Day," which celebrates the power of young people to create positive change. We Days were held in Toronto, Vancouver and Montreal. These day-long events ignite a year-long program for change, "We Schools in Action." OMERS employees volunteered their time at We Day Toronto and hosted a fundraising auction, "Art for a Change," to raise funds for and awareness of Free the Children's We Day.

# OMERS Private Equity acquires CBI Health Group

OMERS Private Equity recently purchased CBI Health Group, the leading provider of outpatient rehabilitation and community health care services in Canada, and home health services in Ontario and Alberta. The seller was Callisto Capital LP, a private equity firm.

Based in Toronto, CBI was founded in 1982 and operates a national network of 134 community and hospital based rehabilitation, medical and health care facilities. With more than 3,300 clinical and support staff, CBI is one of the largest providers of integrated health care services, including physiotherapy; occupational, behavioural and exercise therapies; as well as physician, chiropractic, psychology, nursing, speech, massage, home health and eldercare services.

"CBI has gained its market-leadership position by consistently providing high quality health care outcomes throughout its broad service offering across Canada. We believe that the Company's scalable platform is well-positioned for continued growth over the next several years," said Tim Patterson, Managing Director of OMERS Private Equity.

Read about the 2010 returns for OMERS Private Equity in the attached *OMERS In Focus*.

## Fairmont Hotel discount for OMERS members

Fairmont Hotels and Resorts offers OMERS members a discount on the best available room rates at these Fairmont hotels owned by Oxford Properties, OMERS real estate entity: Chateau Whistler, Vancouver Airport, Jasper Park Lodge, Banff Springs, Chateau Lake Louise, and Le Chateau Montebello.

Active and retired members can book online at **www.fairmont.com/oxford** for the special rate.

OMERS Worldwide

**The OMERS Worldwide brand has been established through OMERS Strategic Investments to assist the investment entities in sourcing global investments through regional relationships and regional offices.**

OMERS Capital Markets


OMERS Private Equity


BOREALIS Infrastructure

OXFORD

OMERS Strategic Investments

# Learn about your pension income

These information sessions are for OMERS active members. The sessions are fun, informative and free of charge.

For meeting locations and to register, visit **www.omers.com** or contact OMERS Client Services at 1-800-387-0813.

## Be pension savvy…

**Understand your OMERS Pension better** – featuring early retirement options, inflation protection, survivor benefits and investments.

### Information sessions are from 5:30 p.m. to 7:30 p.m.

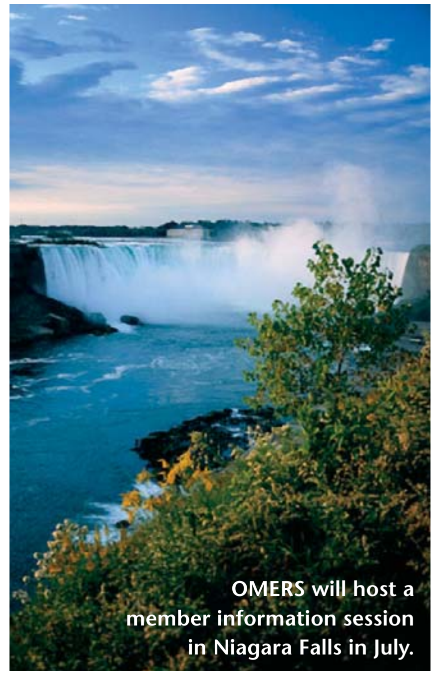
| | | | |
|---|---|---|---|
| March 23 **Belleville** | April 26 **Ottawa** | May 26 **Windsor** | July 21 **Niagara Falls** |
| March 24 **Toronto** | May 3 **Kitchener** | June 8 **Collingwood** | August 17 **Peterborough** |
| March 31 **Etobicoke** | May 10 **North Bay** | June 22 **Dryden** | August 25 **London** |
| April 6 **Hamilton** | May 11 **Thunder Bay** | July 13 **Sault Ste. Marie** | |

## AVCs, buy-backs and transfers…

**Make the most of your retirement income** – featuring AVCs, the new savings and investment opportunity exclusive to OMERS members. (See the article on the front page.)

### Information sessions are from 5:30 p.m. to 7 p.m.

| | | | |
|---|---|---|---|
| March 15 **Ottawa** | March 22 **Newmarket** | March 30 **Toronto** | April 12 **Vaughan** |
| March 16 **Ottawa (French)** | March 28 **Kitchener** | March 30 **Chatham** | April 14 **Niagara** |
| March 17 **Perth** | March 28 **Whitby** | April 5 **Burlington** | April 20 **Barrie** |
| March 17 **London** | March 29 **Mississauga** | April 11 **Windsor** | |

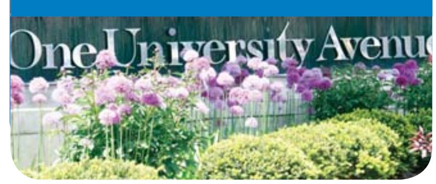


OMERS will host a member information session in Niagara Falls in July.

## OMERS 2011 Spring Information Meeting

The Spring Information Meeting will be on **Tuesday, April 19, 2011 in Toronto**.

This is a great opportunity to hear an update on OMERS operations, the funded status of the Plan, and our 2010 results. Visit **www.omers.com** to register or to tune in to the live webcast.




**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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