OMERS member news

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Top ten public sector pension funds in Canada

A Canadian success story on the world stage

Independent Chair Appointed to Board of OMERS Administration Corporation

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Canada's Top Pension Funds Help Drive National Prosperity

When you think of your pension, you probably think of the retirement income that it will provide you. And you'd be right to do so – but did you know Canada's ten largest public pension funds, dubbed "the Top Ten," also contribute significantly to national prosperity? A landmark study conducted by The Boston Consulting Group (BCG) provides, for the first time, data on the aggregate impact of these global organizations.

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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 266,000 members up to date on Plan news and benefits.

PENSION NEWS

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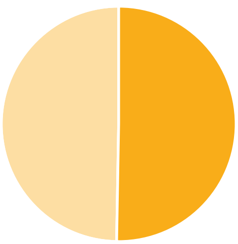
Canada's Top Pension Funds Help Drive National Prosperity

OMERS and the Canadian economy

There are many reasons to be proud of your OMERS Plan – it not only helps you achieve the retirement you're looking for, it benefits the Canadian economy.



About **51%** of the Fund, over $31 billion, is invested in Canada.

Over 25,000 Canadians are employed at OMERS and the companies in which it has a significant ownership share.

Some interesting facts from the first BCG survey:

- At the end of 2011, these pension funds managed $714 billion – 35% of Canada's retirement assets. Their net assets grew by more than 100% in the previous eight years. Despite market fluctuations, ⅔ ($240 billion) of the increase has been driven by solid investment returns versus ⅓ ($125 billion) from net inflows to the funds made by members and their employers.
- Four of the top 20 global investors in infrastructure assets and commercial real estate are among the Top Ten.

Visit **omers.com** for more details and watch for the results of the next BCG study, scheduled for release later this fall, that will review the positive impact of retirees with a defined benefit pension.

OMERS Administration Corporation Board Chair Appointed

Mr. George L. Cooke has been appointed as the Chair of the Board of Directors of OMERS Administration Corporation, effective October 1, 2013. Most recently, Mr. Cooke served as President and CEO of the Dominion of Canada General Insurance Company.

Mr. Cooke will serve as the first-ever Independent Board Chair of the OMERS Administration Corporation – a new position created by OMERS following the recent report on OMERS governance model, as planned under the *OMERS Review Act, 2006*. In keeping with the independent nature of the new position, Mr. Cooke has no affiliation with any of the sponsors of the OMERS Pension Plan. "Creating and filling this new position is an important step in the evolution of OMERS governance to ensure a model that best serves the OMERS Pension Plan and its members," said Rick Miller, the outgoing Chair. Mr. Miller will remain on the Board until the end of December, 2013 to support a smooth transition.

Watch for an in-depth interview with Mr. Cooke in an upcoming issue of *Member News*.

No Changes to Contribution Rates and Benefits in 2014

The OMERS Sponsors Corporation annual process to review contribution rates and consider benefit change proposals concluded in June. None of the proposals received the required ⅔ majority vote, so there are no changes to contribution rates or benefits in 2014. The SC will continue to monitor the Plan's funding outlook, and to make any decisions on changes through its annual planning cycle.

BuildDirect Extends Discount Offer to OMERS Members

OMERS Ventures invests in and partners with the best – businesses with the potential of growing into world leaders in their field. Companies like BuildDirect, an online manufacturer-wholesaler of flooring and building materials.

Since 1999, builddirect.com has grown into a leading online supplier of building materials, including flooring, tiles and decking. OMERS Ventures invested in BuildDirect in June 2012.

Long recognized as a source for building products direct to contractors and homeowners across the U.S.A., BuildDirect's products are now available in Canada. BuildDirect is offering, exclusively to OMERS members, **5% off their lowest price**.

Go to builddirect.com, and when you call in or email, simply identify yourself as an OMERS member.

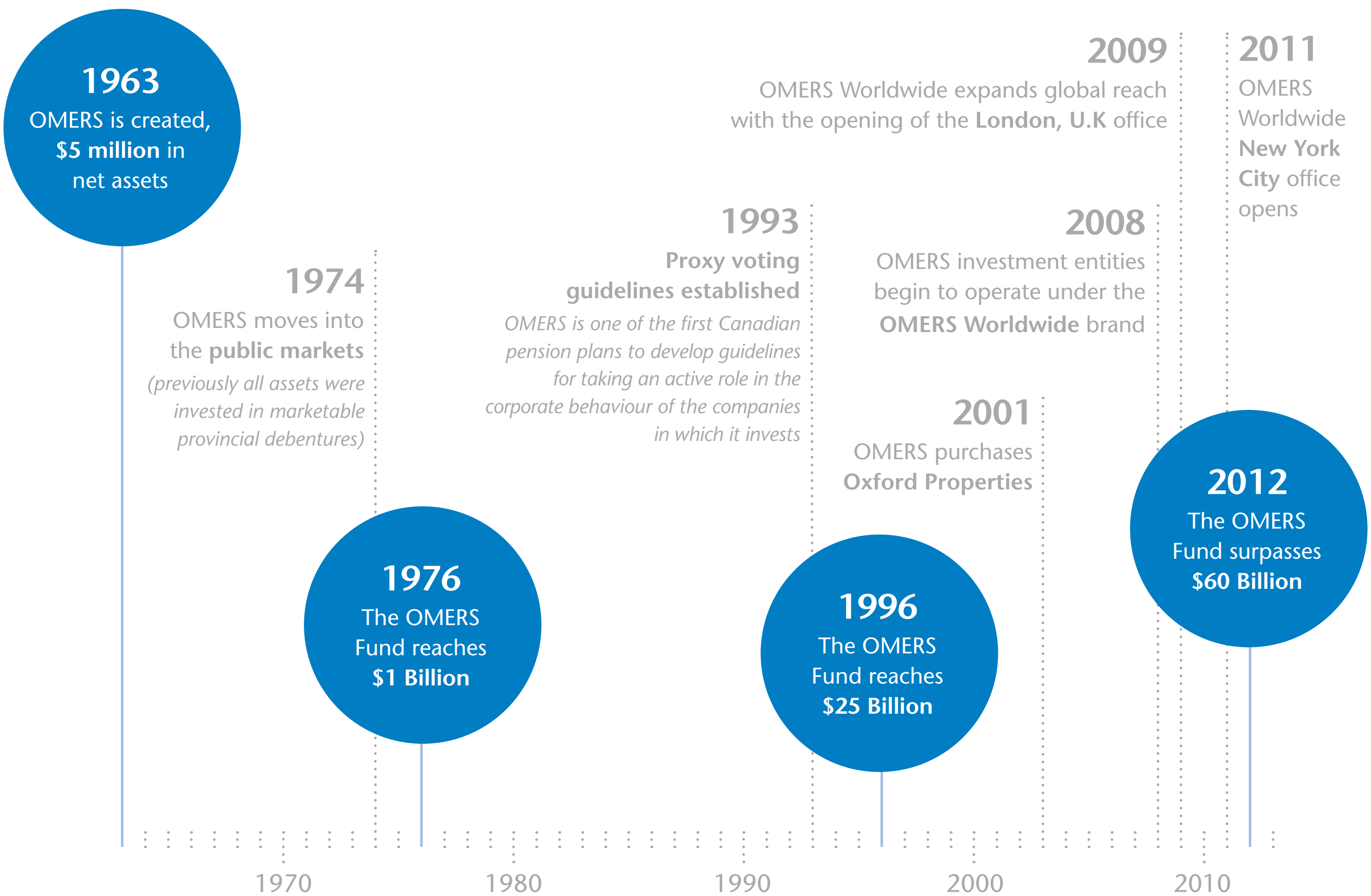
About OMERS Ventures

OMERS Ventures is the venture capital investment arm of OMERS. It invests in companies with the potential for leadership in the technology, media, telecommunications, clean tech and life sciences sectors.

OMERS Ventures looks for visionary entrepreneurs to partner with to further the goal of creating a strong knowledge economy and advancing venture capital in Canada.

OMERS celebrates 50 years of serving its members

Key milestones along OMERS path to becoming the global, diversified investor it is today.



Leaving Your OMERS Employer? Too Young to Retire?

Did you know that you can keep your pension with OMERS and get a future stream of retirement income for life?

OMERS options for your future benefit include an OMERS pension or transferring the commuted value (CV) of your pension out of OMERS to a prescribed savings vehicle, such as a locked-in retirement account (LIRA).

Keeping Your Pension With OMERS

- Your pension is paid for life. You will not outlive your pension. (The average OMERS member retires at age 62 and receives a pension for 25 years.)
- Your pension is based on your salary and years in the OMERS Plan at the time you leave your OMERS employer – the amount can be estimated in advance and is not affected by investment returns or market turbulence.
- Your OMERS pension is indexed for inflation.
- Your OMERS pension includes survivor benefits (your eligible spouse will receive a survivor pension, indexed for inflation, for life).
- You will be able to continue to invest in the OMERS Fund with Additional Voluntary Contributions (AVCs).

Transferring the Commuted Value (CV)

- The CV is the lump-sum value of your pension that would have been paid by OMERS (including indexing and survivor benefits) based on the prescribed interest rates in effect when calculated.
- The *Income Tax Act* limits what you can transfer, tax-sheltered, out of OMERS. Any excess is paid in cash, and tax will be deducted.
- You become responsible for its investment.
- When it's time to draw retirement income from your LIRA, your options include:
  - » An annuity to provide a monthly payment for life. The monthly amount will depend on your age, the benefits you choose and market conditions at the time of purchase.
  - » A life income fund (LIF) which allows you to withdraw different amounts each time (subject to the legislated annual minimum and maximum), but you are still responsible for its investment. Your money continues to be tax-sheltered until it's withdrawn.

Making the Decision

What you do may not be a pension-only decision. Some employers provide retiree healthcare benefits and eligibility for these benefits can be linked to your pension.

Before making a final decision, we recommend that you consult an independent financial adviser – someone who has nothing to gain from your decision. Ask them to compare your OMERS benefits with what the investment would provide under various investment and economic scenarios. We can also help. Visit **omers.com** to learn more about your pension.

2013 Fall Information Meeting

Please join us at the Metro Toronto Convention Centre on Tuesday, October 22nd for our Fall Information Meeting, which will include educational sessions. To register email stakeholdermeeting@omers.com or call 1.866.725.6494 or 416.350.6708 or visit **omerssc.com** or **omers.com/fallmeeting** to listen to a live audio webcast.

Sign Up for myOMERS

myomers.com

You will need your membership number or reference number (listed on any personalized document from OMERS), and the last three digits of your social insurance number.

Advantages of myOMERS

View your pension information

Switch to e-delivery of your *Pension Report*

Estimate your retirement income

Manage your AVC account

Calculate Buy-back purchases

Update your contact information

Learn About Your OMERS Pension, AVCs and More

An OMERS pension can grow into a significant financial asset for retirement. It pays to take the time to learn how it works.

Attend a Member Information Session

Burlington	Oct. 15
Windsor	Oct. 22
Barrie	Oct. 30
Ottawa (en français)	Nov. 5
Toronto (OMERS)	Nov. 5
Markham	Nov. 12
Kincardine	Nov. 19
Vaughan	Dec. 3
Toronto (OMERS)	Dec. 10

Watch a Webinar

How OMERS Calculates Your Pension	Oct. 16	12:00 p.m.
Maximize Your Retirement Income	Oct. 16	4:30 p.m.
Maximize Your Retirement Income (en français)	Oct. 17	12:00 p.m.
Maximize Your Retirement Income	Nov. 12	12:00 p.m.
How OMERS Calculates Your Pension	Nov. 12	4:30 p.m.
How OMERS Calculates Your Pension	Dec. 11	12:00 p.m.
Maximize Your Retirement Income	Dec. 11	4:30 p.m.

In January and February 2014, we will be holding meetings in Toronto (OMERS), Ajax, Brampton, Scarborough, Newmarket and Burlington. Registration is now open for these meetings.

You can register and view the complete schedule at **omers.com/infosessions**, or contact OMERS Client Services at 416-369-2444 or 1-800-387-0813. Register early, as the sessions fill up quickly.

Everyone's vision of life in retirement is different. The peace of mind of lifetime income and survivor benefits that your OMERS pension delivers may be all you need for retirement. If you are looking for more, Additional Voluntary Contributions (AVCs) could be for you.

Similar to RRSPs in some ways, AVCs are administered as part of the OMERS Primary Pension Plan but separate from your OMERS defined benefit pension. Funds in an AVC account are invested in the OMERS Fund, a globally diversified portfolio, which provided a 9.5% net rate of return in 2012.

AVCs Earn the OMERS Fund Net Rate of Return

for the period ended December 31,	2012	3-year*	5-year*	10-year*
Net Rate of Return	9.5%	7.7%	3.0%	7.7%

*The OMERS Fund annual average net rate of return (after investment management expenses)

All members can transfer money from other registered retirement savings vehicles such as RRSPs to an AVC account. Active members can also contribute regularly by pre-authorized debit, from as low as $40 a month. AVCs have minimal management fees and expenses – no profit margin is built into the calculation of fees and expenses. In 2012, OMERS investment management expenses were only 0.53%.

Everyone has their own unique retirement goals. AVCs could help you reach yours.

To open an account visit myOMERS.com.

Learn more about AVCs. Visit omers.com/avcs.

For U.S. residents only: Neither the OMERS Primary Pension Plan nor the Additional Voluntary Contribution provision thereof (the AVC Option) is registered with the U.S. Securities and Exchange Commission. They are or may be offered and sold in the U.S. pursuant to an exemption from such registration.

Note: The AVC option is not available to members who are not resident in Canada or the United States.

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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