

BULLETIN

Our OMERS Pension Plan: What COTAPSA wants and how we are trying to get it.

COTAPSA is Canada's oldest and largest municipal management nonunion association, representing over 4,800 nonunion employees across the City of Toronto. We represent nonunion employees in virtually every department and ABC of Toronto's government. This mission involves protecting the long-term interests of our active contributors to the OMERS pension plan. OMERS advocacy is an important facet of COTAPSA's mission.

Key OMERS Issues:

City of Toronto employees receive salaries, healthcare and OMERS pension benefits as basic components of their compensation. OMERS is a defined benefit plan that is funded by equal contributions from employees and employers and by OMERS investment earnings. The OMERS promise is to provide, within reason, guaranteed pension benefits for its contributing members.

All OMERS members work hard to earn their pensions and largely trust OMERS to deliver on its pension promise. But, to continue to keep that trust, COTAPSA believes that OMERS Boards must be open to fair comment and scrutiny through the good times and the bad.

Over the past decade a funding deficit, inadequate investment returns, shifting demographics and rising investment and pension administration costs have put our OMERS pension benefits and contribution rates under pressure. A number of Plan Change initiatives by OMERS would, if passed, diminish benefits for all future retirees and new OMERS members. This scenario matters as much or more to younger OMERS contributors as they stand to be paying higher contributions to pay for today's retirees while witnessing their pension promise potentially shrink. It's about fairness.

Public pension administration and investment management is hard work, involves risk and is not always profitable – contributors understand that. In good financial times OMERS pension benefits were expanded by previous employer and employee directors – contributors understand that. In these prolonged weak financial times, OMERS has to take measures to ensure the pension promise continues to be met – contributors understand that. **What we do not agree with is the unfairness to all OMERS active contributors who now must stand back while their pensions may be reduced, and all the while the OMERS boards and management continue to spend lavishly with minimal explanation or cost-benefit analysis for OMERS hugely increased operating costs.**

We have witnessed an erosion of accountability and trust in OMERS Board governance since the OMERS Act, 2006 was enacted 13 years ago. As concerned contributor advocates, we are increasingly forced to look beyond official information sources to confirm that we are indeed receiving good value from OMERS for our pension money. Until we became vocal in our advocacy in the past decade OMERS 29 Directors and their Sponsors assumed that OMERS enjoyed the support of happily indifferent contributors who believed their retirement money was in good hands.

Without pointed and persistent comment on these oversight and accountability issues, positive change will not occur. That is why we continue to pressure OMERS.

If regular, factual and comprehensive information was received, then contributors might be inclined to trust OMERS communications more and perhaps support the organization's sustainability efforts for beneficiaries. But, we believe both of the OMERS boards and their 29 Directors lack the desire to effectively respond to either the current or emerging information needs of its active contributors in these uncertain economic times.

Over recent years, COTAPSA has had a number of successes in protecting pension benefits for our members. The aim of our OMERS advocacy efforts is to increase governance efficiency and transparency at OMERS two Boards. We are demanding more disclosure from the OMERS Boards' as we discover more information about OMERS investment and pension administration activities that we believe must be disclosed or better reported. COTAPSA also continues to advocate for a more inclusive model of sponsor representation on the OMERS boards. We seek a sponsor governance model that is as efficient and effective as possible, with full transparency and decisions made collaboratively through a "committee" directly representative of employers and active contributors, including nonunion, as equals, with equal information access.

We encourage all nonunion employees to stay informed about OMERS by visiting www.omers.com, or attending any OMERS hosted meetings or member education sessions.

OMERS is located at 100 Adelaide Street West, only two blocks from City Hall and contributors should not hesitate calling (416) 369-2400 for an appointment to ask questions or flag concerns they have with their personal pensions. The more informed and involved OMERS members are, the stronger OMERS will be.

Please see link to various communications involving OMERS related matters in recent years. (<http://cotapsa.ca/inside-cotapsa/>) – *Advocacy (OMERS)*