



August 21, 2018

Mr. Blake Hutcheson
President & Chief Pension Officer
OMERS Administration Corporation (OAC)
100 Adelaide Street West
Toronto, ON
M5H 0E2

Re: Refusal to Receive OMERS Member Inquiries on Pending Plan Changes

Dear Mr. Hutcheson,

We are writing to express our concern over the OAC's apparent decision to refuse to accept individual active member's inquiries to their plan administrator about possible impacts from pending plan changes by the OMERS Sponsors Corporation Board of Directors (SC). Your staff are steering our member's calls and communications to the SC when they want to speak with the OAC.

On what authority are OAC staff re-directing incoming member inquiries to the SC? As the plan administrator, why would you agree to such a protocol for dealing with member inquiries, especially during the current plan change process? After almost 12 years of costly and unproductive annual SC plan change cycles, we now have critically important possible plan changes and it appears that active members are forced to navigate an ad hoc communications path created by OMERS management and the leadership of the SC.

In addition to being operationally inefficient, these maneuvers diminish the trust and integrity members place in the OMERS brand and convey the impression that the governance of OAC is not fully independent from its sponsors. You are also blurring the lines of accountability in our pension plan and causing needless worry for members wanting to contact their administrator.

As beneficiaries of OMERS, it is not unreasonable to expect our plan administrator to be engaging with members and employers and offering, if not promoting, educational opportunities helping to avoid unnecessary anxiety brought on by the SC's plan change process. But, instead the OAC is steering us to the SC where we receive little factual help to better understand what may be happening with individual pension benefits. The SC staff provide generic information on the business case for plan change and colour commentary on the SC's efforts to date towards a final decision. Unlike your Pension Division staff, the few SC staff lack subject expertise to deal with individual member concerns and are not permitted to access member information. Also, the general information on the proposed planned changes already posted on the SC's website is of limited value for members closer to retirement.

As OMERS Chief Pension Officer, you are expected to act in the best interests of plan beneficiaries especially during plan change activities. The SC contends that it is solely accountable to the SC Corporation and it is not accountable to individual OMERS members or employers. At the same time, the OAC is legally accountable to all active members, employers

and retirees. As such, you should immediately consider making available information on the range of impacts of these major SC proposals for individual members. As the plan administrator, these measures would ensure accountability and success in your legislated role as advisor to the SC.

OMERS is a large organization with a tremendous amount of power over the quality of life of its hundreds of thousands of beneficiaries. We believe that as our benefits administrator you are obliged to provide plan information to members upon request. Refusing to provide an explanation and other information on these important pending plan changes when members contact you is wrong. Please allow active members to call and ask questions about their individual situations so that they may better assess the impact of the proposed plan changes.

According to the SC, OMERS is suddenly faced with a choice to either reduce members' benefits or increase contributions from members and employers to the fund. In the coming days we will continue our efforts to challenge both OMERS boards on their record of addressing OMERS funding challenges. We will also question the extent to which the OAC Board of Directors may have come under political pressure from the SC, the body that appoints them, to look the other way when members call OMERS for help.

Please provide us with a written response to our concerns.

Regards,

A handwritten signature in black ink that reads "M. MAJOR". The letters are bold and slightly slanted, with a casual, personal feel.

Mike Major
President
COTAPSA