

**STAFF REPORT: CAO**



**REPORT TO: Planning Council Meeting**  
**MEETING DATE: May 7, 2007**  
**REPORT NO.: CAO.07.09**  
**SUBJECT: Employee Participation in OMERS**  
**PREPARED BY: Paul Graham, CAO**

### **A. Recommendations**

That By-law No. 2000-28, being a By-law to provide for employee participation in OMERS and to provide for employee participation in a Group Registered Retirement Savings Plan, be amended to require all new employees to participate in OMERS as a condition of their continuous full time employment.

### **B. Background**

Prior to amalgamation, the employees of the former Town of Thornbury were members of OMERS. The employees of the Township of Collingwood had elected to participate in a Group Registered Retirement Savings Plan. Town of The Blue Mountains By-law No. 2000-28 documents these facts. This By-law remains in force today and a copy of the By-law is attached to this Report.

Clauses 8 and 9 of the By-law identify which new employees must join OMERS and which must participate in the Group Registered Retirement Savings Plan as outlined below:

*8. Every person who becomes an employee of the Employer, if such person is employed on a continuous full time basis and whom have been an OMERS participant, shall, as a condition of employment, become a member of OMERS.*

*9. Every person who becomes an employee of the Employer, if such person is employed on a continuous full time basis and who has not been an OMERS participant, shall, as a condition of employment, become a member of the Group Registered Retirement Savings Plan.*

The Ontario Municipal Employees Retirement System Act 2006 (the OMERS Act) requires all Employers who participate in OMERS to require all new employees to join OMERS as a condition of their full time continuous employment unless otherwise approved by OMERS. I attached excerpts from the OMERS website which confirms this requirement.

OMERS has performed better than the Group Registered Retirement Savings Plan and is viewed as a superior retirement plan. Therefore, I'm recommending that the current By-law be amended to require all new continuous full time employees to participate in the OMERS Plan.

We attach a copy of the proposed new By-law for your information and subsequent approval.

The OMERS Act does contain a provision to allow eligible employees to buy back service for eligible time during which they did not make contributions to OMERS. Some employees may wish to exercise that option to buy back service. This may be particularly attractive to the more recent hires.

**C. The Blue Mountains' Strategic Plan**

This action supports providing a strong well managed municipal government and ensuring that we have a complete and current financial package to offer new employees as part of our recruitment process.

**D. Budget Impact**

No budget impacts known at this time.

**E. Attached**

1. By-law 2000-28
2. Draft Amended By-law
3. Excerpts from OMERS webstie

Respectfully submitted,

  
Signature

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2000 - 23

*Being a By-law to provide for employee participation in OMERS and to provide for employee participation in a Group Registered Retirement Savings Plan.*

WHEREAS pursuant to section 207 (46) of the Municipal Act, R.S.O. 1990, Chapter M.45 as amended, a municipality may by By-law participate in a pension plan on behalf of its employees and pay to the said pension fund the total of the employer and member contributions, and has all the powers necessary and incidental thereto;

AND WHEREAS Section 207 (45) of the Municipal Act, R.S.O. 1990, Chapter M.45 as amended, authorizes municipalities to fix remuneration for their employees, which for this purpose includes participation in a retirement savings plan on behalf of its employees;

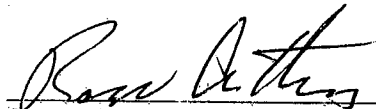
NOW THEREFORE the Council of the Corporation of the Town of The Blue Mountains enacts as follows:


1. The Employer hereby elects to participate in OMERS in respect of the employees of the former Town of Thornbury and of the former Thornbury Public Utilities Commission as of the first day of January, 1998 (the effective date) and authorizes the Treasurer to submit forthwith a certified copy of this by-law to the President of the Ontario Municipal Employees Retirement Board (the President).
2. Every employee of the Town of The Blue Mountains who on December 31, 1997 was employed by the Town of Thornbury or by the Thornbury Public Utilities Commission and who was or was entitled to become a member of OMERS on December 31, 1997 shall continue such membership or membership entitlement from January 1, 1998 while employed by the Employer.
3. The Treasurer of the Employer is hereby authorized to deduct from the earnings of each employee who is a member of OMERS, the contributions required to be made by the member, and to remit such contributions together with the amounts required under the OMERS Act to be paid by the employer to the Ontario Municipal Employees Retirement Fund.
4. The Treasurer (the Agent) is hereby authorized to execute all necessary documents and to do all such things as are necessary to carry out the intent of this by-law, in accordance with section 6 of the OMERS Regulation.
5. The Employer hereby certifies that employees who are engaged as police or firefighters are entitled to retire at age 60.
6. Every employee of the Town of The Blue Mountains who on December 31, 1997 was employed by the Township of Collingwood and who was or was entitled to become a member of the Group Registered Retirement Savings Plan on December 31, 1997 shall continue such membership or membership entitlement from January 1, 1998 while employed by the Employer.
7. The Employer hereby elects to participate in a Group Registered Retirement Savings Plan in respect of the employees of the former Township of Collingwood as of the first day of January, 1998 (the effective date) and authorizes the Treasurer to submit forthwith a certified copy of this by-law to Mutual Life of Canada.

8. Every person who becomes an employee of the Employer, if such person is employed on a continuous full-time basis and whom have been an OMERS participant, shall, as a condition of employment, become a member of OMERS.
9. Every person who becomes an employee of the Employer, if such person is employed on a continuous full-time basis and whom has not been an OMERS participant, shall, as a condition of employment, become a member of the Group Registered Retirement Savings Plan.
10. The Employer hereby certifies that employees who are engaged as police or firefighters are entitled to retire at age 60.

READ a first and second time this tenth day of April, 2000.

READ a third time and finally passed this tenth day of April, 2000.

  
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Ross Arthur, Mayor

  
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Stephen Keast, Clerk

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

By-law No. 2007 -

***Being a By-law to provide for employee participation in the Ontario Municipal Employees Retirement System (OMERS) and to provide for employee participation in a Group Registered Retirement Savings Plan.***

**WHEREAS** section 5 of the *Ontario Municipal Employment Retirement System Act*, S.O. 2006, C. 2, as amended, states a municipality may participate in the OMERS pension plan in respect of its eligible employees and pay to the said pension fund the total of the employer and member contributions, and has all the powers necessary and incidental thereto;

**AND WHEREAS** section 11 of the *Municipal Act, 2001*, S.O. 2001, C. 25, as amended, authorizes municipalities to pass By-laws for the financial management of the municipality, which for this purpose includes participation in a retirement savings plan on behalf of its employees;

**NOW THEREFORE** the Council of the Corporation of the Town of The Blue Mountains enacts as follows:

1. The Employer hereby elects to **continue to** participate in the Ontario Municipal Employment System (OMERS) in respect of the employees of the former Town of Thornbury and of the former Thornbury Public Utilities Commission as of the first day of January, 1998 (the effective date).
2. Every employee of the Town of The Blue Mountains who on December 31, 1997 was employed by the Town of Thornbury or by the Thornbury Public Utilities Commission and who was or was entitled to become a member of OMERS on December 31, 1997 shall continue such membership or membership entitlement from January 1, 1998 while employed by the Employer.
3. The Treasurer of the Employer is hereby authorized to deduct from the earnings of each employee who is a member of OMERS, the contributions required to be made by the member, and to remit such contributions together with the amounts required under the OMERS Act to be paid by the employer to the Ontario Municipal Employees Retirement Fund.
4. The Treasurer (the Agent) is hereby authorized to execute all necessary documents and to do all such things as are necessary to carry out the intent of this by-law, in accordance with section 6 of the OMERS Regulation.
5. Every employee of the Town of The Blue Mountains who on December 31, 1997 was employed by the Township of Collingwood and who was or was entitled to become a member of the Group Registered Retirement Savings Plan on December 31, 1997 shall continue such membership or membership entitlement from January 1, 1998 while employed by the Employer, **subject to Clause 7. of this By-law.**
6. The Employer hereby elects to **continue to** participate in a Group Registered Retirement Savings Plan in respect of the employees of the former Township of Collingwood as of the first day of January, 1998 (the effective date) and authorizes the Treasurer to submit forthwith a certified copy of this by-law to Mutual Life of Canada or to any successor corporate entity, **subject to Clause 7. of this By-law.**
7. **Any employee referred to in Clauses 5. and 6. of this By-law and who is employed on a continuous full-time basis and is not a member of OMERS may elect to exercise the option of non-reversible membership in OMERS, including "buy-back" and any other program feature available, subject to any approval or authorization by OMERS as may be required.**

8. Every person who becomes an employee of the Employer, if such person is employed on a continuous full-time basis, shall, as a condition of employment, **become a member of OMERS.**
9. The Employer hereby certifies that employees who are engaged as police or firefighters are entitled to retire at age 60.
10. **The Treasurer is hereby authorized to submit forthwith a certified copy of this by-law to OMERS.**
11. **By-law No. 2000 – 28 is hereby repealed and rescinded.**

AND FURTHER that this By-law shall come into force and take effect upon the enactment thereof.

Enacted and passed this seventh day of May, 2007

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Ellen Anderson, Mayor

.....  
Stephen Keast, Clerk



## Plan for the Future

> OMERS - Home > Plan Governance > OMERS Act

### OMERS Act

OMERS is a multi-employer pension plan that was initially set up and administered under the *Ontario Municipal Employees Retirement System*, which provides pensions for various groups including employees of Ontario municipalities, local boards, public utilities and school boards (non-teaching staff). Effective as of June 30, 2006, the pension plan is governed under the new *Ontario Municipal Employees Retirement System Act, 2006* (the new *OMERS Act*). The new Act requires the Administration Corporation establish, within two years, a supplemental plan for police officers, fire fighters and paramedics. This [Supplemental pension plan](#) is a separately-funded, stand-alone registered pension plan that offers benefits not available in the current primary plan.

With the new *OMERS Act*, current pension benefits and contribution rates do not change. The plan continues to provide guaranteed retirement income for life, including inflation protection and excellent survivor and disability benefits.

### OMERS focus will not change

We continue to focus on managing the fund's investments and administering the plan. Our investment strategy, which has earned solid returns for the last three years, will not change as a result of the new Act. This is important because, over the long term, investment earnings account for approximately 70% of the funding for OMERS pensions.

### Safeguards in place

Like all registered pension plans, the OMERS primary pension plan and any supplemental plans are subject to laws that protect the rights of members and set investment limits to minimize risk to the pension funds. The new *OMERS Act* does not affect these provisions.

### Our pension services will not change

In 2005, OMERS met or exceeded every one of our pension industry leading service standards, and we work constantly to improve our performance in meeting the needs and expectations of members, employers and retirees.

The new governance model will be reviewed by 2012 to assess its fairness, accountability and efficiency.

View the Ontario government's official online version of the [OMERS Act](#).

[Update Me](#) [Site policy](#) ©2007 OMERS

### 2.1.3 Who doesn't enrol

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While all new continuous full-time employees of a participating employer must enrol in OMERS, not all existing continuous full-time employees are necessarily members of OMERS:

- Employers often allowed employees who were hired before the participation date to choose whether or not to enrol in OMERS, as permitted by the OMERS plan. Employees who chose not to join OMERS may enrol at any time. The date of their election to join is their enrolment date. Membership cannot be retroactive, although previous service may be purchasable as a buy-back or as optional service. This also applies to associated employers . See Section 12 Buy-backs, Section 15.3.2 Eligible service, and Section 17 Supplementary benefits.
- Some groups or classes of employees hired before the participation date were members of the employer's previous pension plan. These employees may have chosen as a group to remain in the old pension plan although all employees hired after the participation date must join OMERS. Such employee groups may elect to join OMERS. Contact OMERS for details. See Section 15.3.2 Eligible service.
- Associated employers whose employees are not under "covered employment" are not eligible to join the plan. See Section 21.1.2 Eligible employees—covered employment and Section 21.2.2 Selecting classes of employees to participate.

### **IMPORTANT**

- Enrol all continuous full-time employees under the age of 69 in OMERS on the date of hire as a condition of employment. There is no probation period in the OMERS plan, even if the employee is on probation with the employer.
- Enrol an employee who changes work status to continuous full-time work status on the date the continuous full-time employment begins.

### **Exceptions**

- An employee eligible to contribute to the Ontario Teachers' Pension Plan cannot enrol in OMERS. All employees of school boards who hold teaching qualifications (e.g., teaching certificate, letter of permission) must join the Ontario Teachers' Pension Plan.
- Re-employed OMERS retired members can elect to continue to receive their pension and not rejoin the plan provided that a bona fide termination of employment occurred before the re-employment. See 2.1.4 Special situations & exceptions.
- CFT employees hired prior to the employer's participation date. See 2.1.3 Who doesn't enrol.

### **Associated Employers**

- Enrol only those employees who are in covered employment and fall within the class(es) you designated to participate. See Section 21.2 Employees eligible to participate and Section 21.2.1 Eligible employees—covered employment.

## 12.1.1 Purchasable service

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### **IMPORTANT**

You are responsible for distributing buy-back information and applications to members.

The following section lists categories of service that members may be able to buy back. Members can only buy back service that doesn't currently count as credited service in OMERS.

OMERS will advise the member if service for which a buy-back application is made, can't be purchased.

#### **Service with an employer who currently participates in OMERS such as:**

- Authorized leaves of absence from an OMERS employer, (e.g. pregnancy/parental, or emergency leaves) which the member didn't purchase before the leave period deadline (the leave period purchase deadline is the end of the year following the year in which the leave ended);
- any pre-1978 waiting period before the member joined OMERS;
- most service with an OMERS employer while the member was not a contributor to the plan;
- most service with an employer taken over by an OMERS employer;
- most service with an employer before the employer joined OMERS; and
- previously refunded OMERS service.

#### **Other types of service a member may be able to purchase include the following:**

- service with any other public sector employer in Canada (municipal, provincial, or federal). A member can't buy back service that occurred before 1992 if they previously transferred their pension benefits out of that public sector employer's pension plan or took a refund for that service. For service that occurred before 1992, the member must transfer their pension benefits directly from the public sector employer's plan to OMERS. After 1991, a member can't buy back service for a specific period if they have pension benefits for that same period in another plan, unless the pension is transferred to OMERS.

#### **Types of service that a member can't purchase:**

- most private sector service;
- any foreign service, including service in the Commonwealth;
- service as an elected trustee or hydro commissioner;
- volunteer service;
- service with most charitable foundations (such as United Way); and
- illegal strikes, lockouts or lay-offs.