



# Sightlines

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## A positive step forward

SC Board reaches a decision on the Comprehensive Plan Review

Over the last year, OMERS Sponsors Corporation (SC) has been focused on the Comprehensive Plan Review. The overriding goal of the Review was to ensure – in light of our financial realities and longer-term challenges – that the Plan remains sustainable, meaningful and affordable for both members and employers for generations to come.

As previously communicated, the SC Board of Directors narrowed the range of potential Plan changes based on extensive financial modelling and direct feedback from sponsors and stakeholders. These proposed Plan changes were posted on the SC website – and communicated to employers, unions and members for further consultation.

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### Board decision

On November 15<sup>th</sup>, the SC Board of Directors met to vote on the proposed Plan changes. Based largely on the feedback received over the past six months, the Board voted in favour of the following changes:

- eliminate the current 35-year cap for credited service, and
- allow paramedics to negotiate NRA 60 participation.

These changes are an important step that will address issues of fairness and equity within the Plan. None of the other proposed changes was adopted by the Board. However, the considerable work done through the Comprehensive Plan Review will equip the Board to continue its efforts to enhance the long-term sustainability of the Plan.

## Next steps

The Board will continue to meet to formalize the changes and supporting details, including implementation and timing. The changes are unlikely to be adopted before January 1, 2021. You will receive additional information as it becomes available.

In the meantime, we've included new FAQs that will help address some of your questions. If you have any further questions or comments, please feel free to send an email to [contact@omerssc.com](mailto:contact@omerssc.com).

On behalf of OMERS SC, thank you for your ongoing support and participation in the Comprehensive Plan Review. We appreciate the feedback received from our members and other stakeholders throughout this Review and look forward to future collaboration.

\*New\*

## Frequently Asked Questions

*Our Frequently Asked Questions (FAQs) have been updated to reflect the progress of the Comprehensive Plan Review.*

### When will the approved changes be implemented?

The Board is working on the details of the Plan changes, including implementation and timing. It is unlikely that the changes will be adopted before January 1, 2021. That would allow enough time to finalize administrative processes, implement the changes, and communicate the implications to members and employers.

### What happened to the other change proposals?

The other change proposals were each put to a vote and did not receive the required two-thirds majority vote of approval required for them to be adopted.

While not all changes were approved in this Review, the Board may choose to revisit some of these Plan design concepts in the future. The considerable work done through the Comprehensive Plan Review will equip the Board to continue its efforts to enhance the long-term sustainability of the Plan.

### Will paramedics automatically be eligible for a normal retirement age of 60 (NRA 60)?

No. The approved change gives paramedics the option to negotiate NRA 60 participation as part of the collective bargaining process. Members of bargaining units that choose to adopt NRA 60 benefits will pay a higher contribution rate. Their employers will match those contributions.

**Does the elimination of the 35-year cap for credited service mean that members could accrue (earn) more than 70% of their best five-year earnings?**

**Will contributions be mandatory after 35 years of credited service?**

**Where can I get additional information?**

Yes. With the new change, eligible members who work beyond 35 years can continue to earn more credited service under the Plan. By extension, members can accrue (earn) a pension that is larger than 70% of their best five-year earnings. The more years in the Plan, the larger the pension.

Generally speaking, members who accrue (earn) additional credited service in the Plan beyond their 35<sup>th</sup> year, can now expect to make additional contributions. Their employers will match those contributions. That said, several factors need to be considered before final decisions are made. For example, will contributions and benefit accruals automatically resume for members who already have 35 years of credited service on the effective date of the change? The Board will continue to examine this and other issues before finalizing the details.

You will receive additional information as it becomes available. If you have any questions or comments in the meantime, please use the question submission feature on our website ([www.omerssc.com](http://www.omerssc.com)) or send us an email at [contact@omerssc.com](mailto:contact@omerssc.com).

Please note that we may not be able to answer specific questions until the Board makes certain implementation decisions over the coming weeks and months. We will continue to provide updates as additional information becomes available.

This bulletin has been prepared specifically for active members of the OMERS Primary Pension Plan. It provides summary information as at November 2018 and is not intended to be comprehensive. While every effort has been made to ensure the accuracy of the information here, errors can occur. For more information, please email [contact@omerssc.com](mailto:contact@omerssc.com).