

OMERS PENSION UNDER ATTACK

OMERS just had another high performing year.

- Investment returns of a net 11.5% – almost double the plan’s assumed rate of return and well above the strategic rate.
- 2017 earnings of \$9.9 billion were used to both lower next year’s discount rate and increase the plan fund.
- The plan holds more than \$95 billion in assets based on market value. Since OMERS has about the same amount of liabilities, the plan is now basically fully funded only a decade after the biggest financial crisis since the Great Depression.

Yet the OMERS Sponsors Board is proposing changes that will hurt your pension.

Proposed changes include:

1. Changes to early retirement provisions.

As it stands, OMERS members can retire early without penalty, if:

- You have worked for 30 years; or
- You reach your 90 factor where your age and years of service add up to 90

OMERS wants to require members to wait until you are, at most, 5 years away from the normal age of retirement (NAR) of 65 before you can apply for early retirement without penalty.

Despite years of service and paying into the pension, the vast majority of CUPE members in the plan, would not be able to retire before the age of 60 without taking a reduced pension.

2. Changes to how your pension is calculated, which for some would mean a substantial loss in benefits.

Right now, calculating your pension is done by multiplying years of service by an accrual rate of 1.325% for salaries up to the current \$55,300 [the current Year’s Maximum Pensionable Earnings (YMPE)] and a 2% accrual rate on wages above that amount.

OMERS is proposing to raise the base salary by 14% before increasing the accrual calculation from 1.35 to 2%. This would mean a lower pension for those making above the YMPE.

OMERS will claim that this loss will be made up for by an increase in CPP that kicks in years from now, but this means that OMERS pensioners will not fully benefit from the expansion of CPP which Canadian governments agreed to for all workers.

Visit: cupe.on.ca/omers-guaranteed-indexing