



Employer Restructuring – OMERS Implications

MEARIE Conference
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OMERS

461,000 members

	278,000 active	141,000 pensioners	
	47 average age	71 average age	
	73% 27% full-time part-time	\$20,557 average pension	
	56% 44% female male	98 over 100	
		42,000 deferred	

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Eligible Employers in OMERS

- Eligible employer definitions are set out in the OMERS Act, based on the origins of the Plan with municipalities – they are specific and restrictive in many cases
- Traditional Employers include municipalities, local boards and other boards
- Associated Employers are very specific:
 - Organizations under an agreement with a municipality or local board or under an Act to provide a service or a program that the municipality or local board is authorized to provide
 - Corporations incorporated in accordance with section 142 of the *Electricity Act, 1998* for the purpose of generating, transmitting, distributing or retailing electricity (e.g. Toronto Hydro)

840 Traditional Employers
employ 95% of members

140 Associated Employers
employ 5% of members

90 Hydro Employers
employ 3% of members

Examples of employers under each category

Traditional Employers

- City of Toronto
- Peel Regional Police Services Board
- Ottawa-Carlton District School Board

Associated Employers: providing a municipal service

- Algoma Manor Nursing Home
- Student Transportation of Eastern Ontario
- Canadian National Exhibition Association

Associated Employers: under s. 142 of the Electricity Act

- Toronto Hydro
- Enersource Hydro Mississauga Inc.
- St. Catharines Hydro Inc.

What happens to OMERS status when an employer goes through a sale/merger/divestment?

Employer Change	Impacts
Employer sold to another owner/group of owners (share sale)	<ul style="list-style-type: none"> • Generally, this means the employer remains in the same form and continues to participate in OMERS • Members continue with OMERS with no change • NOTE: if a company under s. 142 of the Electricity Act no longer fits in that designation, then OMERS status would need to be reconsidered as below
Employer restructured through merger/divestment or sale of assets	<ul style="list-style-type: none"> • Generally, this means the employer changes – so, the new employer would have to seek confirmation of whether the new employer is eligible for OMERS and would have to decide whether to join OMERS • If the employer is not eligible or chooses not to join: <ul style="list-style-type: none"> - Active member accruals and contributions cease - Member benefit options are issued if the member terminates employment or in 24 months - If new employer has a pension plan, both count eligible service of each other

OMERS Role through an Employer Change

- Pension implications are often overlooked in a transaction, but they can have significant consequences for the employer and the members
- OMERS provides ongoing information on pension impacts, and support for members and employers dealing with a change in status in OMERS
 - We can provide our views on whether OMERS status will be affected by a transaction and any pension regulatory impacts