

What is MEPCO?

The Municipal Employer Pension Centre of Ontario (MEPCO) is a non-profit corporation that provides expert advice and resources to AMO's appointees to the OMERS Sponsors Corporation (SC) and Administration Corporation (AC) Boards. MEPCO was created in 2007 to ensure that AMO is meeting its statutory obligations as a sponsor of the OMERS Pension Plan.

MEPCO shares OMERS' goal of a sustainable, affordable, and resilient pension plan that meets the needs of municipal employers and employees. As many employee members are well represented by employee organizations, MEPCO provides the opportunity for municipal employers to pool resources and speak with one strong, well-informed voice.

What does MEPCO do?

MEPCO's job is to provide AMO's appointees with the pension, actuarial, legal, and municipal expertise and resources they need to fulfil their responsibilities in a way that fully considers the realities and aspirations of Ontario's municipal employers. MEPCO brings the municipal employer perspective to OMERS-related decisions by:

- Analyzing the impact of pension issues on municipal employers.
- Evaluating every proposed Plan change.
- Providing AMO's appointees to OMERS with advice, tools, professional actuarial and legal advice on Plan design, funding, growth and other matters.
- Keeping MEPCO members informed by issuing regular updates.
- Taking part in the selection process for AMO's SC and AC appointees.
- Recruiting a strong MEPCO Board membership with a broad spectrum of expertise, including a mix of public and private sector experts and municipal officials.

About OMERS

The [Ontario Municipal Employees Retirement System \(OMERS\)](#) is one of the largest defined benefit pension plans in Canada representing more than 500,000 active members, retirees, and survivors. AMO member municipal governments are OMERS' largest employer group.

OMERS is governed by two corporate Boards. The Sponsors Corporation (SC) is responsible for Plan design, including changes to contribution rates, and the OMERS Administration Corporation (AC) manages the Plan's day to day operations, including investment strategy, plan valuation and pension benefit administration. The two Boards are made up of appointees from both employee and employer sponsor organizations. AMO appoints two members to each Board. MEPCO provides AMO's appointees with key resources, advice and expertise.

Funding for MEPCO

MEPCO relies entirely on voluntary contributions from municipal government employers and Ontario's district social services administration boards (DSSABs) to complete its work. All OMERS member municipalities benefit from MEPCO's work so it is reasonable to expect that they all contribute.

Current Pension Matters and MEPCO's Work

MEPCO shares key pension information with municipal employers throughout the year. Look out for MEPCO's member newsletter for important updates on OMERS matters that impact municipal employers.

Investment results

With more retired than active members, the OMERS Plan must rely on investment returns to achieve full funding. OMERS has a plan to return to full funding by 2025, provided that investment returns are met and there are no changes to benefits or assumptions. However, the last few years have shown us that it's difficult to predict long-term global economic performance. The pandemic, war, inflation, and high interest rates will continue to impact markets into 2023 and beyond.

AMO and MEPCO have confidence in the Administration and Sponsors Corporation Boards' ability to meet the Plan's challenges and ensure that the OMERS Plan remains affordable, sustainable and meaningful in the decades ahead. We are committed to working with all OMERS Plan sponsors to achieve that goal.

Plan Changes for 2023

Shared Risk Indexing

Approved by the Sponsors Corporation in 2020, Shared Risk Indexing (SRI) gives the SC Board the ability, based on its annual assessment of the Plan's health, to assess the Plan's capacity for inflationary increases to benefits earned after December 31, 2022 and make changes as appropriate. Prior to this change, benefits were guaranteed to be fully indexed to inflation regardless of the financial impact for the Plan.

AMO and MEPCO support SRI as it provides the Plan with a sustainability lever to respond to challenges, as needed. However, it is important to note that the impact of changes to indexation levels will be shared only by members who earn benefits in 2023 and beyond. Retired members are unaffected and will not share in the risk.

Non-Full-Time Employee Plan Change

Beginning January 1, 2023, employees who work less than a full work week or fewer than 12 months a year – what we call “non-full-time” – will become eligible to join the OMERS Plan. Visit [OMERS' dedicated webpage](#) for resources and more information.