

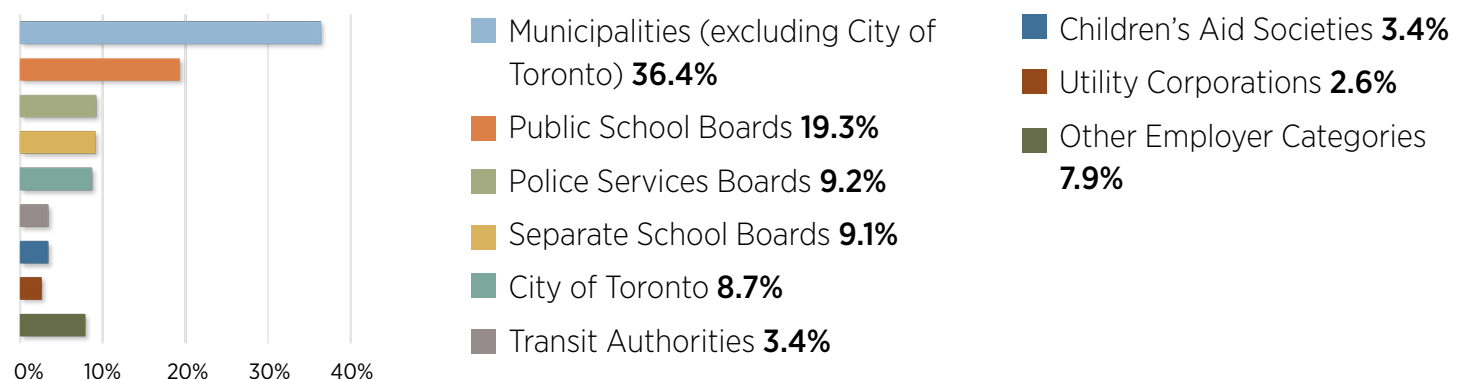
The Importance of MEPCO Membership

The Municipal Employer Pension Centre of Ontario, known as MEPCO, is the voice of municipal employers on OMERS matters. Municipal governments are OMERS' largest employer group, with AMO municipal members consistently representing more than 35% of active Plan members.

AMO created MEPCO to ensure that municipal employers have a strong and effective voice in the governance and administration of the \$128 billion OMERS Pension Plan. MEPCO provides AMO with expertise to advocate for a sustainably funded pension plan and to prevent escalating employer costs.

Who employs OMERS Plan members?

Employer Category of Active OMERS Members in 2022



Almost 80% of employee members are represented by labour unions. Employers also need to be represented in the OMERS decision making process – on principle and under legislation. AMO is the legislated OMERS plan sponsor on behalf of municipal employers.

OMERS is governed by two corporations – OMERS Sponsors Corporation and OMERS Administration Corporation – each with a separate and distinct mandate.

The Sponsors Corporation (SC) is responsible for the “ABCs” of the Plan: appointments to both Boards, reviewing and setting the Plan’s benefits, and reviewing and setting contribution levels for employers and employees.

AMO appoints two members to the SC.

The Administration Corporation (AC) is responsible for the overall administration of the Plan: providing pension services, communicating to employers and employees about Plan administration, making and monitoring investment decisions, and fulfilling regulatory requirements for pension plans such as conducting and filing plan valuations.

AMO nominates two members to the AC.

My municipality is an AMO member. Why should we also contribute to MEPCO?

Your MEPCO contributions create a pool of resources to support pension-related activities that benefit OMERS-participating employers.

MEPCO aims to ensure that the OMERS Plan is strong, healthy and sustainable so that it can deliver on its pension promise to municipal employees and employers for years to come.

MEPCO is governed by a Board of Directors with expertise in pensions, investments, actuarial science, law, human resources, and municipal administration. MEPCO provides this expertise in an advisory role to AMO as Plan sponsor, to the individuals AMO appoints to the OMERS Boards, and to OMERS senior leadership in their day-to-day administration of the Plan.

OMERS participation helps attract and retain municipal staff

In a survey of municipal employees conducted for AMO's Municipal Workforce Development Project, 52% of respondents selected "pension and benefits" as the top reason they chose to work for the municipal public service. 43% said "pensions and benefits" was the thing they most liked about their job.



How can I stay informed about MEPCO activities?

MEPCO communications are sent by email every few months and when there are emerging issues. These communications are directed to Heads of Council, DSSAB Board Chairs, Clerks, Chief Administrative Officers/City Managers, Treasurers, and senior human resources staff.

If you would like to be on this mailing list, please email your request to amo@amo.on.ca.

The impact of MEPCO member contributions

MEPCO brings the municipal perspective to OMERS-related decisions and analyzes the impact of broader pension issues.

Evaluating proposed Plan changes

From time to time, Plan sponsors or stakeholders request that the Sponsors Corporation (SC) consider changes to the Plan. OMERS also regularly reviews Plan risks and challenges, which may result in changes to benefits or contribution levels. MEPCO combines pension expertise with the influence of the entire sector when analyzing proposed Plan changes and their potential impact on municipal employers.

- » In 2019, the SC approved the introduction of shared risk indexing, which provides the SC with the opportunity to tie future inflationary increases on benefits earned after December 31, 2022 to the Plan's health and viability. Shared risk indexing has not yet been used. However, this is a useful tool available to the SC if circumstances require it.

Supporting good Plan governance

When AMO needs to appoint or nominate people to the OMERS governing bodies, MEPCO has the expertise and resources to identify highly skilled and experienced pension governance experts for these roles. The individuals selected by AMO to serve the OMERS Boards have a history of serving in influential Board Chair, Vice-Chair, and Committee Chair roles.

- » In 2024, AMO is working with a recruitment firm to identify an SC Board member and an AC Board member. These individuals would be eligible to serve on the Boards for up to 12 years.

Monitoring and analyzing other pension matters

Beyond the OMERS Plan, there are other legislative and regulatory matters that might have implications for municipal employers. MEPCO's pension, municipal finance, and human resources expertise enhances AMO's capacity to monitor and analyze these issues.

- » In 2018, the Public Sector Accounting Board proposed changes to accounting guidelines that would require municipalities to report pension liabilities on their financial statements. In a written submission, MEPCO explained the challenges and risks of introducing this change.
- » Increasingly, municipal employers – and by extension, OMERS – must balance greater public interest in how public funds are invested with employer and employee expectations that the Plan will meet pension obligations. MEPCO calls for investment decisions informed by the environmental, social, and corporate governance factors. Companies committed to these goals have performed better over the long-term.