

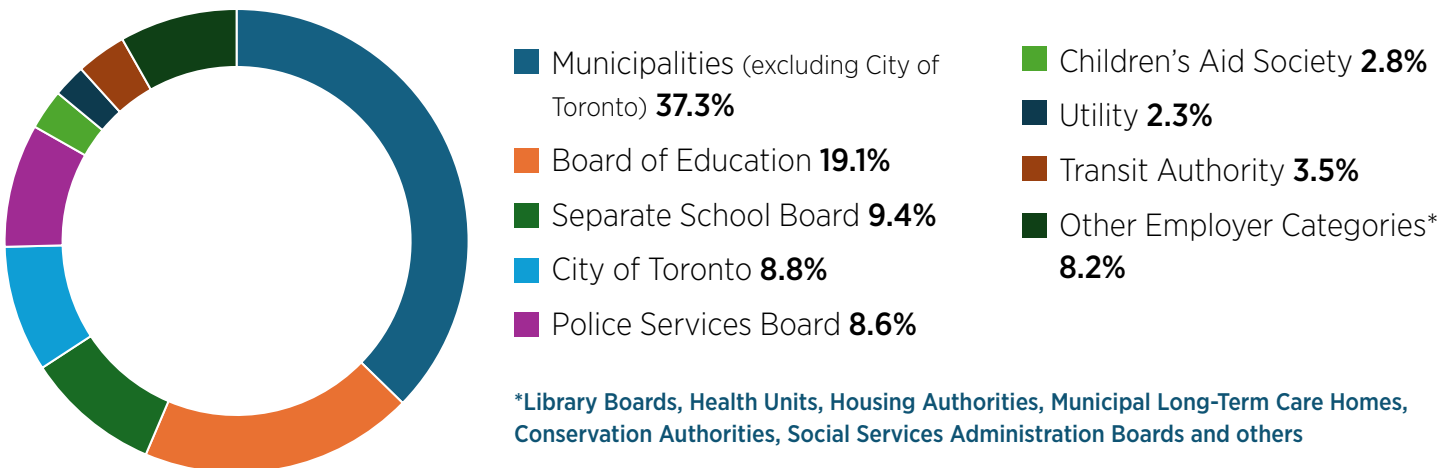
The Importance of MEPCO Membership

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. Municipal governments also co-fund other organizations that employ Plan members, such as police services boards, conservation authorities and libraries.

AMO created MEPCO to ensure that municipal employers have a strong and effective voice in the governance and administration of the \$138 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 2023



Almost 80% of employee members are represented by labour unions. Employers are also 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, benefit reviews, and 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

MEPCO analyzes and provides advice on proposed policy changes to AMO's representatives on the SC and AC boards. MEPCO has established a pension platform that guides this work. It lays out MEPCO's core principles and provides a framework for evaluating potential changes based on municipal employer interests and priorities.

- » 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 2025, MEPCO is participating on behalf of AMO and municipal employers in a governance review of the OMERS Plan launched by the province. The review will evaluate the current governance model and make recommendations to the Minister of Municipal Affairs and Housing.
-

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.
- » 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 environmental, social, and corporate governance factors.