

Alert

To the immediate attention of the Clerk and Council

September 21, 2005 – Alert 05/071

Understanding Bill 206 – Proposed OMERS Reforms

Information to Help Inform Councils and Municipal Review of the Bill and Consider its Impacts

*(All 382 Municipal Governments that are OMERS Employers
Should Read this Alert Immediately)*

Issue: Devolution of Provincial Sponsorship as Proposed by the Province

Status of the Bill and the Legislative Process:

With a Throne Speech on October 12, MPP should be back in the Ontario Legislature and fully engaged by October 13th or the following week. Bill 206, An Act to Revise the Ontario Municipal Retirement System Act, received First Reading June 1st with the intent that the Bill would progress to the Committee Hearing stage this Fall. However, as of yet, these Hearings have not been scheduled and next steps have not been confirmed. Importantly, if the government remains committed to passing the Bill for implementation by January 2006, it will need to complete the remainder of the legislative process in just nine weeks.

AMO is concerned that municipalities and other OMERS stakeholders will not be given a fair and reasonable opportunity to comment on the Bill within that timeframe. Furthermore, AMO believes the contribution of employer groups is urgently needed to ensure the proposed policy changes protect the interests of employers, employee and taxpayers.

Understanding the Bill and its Implications:

A detailed briefing note has been prepared that sets out the significant and potentially costly changes to the governance of OMERS that would impact not only employers but employees. The [briefing note](#) is linked and can be downloaded. (See [letter October 3, 2002](#) from Dalton McGuinty to Rick Miller, Chair of OMERS.)

Technical Questions Submitted to Minister:

AMO has requested technical information from the Province in order to make a fully informed and reasoned response to the Bill. This request has made it clear that AMO requires a response from the Government before we can seriously consider supporting OMERS reforms or meaningfully participate in Committee Hearings. AMO's view is that our member municipalities participating in OMERS and their employees deserve all of the facts about the government's proposed changes to their pension plan. Proceeding with Bill 206 now without the benefit of responses to these issues is tantamount to entering a deal without all of the facts. The [letter to Minister Gerretsen](#) with the questions is also linked to this Alert can be downloaded through AMO's web site.

Costing Information:

AMO's preliminary and rough estimates indicated that the potential costs of the proposed changes are extremely high. AMO has made a formal request to OMERS for a detailed analysis of potential costs related to the supplemental plans that the legislation, if passed, would permit. OMERS has advised that material related to further costing information for supplemental plan benefits will be released on September 23 at its upcoming Stakeholder Meeting. AMO will ensure that its members receive appropriate information and we will be encouraging municipal administrators / finance staff to commence their own impact analysis as quickly as possible and to share this analysis with AMO. This needs to be a local priority.

Action Going Forward:

AMO's Steering Committee with the assistance of a Working Group is facilitating and supporting a common and coordinated response from Ontario's municipal governments and other OMERS employers.

Please watch for on-going information and updates.

For more information, contact 416-971-9856: Pat Vanini, Executive Director at ext. 316 or
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