

Alert

To the immediate attention of the Clerk and Council

March 3, 2006 – Alert 06/013

OMERS Bill 206 – STATUS OF SUPPLEMENTAL PLANS –

By now, you would have received a letter, dated February 27, 2006 from CUPE President Patrick (Sid) Ryan to advise that CUPE Ontario is recommending that OMERS supplemental plans be put on the bargaining table in every municipality, school board, and children's aid society – backed up by a right to strike.

CUPE members will benefit from any improvements made to the OMERS base plan, along with all members of OMERS. However, CUPE members will only have access to supplemental benefits through local negotiation if the Sponsors body, once established, decides to create a supplemental benefits plan for employees other than the police, fire and paramedics.

To avoid any confusion regarding the status of supplemental plans as of the date of passage February 23, 2006, AMO would like to remind our members of a few important facts:

- Supplemental plans are separately funded, stand-alone plans that will offer enhanced benefits not available in the current OMERS basic plan.
- Under the new OMERS legislation, a supplemental plan must be established within two years of proclamation only for the selected grouping of police officers, firefighters and paramedics. Eligible employers and these selected members would locally bargain their participation and the benefits ultimately offered.
- Only one benefit for this selected grouping may be bargained initially. Subsequently, additional benefits can be bargained one at a time, at a local level, within three-year intervals (i.e., there must be at least 36 months between the date that one prescribed supplemental benefit is made available and the date that any subsequent supplemental benefit (by that same employer).
- Access to the enhanced benefits for this selected grouping may not be accelerated by shortening the terms of collective agreements (e.g., to one year).

Although the costs of supplemental benefits would be borne equally by employer and employee members, anticipated local costs are potentially very high. Municipalities are strongly urged to track the specific impacts of this legislation, including supplementary plans, on both taxpayers and employees given their own local profiles to ensure the public understands the true legacy of Bill 206.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca

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