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Province Determined to Impose New Pension Costs on Municipalities and Taxpayers

Toronto, Ontario, February 1, 2006 – The Association of Municipalities of Ontario (AMO) is warning Ontario municipalities that their concerns about the Ontario Government’s costly OMERS pension plan reforms have largely been ignored. Bill 206: *An Act to revise the Ontario Municipal Employees Retirement System Act, 2005*, will proceed to clause by clause analysis today, without substantive amendments in favour of municipalities, employers or property tax payers.

The Province is dismissing the best interests of OMERS members, pensioners, municipalities, tax payers and the long-term viability of the OMERS Pension Plan, by ensuring that police, firefighters and paramedics have access to supplemental benefits, regardless of the cost.

“The Province will accept the political credit for providing supplemental benefits, but not the added costs or the administrative headaches that will go along with them,” said AMO President Roger Anderson.

“Pension benefits are not free and the public knows it. Those who say these costly supplemental benefits won’t be embraced by employees are the same people who have spent a decade lobbying for them. Tax increases are inevitable.”

AMO’s initial analysis, using actuarial data supplied by OMERS, estimates that supplemental pension benefits the Bill would impose for select employees could cost as much as \$380 million in new labour costs on municipal property taxpayers. This would represent an average municipal property tax increase of 3% province-wide, with no increase in services. Detailed analysis of the most recent amendments to Bill 206 is available on AMO’s website, www.amo.on.ca.

“The OMERS pension plan is already one of the most generous pension plans in Canada. Municipal taxpayers, particularly pensioners on fixed incomes, should not have to pay higher property taxes to fund even greater benefits for a select few.”

AMO is a non-profit organization representing almost all of Ontario’s 445 municipal governments. AMO supports and enhances strong and effective municipal government in Ontario and promotes the value of municipal government as a vital and essential component of Ontario and Canada’s political system.

- 30 -

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