



REPORT FOR ACTION

Annual Update on OMERS as it relates to the City's Employer Contributions

Date: May 24, 2018
To: Government Management Committee
From: Treasurer
Wards: All

SUMMARY

The purpose of this report is to provide the annual summary of the City's employer contributions submitted to OMERS in 2017 and to provide information of the City's total members and contributions relative to the overall OMERS plan members and contributions.

RECOMMENDATIONS

The Treasurer recommends that:

1. Government Management Committee receive this report for information.

FINANCIAL IMPACT

There is no financial impact as a result of this report.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Government Management Committee at its meeting on January 4, 2016 requested the City Manager and the Treasurer to report to the Government Management Committee on February 22, 2016, and in the future on an annual basis, on OMERS as it relates to the City's Employer Contributions (GM9.16).

The following is the link to the report:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM9.16>

Government Management Committee at its meeting on May 29, 2017 received a report from the Treasurer, which provided a summary of the City's employer contributions submitted to OMERS over the last five years and provided information of the City's total members and contributions relative to the overall OMERS plan members and contributions.

The following is the link to the report:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM21.10>

COMMENTS

The City of Toronto is a participating employer of the OMERS Primary Pension Plan and, as such, is subject to the OMERS regulations and the requirements under the Pension Benefits Act of Ontario.

As at December 31, 2017, the City employed 25,525 active OMERS members, of which 22,154 employees were permanent full-time, and 3,371 were temporary/part-time employees.

The OMERS primary pension plan provides benefits under two plans:

1. Normal Retirement Age (NRA) 65 - Non-fire-fighters; and
2. Normal Retirement Age (NRA) 60 – Fire-fighters

Of the 25,525 total active OMERS membership, 22,469 employees were enrolled in the NRA 65 plan and 3,056 employees were enrolled in the NRA 60 plan (all Fire fighters).

Attachment 1 provides the total City OMERS Membership including permanent and temporary/part-time employees for the last seven years.

The current contribution rates for each of the plans are provided in table 1 below:

Table 1
OMERS Contribution Rates – 2018

PLAN	EMPLOYEE	EMPLOYER
NRA 65	9.0% up to YMPE \$55,300 14.6% on earnings above the YMPE	9.0% up to YMPE \$55,300 14.6% on earnings above the YMPE
NRA60 – Fire fighters	9.2% up to YMPE \$55,300 15.8% on earnings above the YMPE	9.2% up to YMPE \$55,300 15.8% on earnings above the YMPE
2018 CAP on contributory earnings is \$391,300 (7 X YMPE)		

Attachment 2 provides a summary of the contribution rates for the last eight years, 2010 to 2017.

In 2017, the City submitted total contributions of \$424.2 million, of which \$212.1 million were employer contributions and an equal amount of \$212.1 million were employee contributions.

Attachment 3 provides a summary of the total contributions submitted by the City over the last eight years, 2010 to 2017.

OVERVIEW OF OVERALL OMERS MEMBERSHIP AND CONTRIBUTIONS

OMERS provides defined pension benefits to local government employees, retirees and beneficiaries throughout Ontario. The OMERS Primary Pension Plan is a jointly sponsored, multi-employer pension plan with approximately 1,000 participating employers in 2017, and approximately 275,986 active primary plan members in 2017.

Employers range from large cities, to numerous local agencies. Primary Plan members include union and non-union municipal workers; police, firefighters and paramedics; the non-teaching staff of school boards; and employees of children's aid societies, transit systems and electrical utilities.

The City of Toronto is the largest OMERS employer and represents a significant portion of the overall OMERS active membership, approximately 8.9%, and the overall contributions paid to OMERS, approximately 10.4%.

In addition, as outlined in Attachment 4, many of the City's agencies and corporations are also OMERS employers. As at December 31, 2017, the City's agencies and corporations had 13,358 active OMERS members and represented 4.8% of the overall OMERS membership. Further, the approximate contributions for the City's agencies and corporations are \$132.3 million, which represents approximately 6.8% of the overall contributions.

When these agencies and corporations are included, the City represents approximately 13.7% of the OMERS membership and approximately 17.2% of the total contributions submitted.

CONTACT

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SIGNATURE

Mike St. Amant
Treasurer

ATTACHMENTS

Attachment 1 – Number of City of Toronto OMERS Membership – Eight Year Summary
Attachment 2 – OMERS Contribution Rates – Eight Year Summary
Attachment 3 – OMERS Contributions – Eight Year Summary
Attachment 4 – City of Toronto and its Agencies and Corporations, OMERS Active
Member Headcount and Estimated Contributions

Number of City of Toronto OMERS Membership – Eight Year Summary

Year	NRA 65	NRA 60	Total
2010	23,234	3,119	26,353
2011	23,513	3,077	26,590
2012	23,188	3,026	26,214 Full-time - 20,841 Temporary/Part-time - 5,373
2013	22,888	3,216	26,104 Full-time - 20,831 Temporary/Part-time - 5,273
2014	23,066	3,111	26,177 Full-time - 20,929 Temporary/Part-time - 5,248
2015	23,333	3,080	26,413 Full-time - 21,096 Temporary/Part-time - 5,317
2016	23,244	3,075	26,319 Full-time - 20,690 Temporary/Part-time - 5,629
*2017	23,294	3,056	26,350 Full-time - 21,917 Temporary/Part-time – 4,433

**Note – Pensions staff has begun using a different method to calculate the membership figures in 2017. This method will be used going forward but will make comparing the 2017 figures to prior years difficult as they are not from the same source.*

OMERS Contribution Rates – Eight Year Summary

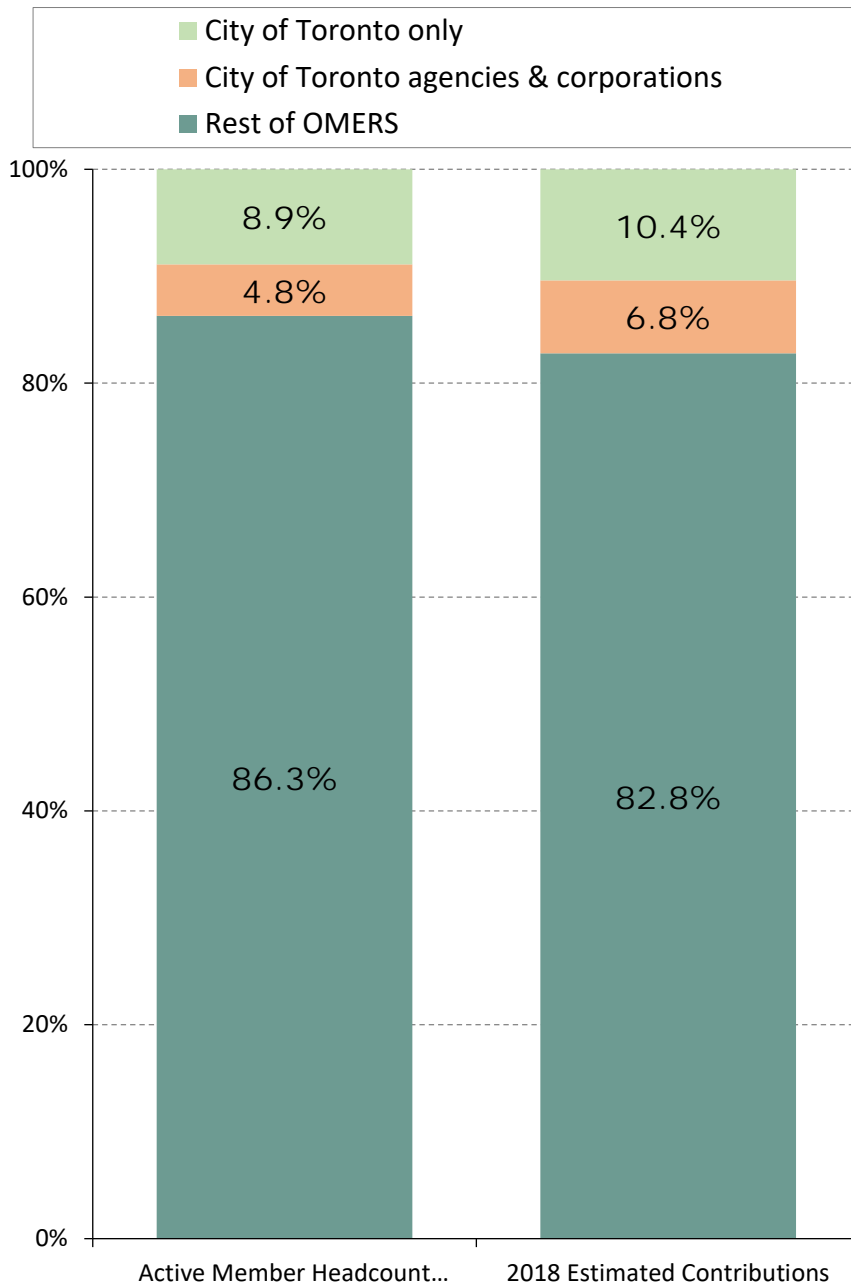
Year	NRA 65	NRA 60
2010	6.40% up to the YMPE, \$47,200 9.70% above the YMPE	7.90% up to the YMPE, \$47,200 13.10% above the YMPE
2011	7.40% up to the YMPE, \$48,300 10.70% above the YMPE	8.90% up to the YMPE, \$48,300 14.10% above the YMPE
2012	8.30% up to the YMPE, \$50,100 12.80% above the YMPE	9.40% up to the YMPE, \$50,100 13.90% above the YMPE
2013	9.00% up to the YMPE, \$51,100 14.60% above the YMPE	9.30% up to the YMPE, \$51,100 15.90% above the YMPE
2014	9.00% up to the YMPE, \$52,500 14.60% above the YMPE	9.30% up to the YMPE, \$52,500 15.90% above the YMPE
2015	9.00% up to the YMPE, \$53,600 14.60% above the YMPE	9.20% up to the YMPE, \$53,600 15.80% above the YMPE
2016	9.00% up to the YMPE, \$54,900 14.60% above the YMPE	9.20% up to the YMPE, \$54,900 15.80% above the YMPE
2017	9.00% up to the YMPE, \$55,300 14.60% above the YMPE	9.20% up to the YMPE, \$55,300 15.80% above the YMPE

OMERS Contributions – Eight Year Summary

Year	City	Employees	Total OMERS Contributions
2010	\$127,208,454	\$127,208,454	\$254,416,908
2011	\$146,593,622	\$146,593,622	\$293,187,244
2012	\$160,208,834	\$160,208,834	\$320,417,668
2013	\$187,006,976	\$187,006,976	\$374,013,952
2014	\$195,792,263	\$195,792,263	\$391,584,526 *27 pay periods
2015	\$192,350,354	\$192,350,354	\$384,700,708
2016	\$194,539,309	\$194,539,309	\$389,078,618
2017	\$212,094,915	\$212,094,915	\$424,189,830

City of Toronto and its Agencies and Corporations OMERS Active Member Headcount and Estimated Contributions

(based on same data that can be found at www.omers.com/About-OMERS/OMERS_Governance/2016_Member_Affiliation_Summary)



City of Toronto Agencies and Corporations

(as provided by City of Toronto)

1. Toronto Public Library
2. Toronto Police Services
3. Toronto Parking Authority
4. Toronto Hydro-Electric
5. Toronto Community Housing
6. Scadding Court Community Centre
7. Ralph Thornton Community Centre
8. Waterfront Neighbourhood Centre
9. 519 Church Street Community Centre
10. Swansea Town Hall Community Centre
11. Cecil Community Centre
12. Applegrove Community Complex
13. Eastview Neighbourhood Community Centre
14. Community Centre 55
15. Central Eglinton Community Centre
16. Board of Governors – Exhibition Place
17. Canadian National Exhibition Association
18. Sony Centre for the Performing Arts
19. Toronto Zoo
20. Dundas Square Board of Management
21. Build Toronto
22. Ted Reeve Community Arena
23. Moss Park Arena
24. McCormick Playground Arena
25. George Bell Arena
26. Forest Hill Arena
27. North Toronto Memorial Arena
28. William H Bolton Arena