



## REPORT FOR ACTION

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

**Date:** June 10, 2019

**To:** General Government and Licensing Committee

**From:** Controller

**Wards:** All

#### SUMMARY

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The purpose of this report is to provide the annual summary of the City's employer contributions submitted to OMERS in 2018 and to provide information of the City's total members and contributions relative to the overall OMERS plan members and contributions.

#### RECOMMENDATIONS

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The Controller recommends that:

1. The General Government and Licensing Committee receive this report for information.

#### FINANCIAL IMPACT

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

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

#### DECISION HISTORY

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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 June 5, 2018 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=2018.GM28.2>

## **COMMENTS**

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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, 2018, the City had an estimated 26,406 active OMERS members of which 21,939 employees were permanent full-time and 4,467 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 26,406 total active OMERS membership, 23,295 employees were enrolled in the NRA 65 plan and 3,111 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 eight years.

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

**Table 1**  
**OMERS Contribution Rates – 2019**

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
2019 CAP on contributory earnings is \$401,800 (7 X YMPE)		

Attachment 2 provides a summary of the contribution rates for the last eight years.

In 2018, the City submitted total contributions of \$417.0 million, of which \$208.5 million were employer contributions and an equal amount of \$208.5 million were employee contributions.

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

## **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, and 281,102 active primary plan members in 2018.

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, comprising approximately 8.8% of all members, and approximately 10.4% of overall contributions paid to OMERS.

In addition, as outlined in Attachment 4, many of the City's agencies and corporations are also OMERS employers. As at December 31, 2018, the City's agencies and corporations had 13,867 active OMERS members and represented 4.9% of the overall OMERS membership. Further, the approximate contributions for the City's agencies and corporations are \$275.2 million (\$137.6 million in each of employer and employee contributions), which represents approximately 6.9% of the overall contributions.

When these agencies and corporations are included, the City represents approximately 13.7% of the OMERS membership and approximately 17.3% of the total contributions submitted.

## **CONTACT**

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Hatem Belhi, Director, Pension, Payroll and Employee Benefits  
Telephone: (416) 397-4143, Email: Hatem.Belhi@toronto.ca

## **SIGNATURE**

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Andrew Flynn  
Controller

## **ATTACHMENTS**

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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
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	22,469	3,056	26,350 Full-time – 21,917 Temporary/Part-time – 4,433
*2018	23,295	3,111	26,406 Full-time – 21,939 Temporary/Part-time – 4,467

*\*Note – Pensions staff began using a different method to calculate the membership figures in 2017. This method will be used going forward but will make comparing the 2017 and 2018 figures to prior years difficult as they are not from the same source.*

## OMERS Contribution Rates – Eight Year Summary

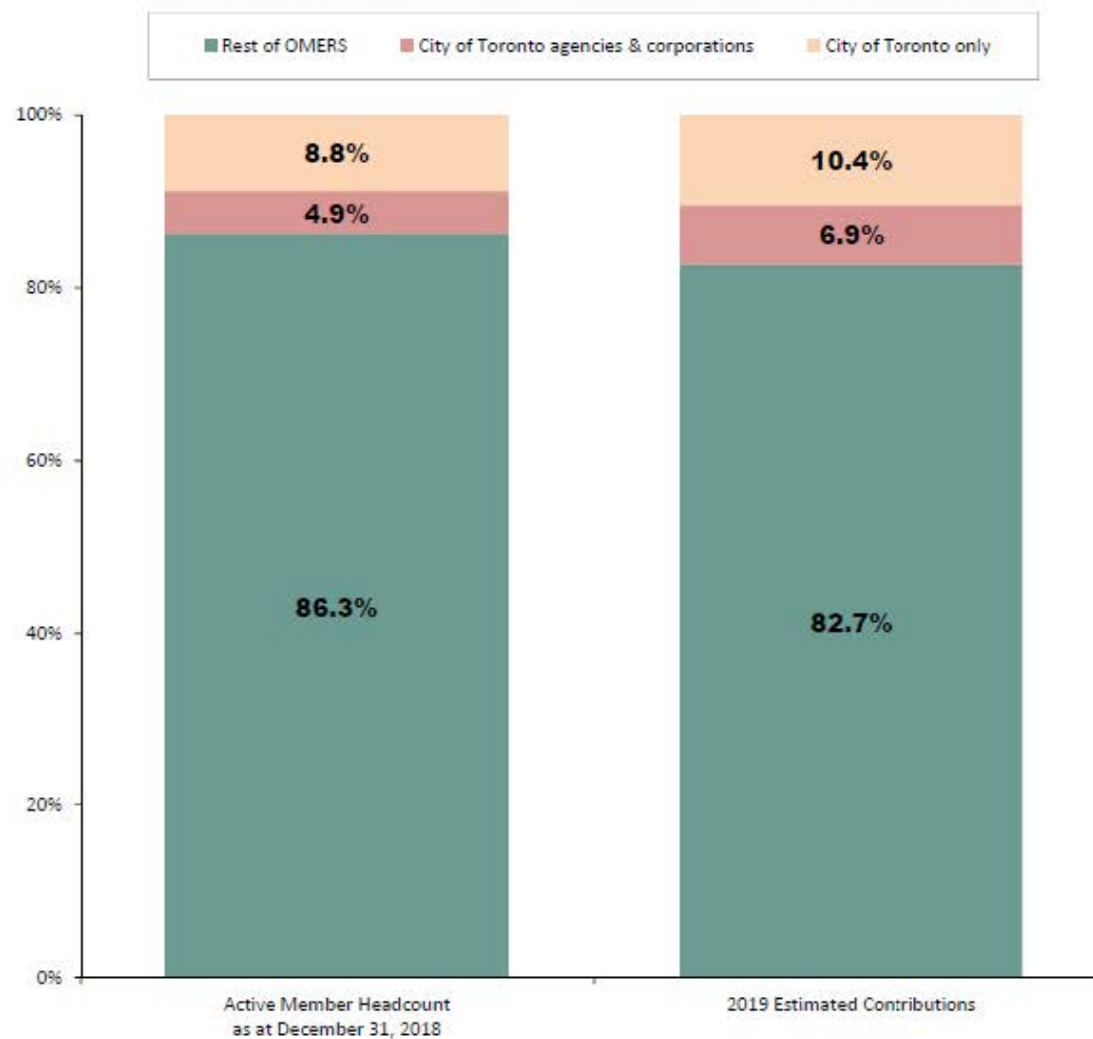
Year	NRA 65	NRA 60
2011	7.40% up to the YMPE, \$48,300 10.70% above the YMPE	8.90% up to the YMPE, \$48,300 14.10% above the YMPE
2012	8.30% up to the YMPE, \$50,100 12.80% above the YMPE	9.40% up to the YMPE, \$50,100 13.90% above the YMPE
2013	9.00% up to the YMPE, \$51,100 14.60% above the YMPE	9.30% 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
2018	9.00% up to the YMPE, \$55,900 14.60% above the YMPE	9.20% up to the YMPE, \$55,900 15.80% above the YMPE

**OMERS Contributions – Eight Year Summary**

Year	City	Employees	Total OMERS Contributions
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	\$205,094,863	\$205,094,863	\$410,189,726
2018	\$208,528,872	\$208,528,872	\$417,057,744

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

(based on same data that can be found at [https://www.omers.com/About-OMERS/OMERS\\_Governance/Employer-Categories-Summary](https://www.omers.com/About-OMERS/OMERS_Governance/Employer-Categories-Summary))



City of Toronto Agencies and Corporations  
(as provided by City of Toronto)

1. 519 Church Street Community Centre
2. Applegrove Community Complex
3. Board of Governors – Exhibition Place
4. Cecil Community Centre
5. Central Eglinton Community Centre
6. Community Centre 55
7. Eastview Neighbourhood Community Centre
8. George Bell Arena
9. Heritage Toronto Board
10. Larry Grossman Forest Hill Memorial Arena
11. McCormick Playground Arena
12. Moss Park Arena
13. North Toronto Memorial Arena
14. Ralph Thornton Community Centre
15. Scaddling Court Community Centre
16. Swansea Town Hall Community Centre
17. Ted Reeve Community Arena
18. The Toronto and Region Conservation Authority
19. TO Live
20. Toronto Community Housing
21. Toronto Economic Development Corporation
22. Toronto Hydro-Electric
23. Toronto Parking Authority
24. Toronto Police Services
25. Toronto Public Library
26. Toronto Zoo
27. Waterfront Neighbourhood Centre
28. William H. Bolton Arena
29. Yonge-Dundas Square Board of Management