



Re: GL6.2

OMERS Update to the City of Toronto

**Joe Pennachetti, Director,
OMERS Sponsors Corporation**

**David Beatty, Director,
OMERS Administration Corporation**

June 24, 2019

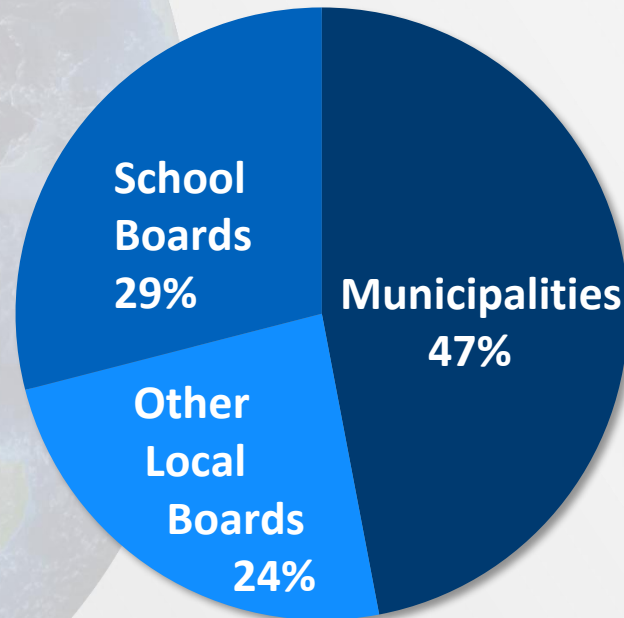
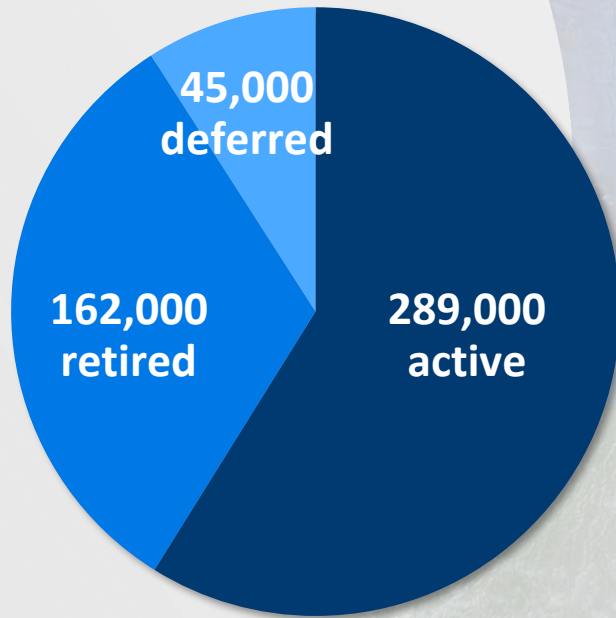


OMERS today

496,000 members

1,000+ employers

50+ unions & associations



The City of Toronto and its agencies and corporations represent approx. 13.7% of OMERS membership with 38,657 active members

Role of SC and OAC Directors

OMERS Administration Corporation (OAC)

- 15 Board Members
- 7 each from Employee / Employer Sponsors
- An Independent Board Chair

The AC Board is responsible for:

- Pension administration
- Investments
- Plan valuation

OMERS Sponsors Corporation (SC)

- 14 Board Members
- 7 each from Employee / Employer Sponsors
- 2 Co-Chairs (1 representing Employee Sponsors, 1 representing Employer Sponsors)

The SC Board is responsible for:

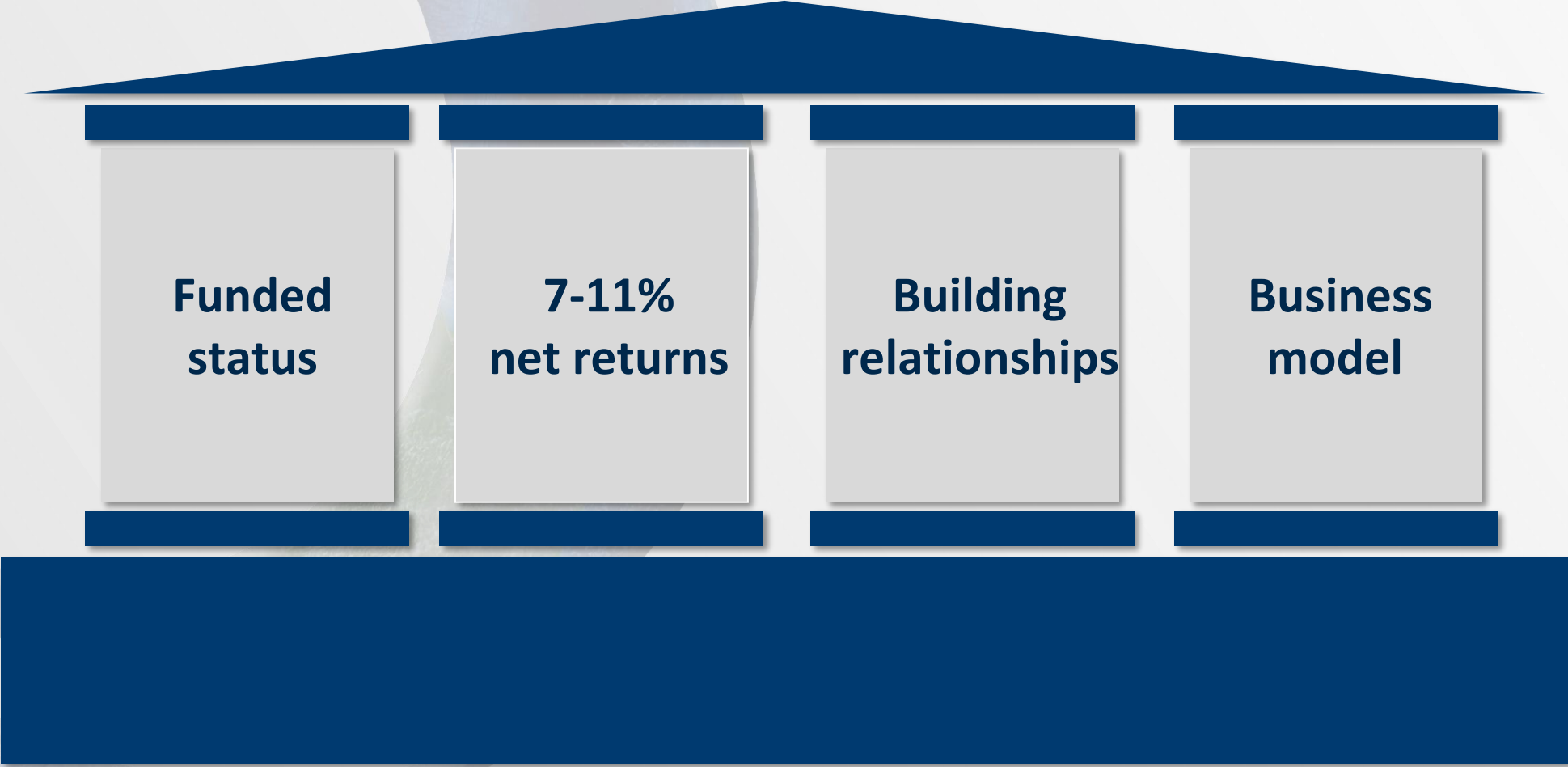
- Board composition
- Setting contribution rates / reserves
- Plan design

OMERS Mission: to deliver secure and sustainable defined benefit pensions to our members.

Composition of OMERS Management and Boards

	Percentage of women
OMERS Management	33%
OMERS Administration Corporation Board	27%
OMERS Sponsors Corporation Board	29%

Our 2020 Strategy: Secure and Sustainable





2018 Results

2018 Results

Net Return

2.3%

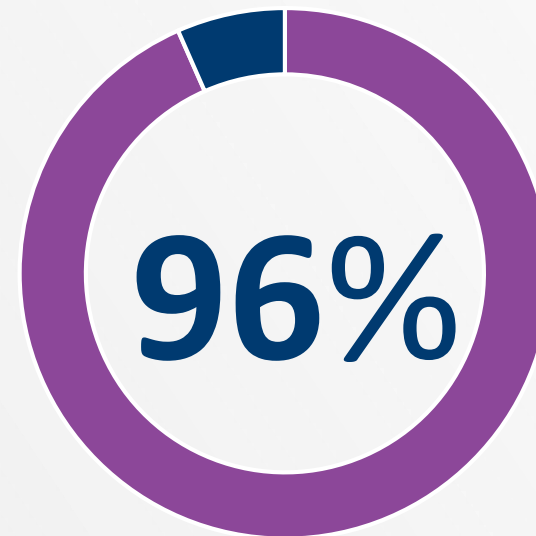
\$2.2 billion

Net Investment
Income

Net Assets

\$97 billion

Funded Ratio



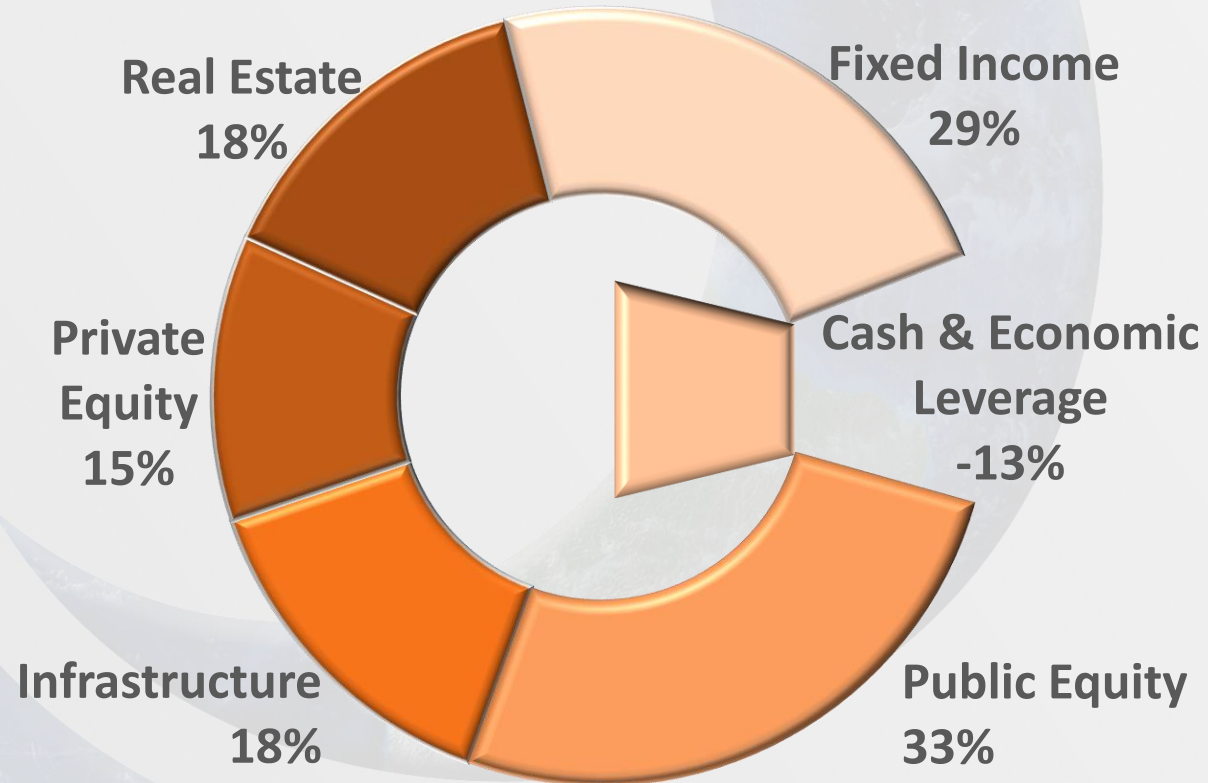
96%

Long-term net investment returns

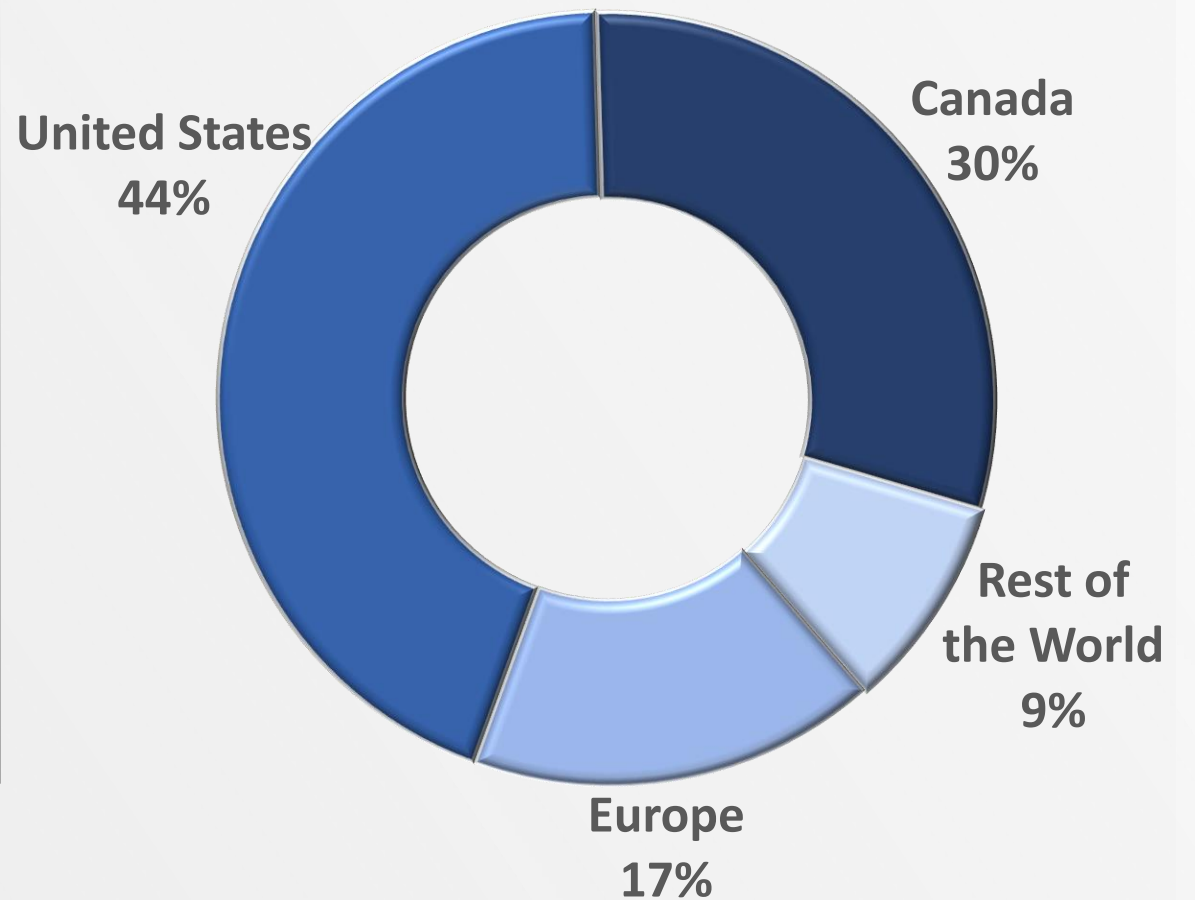
1-year	3-year	5-year	10-year	20-year
2.3%	8.0%	8.1%	8.0%	6.6%

Diversification

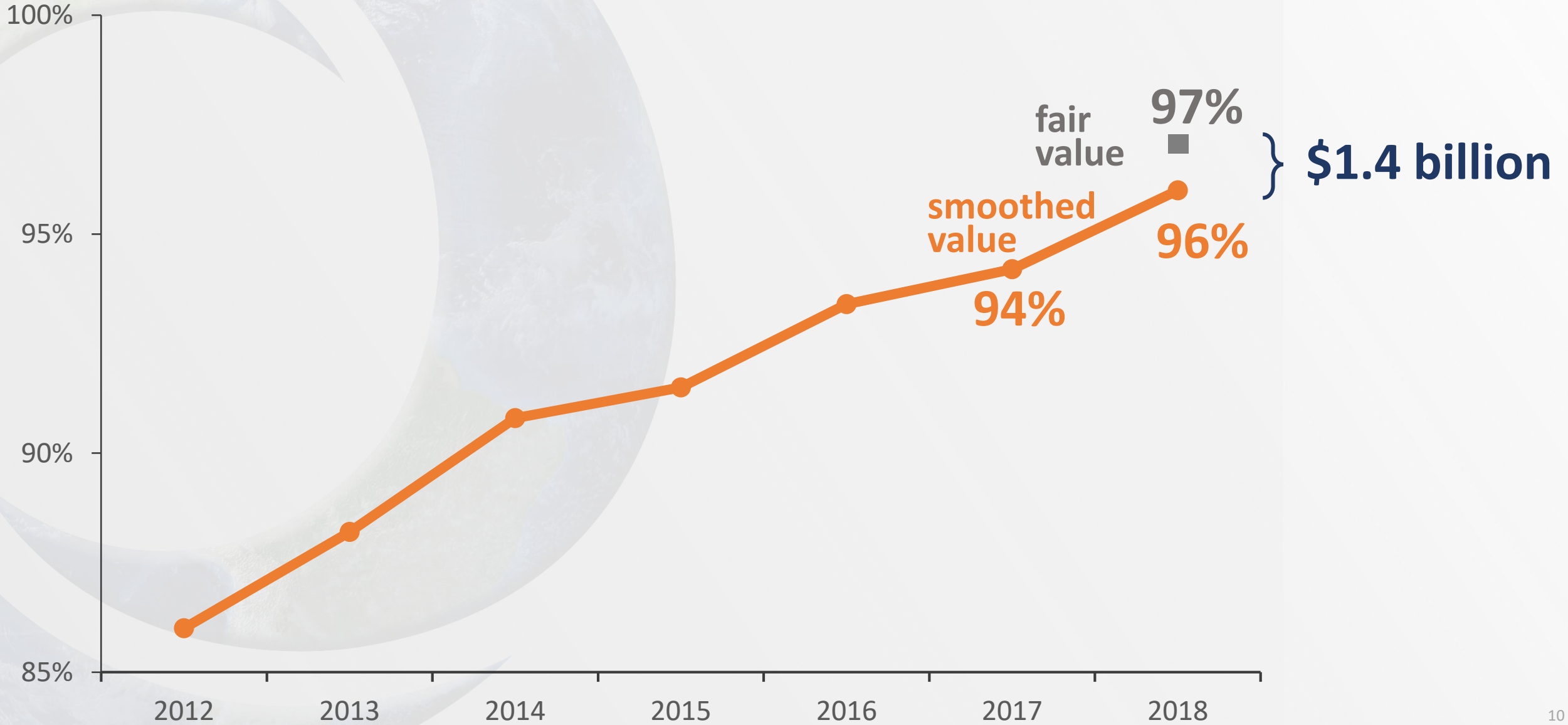
2018 Asset Mix



Geographic Distribution



Smoothed Funded Ratio – improved



The Discount Rate at 2020 target

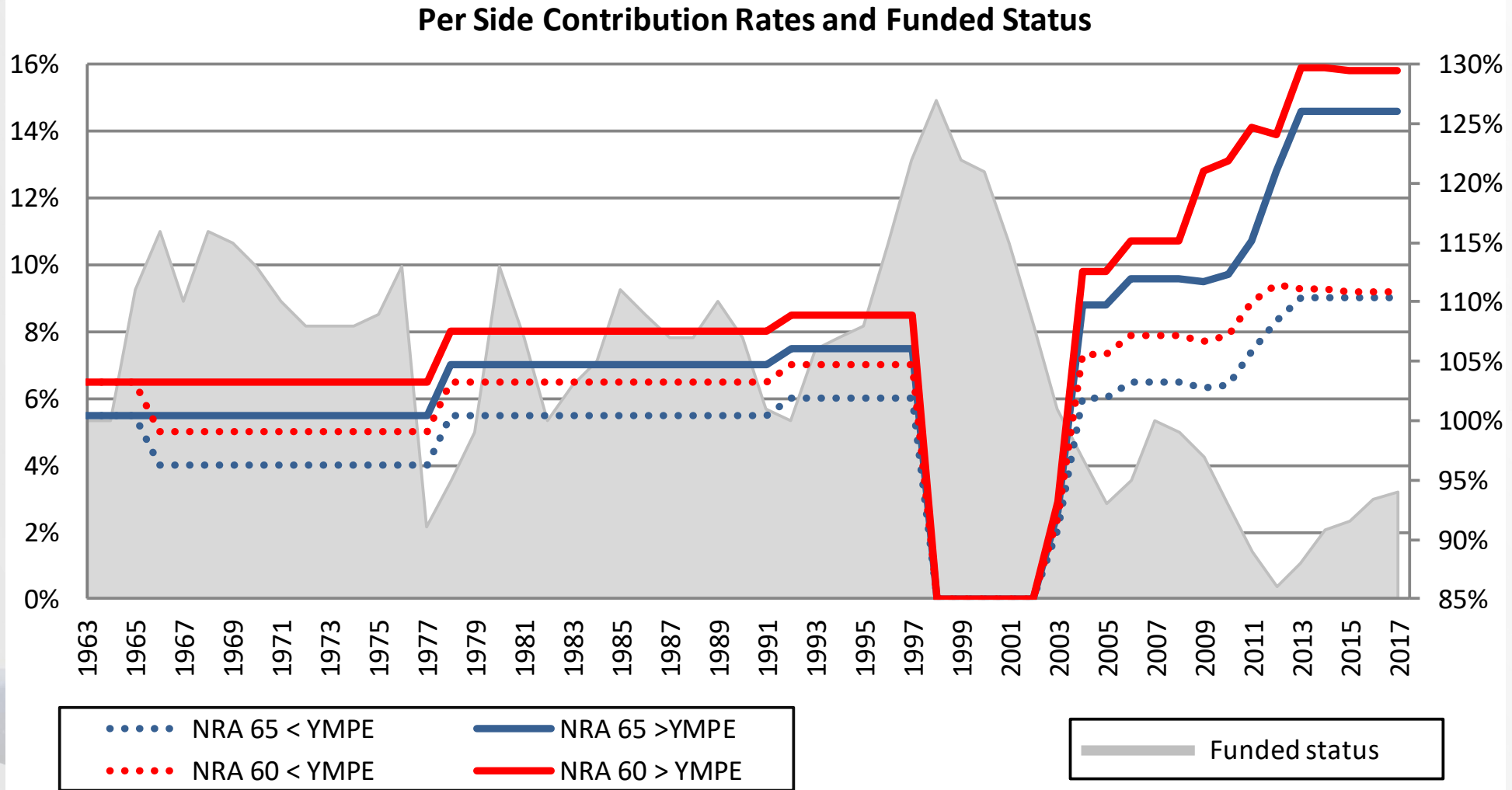




Sponsors Corporation Update



OMERS funding in context



Funding improvement – but still not recovered

Reflecting on the Comprehensive Plan Review

- Completed the Comprehensive Plan Review (CPR) as an opportunity to:
 - assess the Plan's financial health in light of key realities
 - consider potential Plan changes (modernization)
 - improve sponsor and stakeholder engagement/communications

Ensure the Plan remains sustainable, meaningful and affordable for generations to come

Plan changes effective Jan. 1, 2021



Remove 35-year service cap



NRA 60 access for paramedics

Looking ahead



- There is still more work to be done
- Approved changes help address issues of fairness and equity within the Plan, but do not impact sustainability
- Leverage the CPR analysis to consider additional changes
- Increase focus on risk management

Further analyze the broad range of challenges ahead:

- plan maturity
- longevity
- economic factors
- workforce trends
- CPP enhancement



Closed Plans Update

Update on consolidation of Pre-OMERS pension plans

- OMERS and the City of Toronto negotiated consolidations for four of the City's pre-OMERS pension plans
- The first of these transactions, involving the City of York Pension Plan, closed on January 8, 2019
- With regulator approval, the other three transactions to close in late 2019 / early 2020
- The consolidation transactions between OMERS and the City of Toronto provide value for OMERS, the City and members of the pre-OMERS plans



Thank You.

OMERS

