

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

Date: June 15, 2021

To: General Government and Licensing Committee

From: Controller

Wards: All

SUMMARY

The purpose of this report is to provide the annual summary of the City's employer contributions submitted to OMERS and to provide information of the City's total members and contributions relative to the overall OMERS plan members and contributions. We are reporting on years 2019 and 2020 together as a result of the COVID 19 pandemic.

RECOMMENDATIONS

The Controller recommends that:

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

FINANCIAL IMPACT

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

The City submitted total contributions of \$421.6 million and \$420.6 million for 2019 and 2020, respectively, of which \$210.8 million and \$210.0 million were equally contributed between employer and employee.

The Chief Financial Officer and Controller 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 Controller 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 Controller, 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 are the links to the prior reports that have been submitted:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.GM28.2>

<https://www.toronto.ca/legdocs/mmis/2019/gl/bgrd/backgroundfile-134400.pdf>

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.

The City had an estimated 26,289 and 26,236 active OMERS members for 2019 and 2020, respectively of which 23,240 and 23,111 employees were permanent full-time and 3,049 and 3,125 were temporary/part-time employees.

The OMERS primary pension plan provides benefits under two plans:
Normal Retirement Age (NRA) 65 -Non-fire-fighters; and
Normal Retirement Age (NRA) 60 – Fire-fighters

Of the 26,289 and 26,236 total active OMERS membership for 2019 and 2020 respectively, 23,152 and 23,139 employees were enrolled in the NRA 65 plan and 3,137 and 3,097 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 10 years.

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

Table 1 OMERS Contribution Rates – 2020 and 2021

YEAR	PLAN	EMPLOYEE	EMPLOYER
2020	NRA 65	9.0% up to YMPE \$58,700 14.6% on earnings above the YMPE	9.0% up to YMPE \$58,700 14.6% on earnings above the YMPE
	NRA60 – Fire fighters	9.2% up to YMPE \$58,700 15.8% on earnings above the YMPE	9.2% up to YMPE \$58,700 15.8% on earnings above the YMPE
	2020 CAP on contributory earnings is \$410,900 (7 X YMPE)		
2021	NRA 65	9.0% up to YMPE \$61,600 14.6% on earnings above the YMPE	9.0% up to YMPE \$61,600 14.6% on earnings above the YMPE
	NRA60 – Fire fighters	9.2% up to YMPE \$61,600 15.8% on earnings above the YMPE	9.2% up to YMPE \$61,600 15.8% on earnings above the YMPE
	2021 CAP on contributory earnings is \$431,200 (7 X YMPE)		

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

The City submitted total contributions of \$421.6 million and \$420.6 million for 2019 and 2020, respectively, of which \$210.8 million and \$210.0 million were equally contributed between employer and employee.

Attachment 3 provides a summary of the total contributions submitted by the City over the last ten 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 employers and 288,703 active primary plan members in 2020. The 2019 data is consistent and in line with 2020.

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 8.6% of all members, and approximately 10.1% 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, 2020, the City's agencies and corporations had 14,724 active OMERS members and represented 5.1% of the overall OMERS membership. Further, the approximate contributions for the City's agencies and corporations are \$285.6 million (\$142.8 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 17.2% of the total contributions submitted. December 31, 2019 data is referenced in Attachment 5.

CONTACT

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SIGNATURE

Andrew Flynn
Controller

ATTACHMENTS

- Attachment 1 – Number of City of Toronto OMERS Membership – Ten Year Summary
- Attachment 2 – OMERS Contribution Rates – Ten Year Summary
- Attachment 3 – OMERS Contributions – Ten Year Summary
- Attachment 4 – City of Toronto and its Agencies and Corporations, OMERS Active Member Headcount and Estimated Contributions for 2020
- Attachment 5 – City of Toronto and its Agencies and Corporations, OMERS Active Member Headcount and Estimated Contributions for 2019

Attachment 1

Number of City of Toronto OMERS Membership – Ten 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
2019	23,152	3,137	26,289 Full-Time - 23,240 Temporary/Part-time - 3,049
2020	23,139	3,097	26,236 Full-Time - 23,111 Temporary/Part-time - 3,125

**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.*

Attachment 2

OMERS Contribution Rates – Ten 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
2019	9.00% up to the YMPE, \$58,700 14.60% above the YMPE	9.20% up to the YMPE, \$58,700 15.80% above the YMPE
2020	9.00% up to the YMPE, \$61,600 14.60% above the YMPE	9.20% up to the YMPE, \$61,600 15.80% above the YMPE

Attachment 3

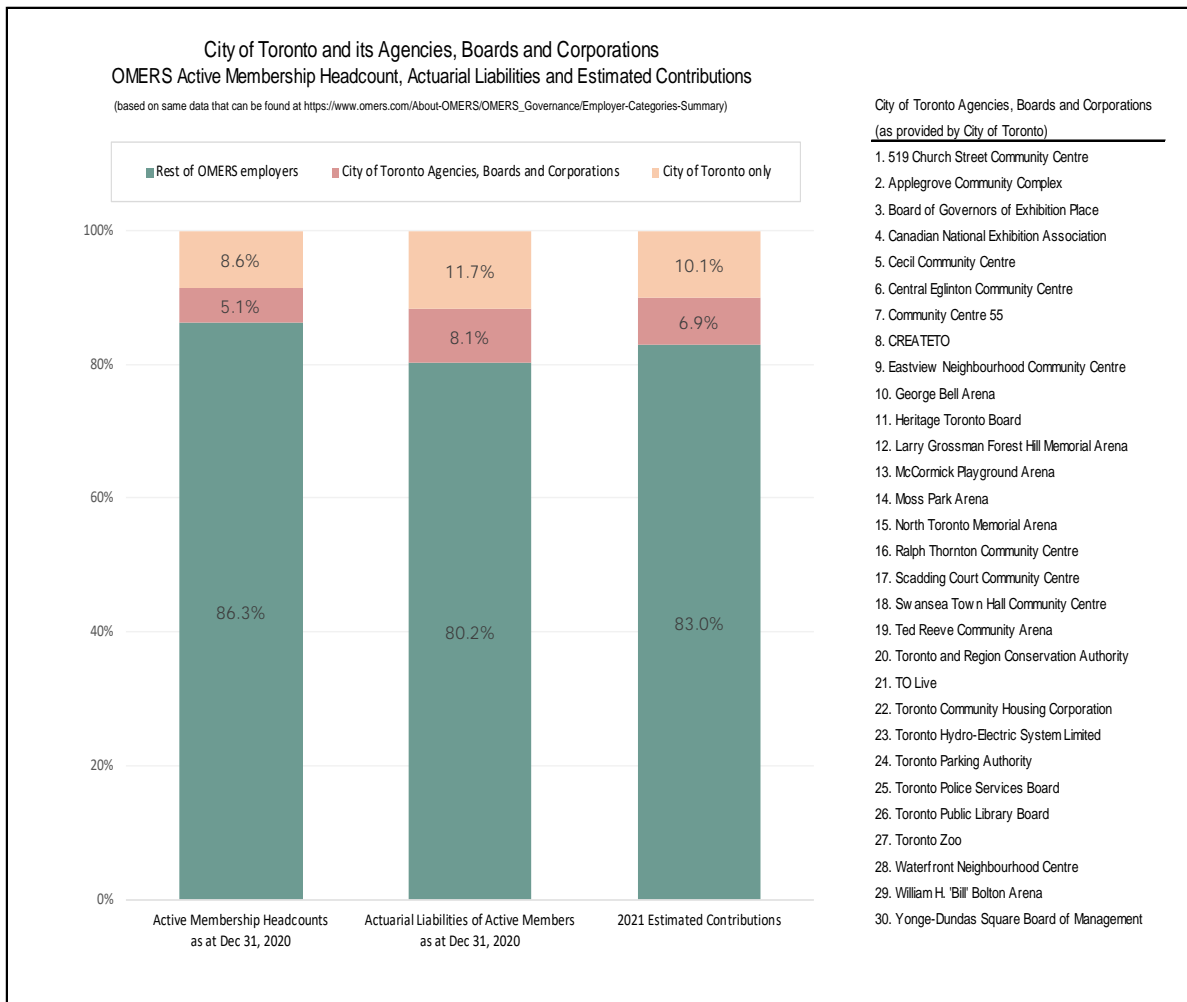
OMERS Contributions – Ten Year Summary

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
2019	\$210,820,924	\$210,820,924	\$421,641,848
*2020	\$210,307,100	\$210,307,100	\$420,614,200

*Note: Closure of services due to the impact of COVID19 attributes to the decline in pension contributions.

Attachment 4

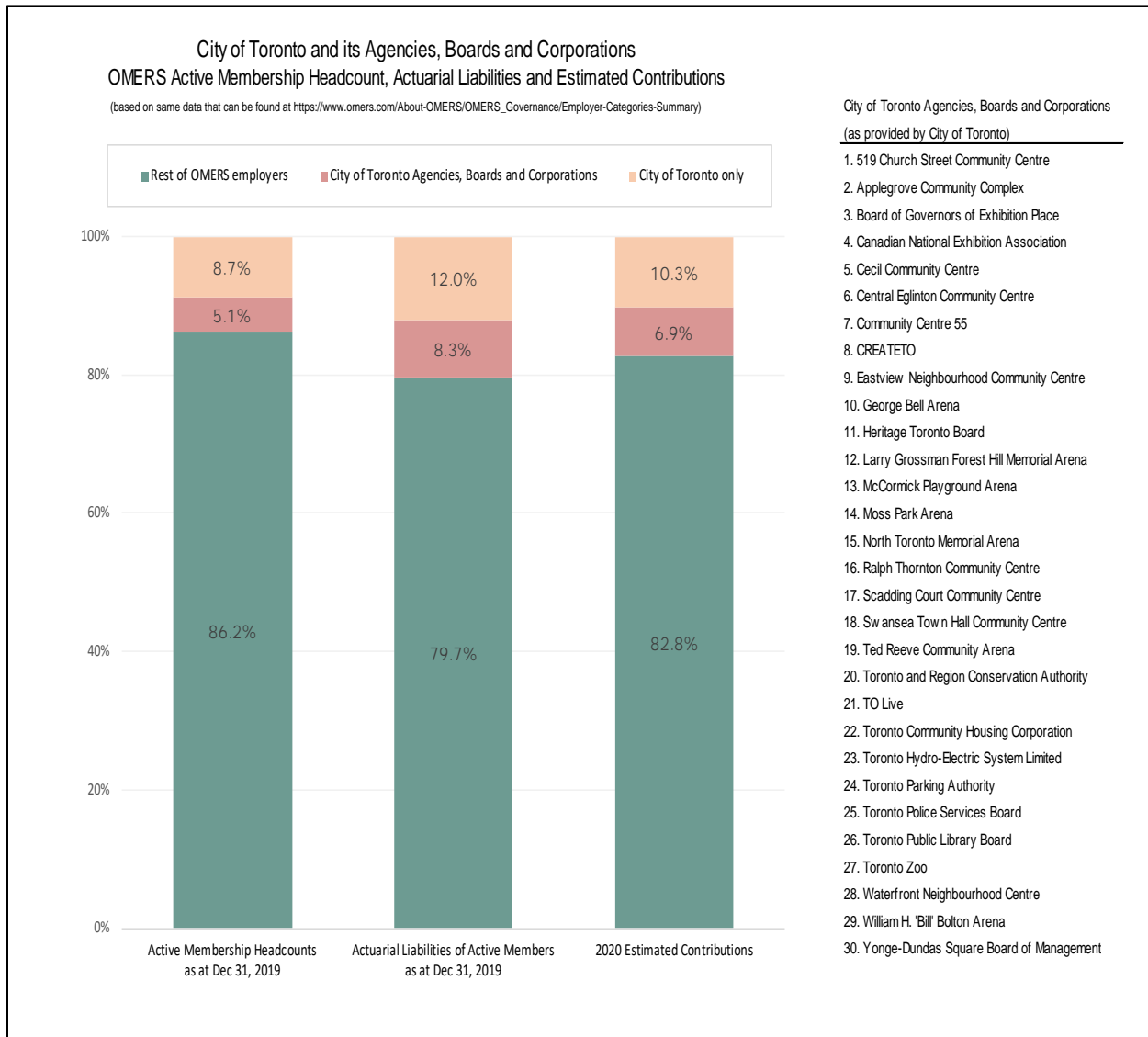
City of Toronto and its Agencies and Corporations, OMERS Active Member Headcount and Estimated Contributions for 2020



Prepared by OMERS, April 27, 2021

Attachment 5

City of Toronto and its Agencies and Corporations, OMERS Active Member Headcount and Estimated Contributions for 2019



Prepared by OMERS, May 20, 2021