

Sponsors Council By-laws

By-law Development Meeting 1 – Governance Mechanics

Overview

The purpose of this Briefing Note is to outline the topics for discussion at the meeting to be held with representatives of Sponsors on **April 7, 2026** regarding the establishment of the Sponsors Council by-laws. This information is intended as a general summary for discussion purposes.

Source Documents:

- [2025 OMERS Governance Report, Final Report \(“Poirier Report”\)](#)
- [Amendments to the OMERS Act, 2006 \(Bill 68, Schedule 13\)](#)
- [Sponsors Corporation By-Laws and Policies](#)

By-law Development Meeting 1 relates to Governance Mechanics and will include a discussion of:

1. Powers and responsibilities of the Sponsors Council
2. Voting
3. Appointment of Co-Chairs
4. Meetings
5. Appointment and removal processes for members and observers
6. Conflict of interest provisions
7. Member qualifications and roles

A more detailed discussion of these topics is set out below. As a reminder, note that any regulations to the *Ontario Municipal Employees Retirement System Act, 2006* (“OMERS Act”) may inform the development of the by-laws.

1. Powers and responsibilities of the Sponsors Council

Sponsors Corporation Framework

The OMERS Sponsors Corporation's ("SC") powers and objects are set out in the OMERS Act:

Objects

24 The following are objects of the Sponsors Corporation:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans.
2. To perform such other duties as may be provided under this Act.

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

- (2) For furthering its objects and without limiting the generality of subsection (1), the Sponsors Corporation may,
- (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
 - (b) set contribution rates under the pension plans;
 - (c) decide whether to file a valuation more frequently than is required under the *Pension Benefits Act*;
 - (d) receive reports from the Administration Corporation.

By-laws

(3) The Sponsors Corporation may pass by-laws and resolutions regulating its proceedings and for the conduct and management of its affairs.

SC's authority with respect to the composition of the boards of SC and the OMERS Administration Corporation ("AC"), the method of choosing their members, their remuneration and term limits is also set out in the OMERS Act:

Composition

23(1) The composition of the Sponsors Corporation and the method of choosing its members is as specified by by-law. [...]

Term of office

(4) The term of office of each member of the Sponsors Corporation is as determined by by-law.

Remuneration and expenses

(5) Members of the Sponsors Corporation are to be paid such remuneration and expenses as may be authorized by by-law. [...]

Composition

33 (1) The composition of the Administration Corporation and the method of choosing its members is as specified by by-law of the Sponsors Corporation. [...]

Term of office

(5) The term of office of each member of the Administration Corporation is as determined by by-law of the Sponsors Corporation.

Remuneration and expenses

(6) Members of the Administration Corporation are to be paid such remuneration and expenses as may be authorized by by-law of the Sponsors Corporation.

What does the Poirier Report say? Was the OMERS Act amended?

- Special Advisor Robert Poirier’s *2025 OMERS Governance Review Final Report to the Minister of Municipal Affairs and Housing* (“Poirier Report”) recommended that Sponsors “retain their statutory powers under the Act related to the ABCs (Appointments, Benefits, and Contributions), and whether to file a valuation more frequently than is required under the Pension Benefits Act (consistent with current practices involving consultation with the AC).”¹
- The Poirier Report recommended that, in furthering its objects, the Sponsors Council be permitted to make plan design decisions, set contribution rates, decide whether to file valuations more frequently than the *Pension Benefits Act* requires and receive reports from AC.²
- In recommending the replacement of SC, which today is a corporation, with a new Sponsors Council, the Poirier Report notes that the Sponsors Council will “[o]perate without the corporate fiduciary overlay and formalities, providing greater flexibility and responsiveness, enabling direct engagement and transparency in decision making.”³
- The amendments made to the OMERS Act, once in force, will provide for the Sponsors Council to maintain SC’s existing powers and objects relating to plan design (without the overlay of a corporation). Once the established amendments are in force the Act will read as follows:

Objects

23 (1) The following are the objects of the Sponsors Council:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans.
2. To perform such other duties as may be provided under this Act.
3. Such other objects as may be prescribed.

Same

(2) For furthering its objects, the Sponsors Council may,

- (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
- (b) set contribution rates under the pension plans;
- (c) decide whether to file a valuation more frequently than is required under the *Pension Benefits Act*;
- (d) receive reports from the Administration Corporation; and
- (e) do such other things as may be prescribed.

- Similarly, the amendments made to the OMERS Act, once in force, will provide that the Sponsors Council’s authority with respect to the composition of the Sponsors Council and of the board of the AC, the method of choosing their members, their remuneration and term limits is largely unchanged from that of the Sponsors Corporation (subject to transitional provisions). Regulations may inform these matters, which will be discussed in due course.
- The Poirier Report had recommended that a charter exist to regulate Sponsors Council proceedings and the conduct/management of the Sponsors Council’s affairs.⁴ It was proposed that an amendment to the charter be considered a specified change under the OMERS Act, requiring a two-thirds vote. Note that the amendments to

¹ Item 3, page 30.

² Proposed amendments to section 24 of the OMERS Act, page 81.

³ Item 9, page 34.

⁴ Item 11, page 36; item 12, page 37.

the OMERS Act reference Sponsors Council “by-laws”, rather than a charter, which is consistent with the existing wording in the OMERS Act.

Discussion items for initial Sponsors Council by-laws

- The by-laws should re-enumerate the objects and powers of the Sponsors Council, from the OMERS Act – namely, plan design, setting contribution rates, plan amendments and, deciding whether to file a valuation more frequently than is required.
- Regulations may inform how Sponsors exercise these powers by prescribing requirements for the Sponsors Council by-laws.
- Details regarding *how* the Sponsors Council fulfils these responsibilities could be set out in other sections of the by-laws and as schedules, and can be discussed in due course.
- As recommended in the Poirier Report, a two-thirds vote to amend the by-laws should be required.

2. Voting

Sponsors Corporation Framework

- As noted above, pursuant to the OMERS Act, the composition of the SC Board is set out in the SC By-Laws.
- The SC By-Law provides for weighted voting, with the general rule being that its Members each have one vote except for each Member appointed by AMO (two votes) and the Member appointed by CUPE (Ontario) (three votes).⁵ At committee, SC Members do not have weighted votes.⁶
- In determining voting requirements, the SC By-Law provides as follows:⁷
 - (b) For clarity, voting requirements for this and all other By-Laws of the Corporation (with the exception of By-Law No. 5) shall be based on the following:
 - (i) the requirement for an affirmative vote of a majority of the Members shall be satisfied if a majority of the available Member votes are in favour of the motion; and
 - (ii) the requirement for an affirmative vote of two-thirds (2/3) of the Members shall be satisfied if two-thirds (2/3) of the available Member votes are in favour of the motion.
 - (c) A vote of the Members concerning the appointment or removal of a Member or a replacement Member shall be made without the Member or the vote(s) associated with the Member who is to be replaced or removed or whose term is set to expire or whose removal is being voted upon and such vote(s) shall not be considered “available” under subsection 1.10(d).
 - (d) For purposes of determining whether a given matter has received the requisite amount of available votes under subsection 1.10(b), but subject to subsection 1.10(c), a Member’s vote shall be considered available whether or not a Member attends or participates in a meeting at which votes are to be cast on the matter, and whether or not the member abstains from voting on the matter (including by reason of a conflict of interest as described in Section 5.14 of By-Law No. 1 of the Corporation). Abstentions shall be recorded as such in the minutes of the Corporation.
- The SC By-Law provides that there shall be no more than 7 employer Members and 9 employer Member votes and 7 employee Members and 9 employee Member votes.⁸

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report recommended maintaining the current composition of the sponsor body with the associated votes, as a transitional measure.⁹ Reviews of Sponsors Council composition will be discussed at a future meeting.
- The OMERS Act amendments, when enacted, will not specifically address these points, as composition of the Sponsors Council is a matter to be set out in its by-laws. However, the initial composition of the Sponsors Council is to be set out in regulations (as discussed below).

⁵ SC By-Law No. 3, section 1.10(a).

⁶ SC By-Law No. 5, section 5.1.

⁷ SC By-Law No. 3, section 1.10(d).

⁸ SC By-Law No. 3, section 1.11.

⁹ Item 2, page 28.

- Minister Flack, in his letter dated January 23, 2026 to all Plan Sponsors indicated the following:

As noted in my previous letter, dated November 6, 2025, as part of this new model, the government is proposing to continue the same representation of Sponsors on the Sponsors Council. Appointed members will continue to be responsible for decisions related to plan design and contribution rates.

- This followed Minister Flack's November 6, 2025 letter, which indicated that "[a]s part of this new model, the government is proposing to maintain the current composition of the sponsors and their voting powers."

Discussion items for initial Sponsors Council by-laws

- The Poirier Report recommended that the Sponsors Council maintain the existing number of votes based on current composition.
- Composition will be discussed in the future, but the initial composition depends on regulations.
- Should weighted voting be used in all Sponsors Council decisions or limited to certain material decisions?

3. Appointment of Co-Chairs

Sponsors Corporation Framework

- SC operates under a Chair and Vice-Chair model,¹⁰ although it previously operated with a Co-Chair model. As a transitional measure, there was a requirement that if the Board elects a Chair from the Employee Group, it must elect a Vice-Chair from the Employer Group, and if the Board elects a Chair from the Employer Group, it must elect a Vice-Chair from the Employee Group.¹¹
- As a general rule, the Chair and Vice-Chair each serve one (1) two-year term and no SC Member is permitted to serve (i) as Chair for two consecutive terms or (ii) as Vice-Chair for two consecutive terms or (iii) serve as Chair more than twice or (iv) serve as Vice-Chair more than twice.¹²

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report recommended that the Sponsors Council adopt an employee and employer Co-Chair model and that the Sponsors Council members from each of the Employer Sponsor and Employee Sponsor side conduct a vote to appoint their respective Co-Chair for a two-year period.¹³ The Poirier Report notes as follows, in part:

Reinstating a co-chair model for the Sponsors Council, which existed before 2021, could help restore balanced representation between employee and employer sponsor groups. Sponsors viewed the original co-chair structure as a benefit that ensured both perspectives had equal leadership influence, thereby fostering collaboration and trust in decision-making.

- Amendments to the OMERS Act do not address this aspect of the Poirier Report, except to say that composition is subject to Sponsors Council by-laws. However, the January 23, 2026 letter from Minister Flack indicated that the government would be “[i]ntroducing a co-chair model for the Sponsors Council”.

Discussion items for initial Sponsors Council by-laws

- How should the two Co-Chairs be elected? (One from among the Sponsors Council members appointed by Employee Sponsors and one from among the Sponsors Council members appointed by Employer Sponsors)
- The term for each Co-Chair would be two years. Should there be a limit on the number of terms a Co-Chair can serve?
- Assuming Co-chairs will be elected by the Employer and Employee Sponsors Council members, as applicable, should candidates be required to attain at least 50% of the votes? How should weighted voting apply?
- Should the Sponsors Council (or the Employer and Employee Sponsors Council members, as applicable) be permitted to remove or replace a Co-Chair? How would this be accomplished?

¹⁰ SC By-Law No. 3, section 1.8.

¹¹ SC By-Law No. 3, section 1.8(b).

¹² SC By-Law No. 3, section 1.8(e).

¹³ Item 10, page 35.

4. Meetings

Sponsors Corporation Framework

[SC By-Law No. 1](#) sets the general parameters for the conduct of SC Board meetings, with requirements including:

- Notice of meetings are to be sent at least 10 days prior to meetings (which notice the Members may waive). This rule does not apply in the case of emergencies. For plan amendments, the text of the resolution is to be included in the notice (unless the Members waive it with a two-thirds vote).
- Quorum is established by having Members having a majority of votes in attendance. However, the number of votes required remains as set out in SC's By-Laws.
- Participation in meetings may be electronic means.
- The role of the chair in meetings, includes ensuring compliance with SC By-Laws, setting agendas and presiding over meetings.

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report recommended that AC establish an initial charter for the Sponsors Council with mandatory minimum standards including mandatory consultations prior to specified changes and mandatory reporting to plan members.¹⁴
- In recommending that AC establish the initial charter of the Sponsors Council, the Poirier Report recommended as follows:¹⁵
 - **Quorum:** A quorum for a Sponsors Council meeting requires members holding a majority of the Council's voting rights, unless otherwise stated in the Charter.
 - **Mandatory Sponsor and Non-Sponsor Consultations:** Consultation must occur at least 90 days prior to a Sponsors Council meeting to consider a specified change.
 - **Calling a Meeting:** Meetings may be called by the Administration Corporation or by a majority of Sponsors Council members, with notice to all members and the Administration Corporation. Notices must include the general nature of the business and be sent at least:
 - 20 days in advance for regular meetings.
 - 60 days in advance for meetings concerning OMERS pension plan amendments or contribution rate decisions.
 - **Notice Waiver:** The OMERS Act allows the Sponsors Council Charter to specify when meeting notice periods may be waived.
 - **Electronic Attendance:** Members may attend meetings via phone or electronic means, with instructions included in the meeting notice.
 - **Meeting Frequency:** The Sponsors Council will meet at least twice annually and once every three years to review OMERS pension plan terms and contribution rates. Outcomes of these reviews will be reported to plan members and participating employers.
 - **Meeting Summaries:** A summary of each meeting will be made available to OMERS Sponsors and stakeholders within 30 days.

¹⁴ See item 11, page 36.

¹⁵ Item 11, page 36.

- Other considerations mentioned in the Poirier Report (e.g., consultation engagement) and establishing minimum communication requirements to the broader plan membership will be discussed in other meetings (specifically through specified plan change discussions).

Discussion items for initial Sponsors Council by-laws

Meeting Chair

- From among the two elected Co-Chairs, how will it be determined who is the Meeting Chair and for what term should the Meeting Chair be appointed (e.g., one year)?
- Thereafter, Co-Chairs would alternate as between the Co-Chair appointed by Employee Plan Sponsors and the Co-Chair appointed by Employer Plan Sponsors.
- The responsibilities included for the Meeting Chair - among other things, ensuring compliance with Sponsors Council by-laws, presiding at meetings and setting agendas for meetings (with the other Co-Chair and with the Chief Pension Officer).
- Should the Chairs have additional authority to act on behalf of the Sponsors Council?

Calling of Meetings

- Given the expected standing items for the Sponsors Council, it appears that the regular annual work of the Sponsors Council could be accomplished over the course of 3-4 scheduled annual meetings. (Appendix 1: See workplan document appended to this note).
- Additional meetings could be required when the Council has to deal with issues such as plan changes, composition reviews or by-law reviews.
- Co-Chairs could be empowered to call a set number of meetings during a calendar year on such dates as the Co-Chairs may determine. Should there be any limit to the Co-Chairs' ability to call meetings?
- Sponsors Council members could be permitted through a simple majority of members to call a meeting on notice, indicating what business is to be transacted at such meeting. AC could also be permitted to call a meeting upon notice to address administrative or emergency issues.

Quorum

- A quorum for Sponsors Council meetings will be Sponsors Council members present representing a majority of eligible votes of the Sponsors Council (voting is discussed elsewhere).

Notice

- There should be established notice periods for a regular or special meeting of the Sponsors Council, of at least 20 days prior to the meeting. Should there be provisions to waive the notice period?
- The notice period for a meeting relating to a specified plan change could be at least 60 days in advance of the meeting and require the wording of the amendment to be included (unless waived at the meeting on a 2/3 vote).
- Emergency requirements may impact the notice period for proposed plan changes.
- What notice period should be provided for a meeting relating to an administrative plan change?

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Conduct of Meetings and Summaries of Meetings

- Should participation via electronic means be permitted?
- Should the business transacted at a meetings be public? For example, the Sponsors Council could make available to Sponsors and other stakeholders a summary of the business transacted at a meeting within 30 days.
- Minutes of meetings will be provided to all Sponsors Council members, AC management and observers.
- Consideration should be given to whether guidelines for conducting meetings should be adopted (e.g., Robert's Rules of Order).
- AC will provide administrative assistance and support to facilitate all meetings of the Sponsors Council (e.g., secretariat and logistical support) and will work with the Co-Chairs on agenda items and in ensuring the appropriate resources are in the room to enable effective decision making of the Sponsors Council.

5. Appointment and removal processes for Members and Observers

Sponsors Corporation Framework

- SC is composed of 14 Members:¹⁶
 - 7 appointed by employer groups: AMO, EDA, OACAS, OAPSB, OPSBA/OCSTA and Toronto
 - 7 appointed by employee groups: CUPE Ontario, CUPE Local 79/CUPE Local 416, OPFFA, OPSEU, OSSTF, PAO and the Retiree Group (“Ontario Retired Fire Fighters Association, the Municipal Retirees Organization of Ontario, The Police Pensioners Association of Ontario, and/or such other Ontario municipal employee retiree organizations as may be designated by majority vote of the Members from time to time”)
 - No seats are allocated for observers
- The general term of office for SC Members is a term of 3 years,¹⁷ and a Member may serve no more than four terms.¹⁸
- The SC By-Law provides that it shall be reviewed every 5 years starting from January 1, 2021 to ensure SC is representative.¹⁹
- SC Members may be removed by SC on a 2/3 vote of the Members if they are charged with or convicted of a criminal offence, if it is determined that they breached the Code of Conduct of SC and dismissal is the appropriate remedy or if their attendance/participation is unsatisfactory in accordance with guidelines approved by the SC Members. A Sponsor may also remove a Member and Members may also resign.²⁰

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report stated that “[e]qual representation of employee and employer members is essential in a JSPP and recommended to be maintained.”²¹
- The Poirier Report recommended maintaining the current Sponsor composition²² and also recommended that a periodic review of Sponsor composition be established beginning on January 1, 2028 and every five years thereafter.²³
- The Poirier Report further recommended the establishment of five non-voting observer seats: CUPE Local 416/CUPE Local 79, ATU, OCSTA/OPSBA, Metrolinx and one observer appointed collectively by COTAPSA/AMCTO/OMHRA.²⁴
- The amendments to the OMERS Act provide that composition of the Sponsors Council is to be set out in by-laws.²⁵

¹⁶ SC By-Law No. 3, section 1.2.

¹⁷ SC By-Law No. 3, section 1.3(a).

¹⁸ SC By-Law No. 3, section 1.12 (e) and 1.4(i).

¹⁹ SC By-Law No. 3, section 1.13.

²⁰ SC By-Law No. 3, sections 1.5-1.6.

²¹ Item 2, page 28.

²² Item 2, page 28.

²³ Item 13, page 39.

²⁴ Item 14, page 39.

²⁵ Section 25(3) of the OMERS Act.

- However, the OMERS Act provides that the initial composition of the Sponsors Council will consist of 14 persons as voting members and 5 persons as non-voting members, and will be subject to regulations:²⁶

Initial composition

25 (1) The composition of the Sponsors Council on the day section 11 of Schedule 13 to the *Plan to Protect Ontario Act (Budget Measures), 2025 (No. 2)* comes into force is comprised of the following:

1. 14 persons who are appointed, in accordance with such rules as may be prescribed, as voting members by the prescribed organizations.
2. Five persons who are appointed, in accordance with such rules as may be prescribed, as non-voting members by the prescribed organizations.

- As mentioned above, Minister Flack, in his letter dated January 23, 2026 to all Sponsors indicated the following:

“As noted in my previous letter, dated November 6, 2025, as part of this new model, the government is proposing to continue the same representation of Sponsors on the Sponsors Council. Appointed members will continue to be responsible for decisions related to plan design and contribution rates.”
- In his November 6, 2025 letter, Minister Flack also indicated that “[a]s part of this new model, the government is proposing to maintain the current composition of the sponsors and their voting powers.” The Minister did not comment on the identity of any observers.

Discussion items for initial Sponsors Council by-laws

Composition

- As noted, the initial composition of the Sponsors Council will be subject to regulations, although it is understood there will be 14 voting members and five observers.
- Assuming that the Sponsors Council’s composition will be similar to the SC and consistent with the recommendations of the Poirier Report, and subject to the regulations, it is recommended that, following the initial composition:
 - The current composition of Sponsors be maintained
 - Each Employee Sponsor and each Employer Sponsor be entitled to appoint one Sponsors Council member, except that AMO will be entitled to appoint two members
 - There be an equal aggregate number of votes allocated to Sponsors Council members appointed by each group
 - For purposes of the sponsor seats: CUPE Local 79/CUPE Local 416, OCSTA/OPSBA and the Retiree Group will each collectively constitute Sponsors
 - Do the groups prefer these seats be alternating or joint appointments?
 - Any concerns or considerations on maintaining this approach?
 - Observer seats be granted as per the recommendations of the Poirier Report. Under this model, those Sponsors who share a seat will be appointed as observers at times when they are not voting sponsors. In addition, observer seats will be granted to Metrolinx, Amalgamated Transit Union, and the “Management Group” as discussed above.

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²⁶ Section 25(1) of the OMERS Act.

Appointment Process for Members

- Consistent with the direct representation model for the Sponsors Council, Sponsors will give notice to AC as to the identity of their Sponsors Council member.
- Similarly, the observer groups would simply give notice to AC that they wish to appoint a non-voting member to the Sponsors Council.
- Should there be any formalities (e.g., interviews) relating to an appointee?
- There should be provisions to handle situations where unexpected vacancies arise, such as where a Sponsor fails to make an appointment (e.g., within 120 days). The votes associated with such a vacancy could be assigned to the Sponsors Council member appointed by the Employee Sponsor (if the vacancy is that of an Employee Sponsor) or the Employer Sponsor (if the vacancy is that of an Employer Sponsor), who has the largest number of members until an appointment is made.
- Similar criteria could apply for observers.

Removal of Members

- It is recommended there not be a specified term of office for a Sponsors Council member.
- What, if any, notice should be provided for Sponsors to replace Sponsors Council members (e.g., 30 days)? Similarly, members could also resign on notice.
- Any need for the Council, as a body, to have authority over individual appointees? For example, in limited circumstances where a situation arises that requires considering removal of a member by the Sponsors Council (for example, if the member is charged with or convicted of a criminal offense or if the Sponsors Council determines that they have breached a code of conduct (to be discussed)) and dismissal is the appropriate remedy *or* the Sponsors Council determines that the member's attendance/participation is unsatisfactory in accordance with a code of conduct. This could be subject to a two-thirds vote.
- The same criteria that applies to Sponsors Council members could apply for observers.

6. Conflict of interest provisions

Sponsors Corporation Framework

Under section 22 of the OMERS Act, certain corporate matters under the *Business Corporations Act* (“OBCA”) apply to SC:

Corporate matters

(3) Section 132 (conflict of interest), subsection 134 (1) (standard of care) and section 136 (indemnification) of the *Business Corporations Act* apply, with necessary modifications, to the Sponsors Corporation and its members.

In respect of conflicts of interest, SC’s By-Laws provide that, subject to section 132 of the OBCA and the SC Conflict of Interest Policy,²⁷ Members or officers of SC who are party to material transactions with SC, or are directors or officers or have a material interest in any person who proposes to be party to a material contract or transaction with SC are to disclose the nature and extent of the interest.²⁸ Where a SC Member has a conflict of interest, the Member is not to participate in any discussion and shall refrain from voting on the matter.²⁹

[SC’s Conflict of Interest Policy](#) provides more details including on the disclosure requirements for its Members and its officers, and the circumstances in which Members are not to vote on a resolution approving a transaction or contract.³⁰ Additional information on conflicts of interest, including as they apply to SC employees, are set out in the SC Code of Conduct.

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report did not specifically address potential conflicts of interest for Sponsors Council members, but did suggest in the proposed amendments to the OMERS Act that references to the OBCA, including section 132 (conflict of interest) be removed for the Sponsors Council.³¹
- The amendments to the OMERS Act do not maintain the references relating to conflicts of interest in respect of the Sponsors Council.

²⁷ SC By-Law No. 1, section 5.14(c), which provides that SC may enact a conflict of interest policy.

²⁸ SC By-Law No. 1, section 5.14(a).

²⁹ SC By-Law No. 1, section 5.14(b).

³⁰ SC Conflict of Interest Policy.

³¹ See amendments to section 22 of the OMERS Act on page 72.

Discussion items for initial Sponsors Council by-laws

Given that the Sponsors Council will not be a corporation, and will not have its own employees, there does not appear to be the need to maintain all of the existing provisions relating to conflicts of interest. However, as a matter of good governance, the Sponsors Council should establish some parameters around conflicts of interest for Sponsors Council members. More specifically:

- Subject to a Code of Conduct, a Sponsors Council member who has a conflict of interest with respect to a matter before the Sponsors Council would disclose such interest and refrain from participating in the discussion or voting. Such Sponsors Council member would not receive the portion of the minutes relating to that conflict. Any comments?
- Are there any other types of conflicts or perceived conflicts that such policies should cover?
- Similar parameters around conflicts of interest should also apply to observers.

7. Member qualifications and roles

Sponsors Corporation Framework

- Prior to a seat expiring, SC gives an information package to the applicable Sponsor including any current skills and competency matrix and/or gap analysis, a role description and information on a member's attendance (if applicable).³²
- The SC By-Law states that SC Members must possess sufficient capacity to decide on matters that come before SC and have independence to take such actions regardless of the interests of others. Sponsors are requested to take into account competencies identified as being required for Members to function more effectively as a whole.³³
- The general process for proposed appointees is to undergo a background check, complete a self-assessment of competences relative to the SC Board's competency framework and attend a meeting with a sub-committee of the SC Board and SC CEO (although in some cases requirements may be waived for incumbents).³⁴
- The following qualifications exist to serve on the SC Board:³⁵

A Member must:

- (a) be an individual who is eighteen (18) years of age or older;
- (b) not have been found to be of unsound mind by a court in Canada or elsewhere;
- (c) not have the status of a bankrupt;
- (d) not have been previously removed as a Member pursuant to Section 1.5 of this By- Law; and
- (e) commencing effective January 1, 2021, not already have served four (4) or more terms (whether consecutive or non-consecutive) as a Member of the Corporation and its predecessor, provided that for purposes of this subsection 1.12(e) and subsection 1.4(h), an initial partial term of two (2) years or less will not be considered a "term".

What does the Poirier Report say? Was the OMERS Act amended?

- The Poirier Report recommended a model that includes direct representation from Sponsors.³⁶
- The Poirier Report also recommended that the OMERS Act be amended "to prohibit the movement of Board members between the Administration Corporation and the Sponsors Council or the Sponsors Corporation."³⁷
- The OMERS Act does not specifically speak to qualifications of Members; it provides that composition (following initial composition) is to be set out in the Sponsors Council by-laws.

³² SC By-Law No. 3, section 1.4(d).

³³ SC By-Law No. 3, section 1.4(e).

³⁴ SC By-Law No. 3, section 1.4(f) and 1.4(g).

³⁵ SC By-Law No. 3, section 1.12.

³⁶ Item 9, page 33.

³⁷ Item 19, page 45.

- For purposes of the initial composition of the Sponsors Council, the OMERS Act provisions, once in force, will restrict from membership individuals who are or have been members of AC, SC or committees established for advising either:

Same

(2) An organization prescribed for the purposes of subsection (1) shall not appoint,

- (a) a person who is or has been a member of the Administration Corporation or of a committee established for the purpose of advising the Administration Corporation; or
- (b) a person who has been a member of the Sponsors Corporation or of a committee established for the purpose of advising the Sponsors Corporation.

Discussion items for initial Sponsors Council by-laws

- Sponsors and observers should determine who they wish to serve as representatives on the Sponsors Council and limited criteria should be established to disqualify Sponsors Council members from holding office (e.g., being under 18, being found to be incapable, having the status of bankrupt).
- The Poirier Report recommended a prohibition in the movement of members between the Board of AC, the Board of SC and the Sponsors Council. The amendments to the OMERS Act, once in force, will provide that individuals who are or have been members of the Boards of AC or SC, or committees established for advising either, may not serve as members of the Sponsors Council at inception.
- What should the role of observers be within the Sponsors Council?

Date: April 1, 2026
Distributed to: Sponsors by-laws engagement group

Appendix 1

Recurring Sponsor Council Activities

Activity (Deliverable)	Timing	Type (Recurring/ Transitional)
<i>Funding/Actuarial Matters</i>		
Primary Plan Valuation Filing Decision	Q1	Recurring (every 3 years, but there may be strategic reasons to file more often)
RCA Funding Mechanism (Allocation Threshold Report)	Q2	Recurring
Supplemental Plan Contribution Rate Study	Q2	Recurring but transitional for the 2024 study that was completed
Plan Projections	Q3	Annual
Discussion of Actuarial Assumptions	Q3	Annual
Primary Plan Contribution Rate Study	Not due until 2029	Recurring (every 5 years)
<i>Plan Changes</i>		
Shared Risk Indexing (SRI) Assessment	Q1	Recurring (potential, but SRI has not been invoked)
Specified Plan Changes (SPCs)	On a to-be-determined cadence	Recurring (for new proposals) & transitional for existing SPCs
<i>Other Matters</i>		
Member Affiliation & Employer Categorization Stats	Q2	Recurring
Terminating Employer Approvals	Q2	Recurring (as needed)
Sponsor & Stakeholder Forums	TBD	Recurring (possibly following each Council meeting)

Sample Sponsors Council Standing Agenda

This series of three meetings each year would be **aligned to occur in proximity to, and following, the AC Board cycle**. These formal meetings will be supported by regular sponsors and stakeholder forums and ad hoc meetings as required.

Meeting 1

Timing: Winter/Early Spring

1. Selection of Chairs
2. Review of Annual Workplan
3. Investment Results
4. Primary Plan Valuation Filing Decision
5. SRI decision
6. Review/Adopt Policies/Guidelines (e.g., Communication/Transparency)

Meeting 2

Timing: Summer

1. RCA Funding Mechanism
2. Member Affiliation / Employer Categorization Statistics
3. Terminating Employer Approvals
4. Investment Results

Meeting 3

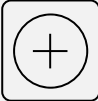
Timing: Fall

1. Actuarial Assumptions (including discount rate with AC)
2. AC Actuarial Projections



Add meetings as needed

1. Plan Changes
2. By-law / Composition Reviews



- Additional Meetings/Agenda items to be added covering: Asset and Liability Study, Discount Rate Study, Administrative Plan Changes, etc.
- Additional meeting cadences in years when Sponsors are considering Specified Plan Changes (SPC's) – including 2026/27.

Sponsors Council By-laws

By-law Development Meeting 2 – Role of Observers, Regular Reviews and Stakeholder Transparency

Overview

The purpose of this Briefing Note is to outline the topics for discussion at the second development meeting to be held with representatives of Sponsors on April 21, 2026 regarding the establishment of the Sponsors Council's by-law(s). The information provided is intended as general summary for discussion purposes only.

Source Documents:

- [2025 OMERS Governance Report, Final Report \("Poirier Report"\)](#)
- [Amendments to the OMERS Act, 2006 \(Bill 68, Schedule 13\)](#)
- [Sponsors Corporation By-Laws and Policies](#)

By-law Development Meeting 2 relates to the role of observers, regular by-law and policy reviews and transparency to stakeholders and will include a discussion of:

1. Role of Observers
2. By-law reviews and amendments
3. Review of Sponsors and Sponsors Council composition
4. Establishment of rules and policies
5. Disclosure and transparency from Sponsors Council to all stakeholders

A more detailed discussion of these topics is set out below. At the outset, note that any regulations to the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act") may inform the development of the by-law(s). Specifically, the amended OMERS Act (that will come into force at a future date) states the following regarding the Sponsors Council ability to pass by-laws and resolutions:

By-laws

- 25.1** (1) The Sponsors Council may pass by-laws and resolutions regulating,
- (a) its proceedings and generally for the conduct and management of its affairs; and
 - (b) its composition and the method of choosing its members

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting,
- (a) the election or appointment of voting and non-voting members, eligibility and competency requirements of members, their term of office and the number of members to be elected or appointed;
 - (b) the weight of the votes by voting members;
 - (c) the election or appointment of one or more chairs and their terms of office;
 - (d) quorum;
 - (e) the remuneration and expenses to be paid to the members;
 - (f) the calling and holding of meetings of the Sponsors Council, and the procedures by which such meetings shall be conducted and the giving of notice for such meetings;

- (g) materials to be provided to any members who are not eligible to vote;
- (h) consultations between the Sponsors Council and others, and the sharing of documentation for the purposes of those consultations;
- (i) matters on which the Sponsors Council must report and to whom they must be reported;
- (j) matters that the Sponsors Council must review and how often they must be reviewed;
- (k) committees to be established for the purpose of advising the Sponsors Council; and
- (l) insurance for members of the Sponsors Council.

Subsections (a) to (f) of the above were discussed at By-law Development Meeting 1 (with the discussion regarding non-voting members – i.e., observers – continuing at By-Law Development Meeting 2). The **bolding** above has been added for emphasis only in order to highlight topics that will be relevant to the discussions at By-law Development Meeting 2.

1. Role of Observers

Sponsors Corporation Framework

The inclusion of Observers is a new role within the OMERS governance structure.

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report stated that “[e]qual representation of employee and employer members is essential in a JSPP and is recommended to be maintained.”

The Poirier Report recommended maintaining the current Sponsor composition and also recommended that a periodic review of Sponsor composition be established beginning on January 1, 2028 and every five years thereafter.

Poirier makes clear on page 27 of his report that expanding participation to formerly unrepresented groups is designed to “ensure greater representation [...] so more employees and employers have a meaningful voice in OMERS’ strategic direction”.

Poirier also suggested on page 39 of his report that:

“Observers are not uncommon within Jointly Sponsored Pension Plans, and OMERS can benefit from having non-voting observers on the Sponsors Council. At the next Council composition review, Sponsors would likely have considered changes, at least at the margin, based on updates to “Active Membership Headcounts.” The Observer status enables Sponsors to roll on and off in an orderly manner, while providing engagement with largely unrepresented sectors such as the relatively fast-growing transit sector.”

The Poirier Report recommended the establishment of five non-voting observer seats based on the following categories:

Employees

- CUPE Local 416/CUPE Local 79
- ATU

Employers

- OCSTA/OPSBA
- Metrolinx

Manager [Non-Union] Organizations

- One observer appointed collectively by COTAPSA/AMCTO/OMHRA.

With respect to the “Manager [Non-Union] Organizations”, Poirier wrote on page 41 that: “Similar to the Retirees group, these three groups are encouraged to collectively work together to appoint a single Observer to the Sponsors Council who can bring greater transparency to OMERS members in management and non-union roles who are not otherwise represented at the Sponsors Council.”

Poirier further noted on page 41:

“Nearly 25% of OMERS' active membership consists of management / non-union members. For many years, these groups have advocated for greater transparency from the Sponsors Corporation about plan design and contribution rate decisions. Given the number of OMERS members in management and non-union positions, it is reasonable to allow these members to participate in the Sponsors Council as Observers.”

Poirier recommended the following amendment to the OMERS Act on page 41:

“Add Observers to section 23 of the OMERS, Act 2006, that an Observer will be entitled to notice of the meeting, copies of all materials provided to members of the Sponsors Council, attend such meetings, but will not be entitled to vote on any matters brought before a Sponsors Council meeting.”

The OMERS Act does not use the term “observer”; rather, the amended OMERS, Act 2006, provides that the initial composition of the Sponsors Council will consist of 14 persons as *voting members* and 5 persons as *non-voting members*, and will be subject to regulations:

Initial composition

25 (1) The composition of the Sponsors Council on the day section 11 of Schedule 13 to the *Plan to Protect Ontario Act (Budget Measures), 2025 (No. 2)* comes into force is comprised of the following:

1. 14 persons who are appointed, in accordance with such rules as may be prescribed, as voting members by the prescribed organizations.
2. Five persons who are appointed, in accordance with such rules as may be prescribed, as non-voting members by the prescribed organizations.

The OMERS Act amendments also expressly contemplate that the Sponsors Council by-laws may address materials to be provided to non-voting members, consultations and documentation-sharing, and reporting requirements (see subsections 25.1(2)(g)-(i)).

COTAPSA, AMCTO, OMHRA, ATU and Metrolinx have all expressed a desire to participate fully in the business of the Sponsors Council, short of being able to vote. This appears to align with the role of non-voting members envisioned by the Poirier Report. Their written feedback on these matters from potential observers has been provided to the by-law development group.

A model that appears to accord most closely with the Poirier Report and the OMERS Act would likely include the following participation parameters afforded to “non-voting members”:

- 1) A right to receive the same materials as voting members
- 2) A right to notice of meetings that mirrors that provided to voting members
- 3) An opportunity to request that items be included in the agenda
- 4) An opportunity to make submissions during meetings
- 5) A right to attend in-camera sessions of meetings

Items to include from SC By-Laws, Legislation, Governance Review Guidance

- The number and role of observers are as categorized in the amended OMERS Act as “non-voting members” and will be subject to regulations.
- The Sponsors Council by-laws must also set out the parameters for how these non-voting members will be incorporated into its proceedings. At a minimum, a non-voting member will be entitled to notice of the meeting, copies of all materials provided to members of the Sponsors Council, attend such meetings, but will not be entitled to vote on any matters brought before a Sponsors Council meeting.

Discussion items

- How could observers add agenda items to meetings? Would this require the approval of Co-Chairs?
- What circumstances, if any, would warrant the Council to meet without the observer appointees? What process should be followed to invoke this (e.g. motion from a member, 2/3 vote)?
- As discussed at the meeting on April 7, 2026, if a Code of Conduct (including conflict of interest rules) will apply to members of the Sponsors Council, it should also be considered if the same Code of Conduct should apply to Observers.
- How would the Code of Conduct and Conflict of Interest policies apply to observers?
- For sponsors who rotate between voting and non-voting status, should there be any process to transition the member into a voting member (and vice-versa)? Or should a new appointment process be initiated?

* Please note that during the meeting, OMERS will provide a verbal update on other practices externally with observer models

2. By-law review and amendments

Sponsors Corporation Framework

The SC's power to create by-laws is set out in the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act"):

By-laws

25 (3) The Sponsors Corporation may pass by-laws and resolutions regulating its proceedings and for the conduct and management of its affairs.

The SC's By-Law No. 1 (the "General By-Law") sets out the SC's right to amend the by-laws and create rules, policies and regulations, as follows:

ARTICLE 11

AMENDMENT OF BY-LAWS

11.1 Amendment of By-Laws

Unless specifically provided otherwise, the by-laws of the Corporation may be repealed or amended by by-law, on the approval of the Members by a majority vote in accordance with Section 5.10. The repeal or amendment of a by-law of the Corporation does not have any impact on actions taken under the authority of such by-law before such by-law was repealed or amended.

ARTICLE 14

RULES AND REGULATIONS

14.1 Rules and Regulations

The Members may prescribe such policies, rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as it deems expedient.

Although there is no general requirement in SC's By-Laws to review its By-Laws, By-Law No. 3 ("SC Composition") and By-Law No. 4 ("AC Composition") provide that they are to be reviewed every five (5) years from January 1, 2021 to ensure that SC and OMERS Administration Corporation ("AC") are representative.¹ Although not an SC By-Law, the SC's Corporate Governance & Risk Committee Charter states that the Committee shall "Conduct a comprehensive review of each by-law of the SC at least every five (5) years, except to the extent such by-laws are delegated to another Committee and recommend changes as appropriate."² The SC also undertook a full by-law and policy review in 2021 for the purposes of document simplification.³

Additionally, SC maintains a number of policies that each specify the frequency that they will be reviewed. With the exception of the Confidentiality Policy, which is reviewed every three years, the SC's policies contained within its Governance Manual are to be reviewed every five years.⁴

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report suggested that a charter be established for the Sponsors Council. The OMERS Act was amended (and such amendments will come in force at a later date) to provide the Sponsors Council with broad authority to create by-laws (which will operate to achieve the same goal as a charter but uses the concept of by-laws that already exists under

¹ SC By-Law No. 3, s. 1.13; SC By-Law No. 4, s. 7.2.

² See "Corporate Governance and Risk Committee Charter" at <https://www.omers.com/sc-governance-manual>

³ See "By-Law and Policy Simplification" summary under Q1 2021 at <https://www.omers.com/sc-board-meeting-summaries>.

⁴ See for example the Conflicts of Interest Policy, page 1.

the OMERS Act). Consistent with the recommendation in the Poirier Report, the amended OMERS Act instructs OMERS AC to prepare the initial by-laws of the Sponsors Council.⁵

The amendments to the OMERS Act (that will come into force at a future date) provide that the Sponsors Council may pass by-laws and resolutions consistent with any prescribed requirements:

By-laws

- 25.1** (1) The Sponsors Council may pass by-laws and resolutions regulating,
- (a) its proceedings and generally for the conduct and management of its affairs; and
 - (b) its composition and the method of choosing its members

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting, [...]
- (j) matters that the Sponsors Council must review and how often they must be reviewed; [...]

25.2

[...]

Amendments to initial by-laws

- (7) Any amendments to the initial by-laws shall be done in accordance with section 25.1.

The Poirier Report did not provide any explicit recommendation of a regular review of the Sponsors Council by-law but the Poirier Report contemplated an OMERS Act amendment to require periodic legislative reviews of the OMERS governance structure (five years after changes resulting from the Poirier Report and every ten years thereafter) aimed at “ensuring ongoing accountability, transparency, and alignment with evolving best practices. This approach allows for timely adjustments in response to changing stakeholder and plan member needs, market conditions, and governance best practices, while reinforcing public trust and confidence in the plan’s oversight”.⁶

While this amendment was not made to the OMERS Act, a regular by-law review can be seen as an analogous requirement that supports the same objective of reviewing within the Sponsors Council.

Items to include from SC By-Laws, Legislation, Governance Review Guidance

- As recommended in the Poirier Report, amendments to the by-laws should require an affirmative two-thirds (2/3) vote.

Discussion items

- Considering the need to balance regular review cycles and the stability and continuity of the annual work of the Sponsors Council, a fulsome review of by-laws every five years is reasonable and sustainable. What are the views on this schedule?
- How to communicate the results of the review to sponsors, stakeholders, and members.

⁵ Item 11, page 36.

⁶ Item 26, page 50.

3. Review of Sponsors and Sponsors Council composition

Sponsors Corporation Framework

The OMERS Act does not prescribe who the Sponsors are; instead, the list of Sponsors is set out in the SC By-Law No. 3 under the definition of “Sponsor Organizations”. The SC’s power to create by-laws setting the composition of the SC is set out in the OMERS Act:

Composition

23 (1) The composition of the Sponsors Corporation and the method of choosing its members is as specified by by-law.

The SC’s By-Law No. 3 (“SC Composition”) sets out the definition of Sponsor Organizations and, as noted above, includes a requirement to be reviewed every five years from January 1, 2021:

1.13 Amendments

An amendment to this By-Law shall require an affirmative vote of two-thirds (2/3) of the Members. The provisions of this By-Law shall be reviewed by the [Sponsors] Corporation every five (5) years from January 1, 2021, to ensure that the [Sponsors] Corporation is representative. (emphasis added).

Note that a review of composition was scheduled for 2025 but was suspended.

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report noted that, in respect of the OMERS governance model, “Sponsors and Non-Sponsors raised the need for a predetermined review schedule to help avoid the perception that reviews are reactive or indicative of underlying issues.”⁷ As noted above, the Poirier Report recommended that “[t]he Minister of Municipal Affairs and Housing shall establish a periodic legislative review of the OMERS governance structure, five years following these changes and then every ten years.”⁸

The Poirier Report also recommended that the Sponsors conduct a “periodic review of the Sponsor composition [...] beginning on January 1, 2028, and every five years thereafter.”⁹

Similar to the above, rather than implementing the specific recommendations, the amendments to the OMERS Act (that will come into force in the future) provide a general authority to create by-laws governing the Sponsors Council’s affairs and its ability to set its composition (subject to any prescribed requirements):

By-laws

25.1 (1) The Sponsors Council may pass by-laws and resolutions regulating,
 (a) its proceedings and generally for the conduct and management of its affairs;
 (b) its composition and the method of choosing its members.

In addition, the composition of AC will be subject to Sponsors Council by-laws and will be subject to any prescribed requirements.¹⁰ Any reviews of AC composition will be considered at a future meeting.

⁷ Item 26, page 50.

⁸ Item 26, page 50.

⁹ Item 13, page 39.

¹⁰ See the amended section 33 of the OMERS Act (which will come into force in the future).

Items to include from SC By-Laws, Legislation, Governance Review Guidance

- To ensure: (i) the identity and number of Sponsors; and (ii) the Sponsors Council's representation and composition framework remains appropriate over time, a review will be conducted in 2028 and every five years thereafter; the scope of the review can be developed once the Sponsors Council begins its work.
- A review conducted in 2028 is consistent with the recommendation in the Poirier Report and with previously planned work of the SC in 2025.

Discussion items

- Any guidelines, principles or formulae designed to guide the review (which can be a matter for the Sponsors Council, once established, to determine) should be in place well in advance of the 2028 composition review and could form part of its first year workplan and OMERS will support the development of a process or policy to be leveraged. Are there any concerns with this timing or approach?

4. Establishment of rules and policies

Sponsors Corporation Framework

As mentioned above, the OMERS Act provides general authority for the SC to regulate its proceedings and manage its affairs by by-law:

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

(2) For furthering its objects and without limiting the generality of subsection (1), the Sponsors Corporation may,

- (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
- (b) set contribution rates under the pension plans;
- (c) decide whether to file a valuation more frequently than is required under the Pension Benefits Act;
- (d) receive reports from the Administration Corporation.

By-laws

(3) The Sponsors Corporation may pass by-laws and resolutions regulating its proceedings and for the conduct and management of its affairs

Additionally, By-Law No. 1 (“General By-Law”) provides the authority for the SC to create policies, rules and regulations:

ARTICLE 14 — RULES AND REGULATIONS

14.1 Rules and Regulations

The Members may prescribe such policies, rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as it deems expedient.

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report recommended that AC establish an initial charter for the new Sponsors Council to include mandatory minimum standards.¹¹ Many of the recommendations from this part of the Poirier Report regarding how Sponsors Council meetings are to be run were discussed in By-law Development Meeting 1.

The Poirier Report did not address the establishment of rules or policies other than the charter for the Sponsors Council.

As previously noted, the OMERS Act was amended (and such amendments will come in force at a later date) to provide the Sponsors Council with broad authority to create by-laws and resolutions:

By-laws

25.1 (1) The Sponsors Council may pass by-laws and resolutions regulating,

- (a) its proceedings and generally for the conduct and management of its affairs; and
- (b) its composition and the method of choosing its members.

¹¹ Item 11, page 36.

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting,
- (a) the election or appointment of voting and non-voting members, eligibility and competency requirements of members, their term of office and the number of members to be elected or appointed;
 - (b) the weight of the votes by voting members;
 - (c) the election or appointment of one or more chairs and their terms of office;
 - (d) quorum;
 - (e) the remuneration and expenses to be paid to the members;
 - (f) the calling and holding of meetings of the Sponsors Council, and the procedures by which such meetings shall be conducted and the giving of notice for such meetings;
 - (g) materials to be provided to any members who are not eligible to vote;
 - (h) consultations between the Sponsors Council and others, and the sharing of documentation for the purposes of those consultations;
 - (i) matters on which the Sponsors Council must report and to whom they must be reported;
 - (j) matters that the Sponsors Council must review and how often they must be reviewed;
 - (k) committees to be established for the purpose of advising the Sponsors Council; and
 - (l) insurance for members of the Sponsors Council.

Consistent with the current OMERS Act, the amended OMERS Act did not specifically address rules and policies. However, should the by-law provide for it, the Council may create an authority to create and amend rules and policies in the same way as SC By-Law No. 1.

Items to include from SC By-Laws, Legislation, Governance Review Guidance

- The Sponsors Council should be authorized to establish by resolution any rules and policies it determines desirable for the proper discharge of its responsibilities and have this ability outlined in its by-laws.
- Any such rules and policies would be required to be consistent with the Sponsors Council's objects, powers and responsibilities under the OMERS Act, any prescribed requirements and applicable regulations, and the by-laws.
- This rules-and-policies authority is consistent with how the OMERS Act has been interpreted to create SC By-Laws and policies and the Poirier Report's Item 11 "minimum standards" concept regarding the governance of its meetings and consultations.

5. Disclosure and transparency from Sponsors Council to all stakeholders

Sponsors Corporation Framework

The OMERS Act provides certain disclosure requirements for the Sponsors Corporation including:

Annual report

31 (1) Every year, the Sponsors Corporation shall prepare a report on its affairs during the preceding year and the report must contain a copy of its financial statements as certified by the auditor.

Same

(2) The Sponsors Corporation shall give a copy of the annual report to every employer participating in the OMERS pension plans and to any member, former member or retired member of the plans who requests it.

Certain SC By-Laws also contain disclosure and transparency requirements:

SC By-Law No. 1 (General By-Law)

10.1 Minutes

The minutes of all meetings (including meetings held in camera) of the Members and committees of the Members shall be written and made available to the Members, each of whom shall receive a copy of such minutes, subject to the proviso that Members who have declared a conflict with respect to a particular matter shall not receive that portion of the minutes relating to that matter.

SC By-Law No. 12 (Specified Changes)

Section 3.4 Communication of Final Specified Change Proposals

As soon as practical after the identification of Final Specified Change Proposals pursuant to Section 3.3, the CEO will ensure they are broadly communicated.

Section 6.2 Exceptional Specified Changes

An Exceptional Specified Change proposal must be posted on the Corporation's web site as soon as possible following the meeting at which it is submitted. A decision will not be rendered by the Corporation with respect to an Exceptional Specified Change referred to in clause 6.2(b) until at least 21 days following posting of the proposed change on the web site.

Section 6.3 Technical Plan Changes

A proposal to make a Technical Plan Change may be submitted at any board meeting. Technical Plan Changes must be posted on the Corporation's web site as soon as possible following such meeting. A decision will not be rendered by the Corporation until at least 21 days following posting of the proposed Technical Plan Change on the web site, unless the change is required in the Administration Corporation's judgement to ensure that any OMERS pension plan(s) complies with a change in applicable federal or provincial law or is otherwise required for the lawful administration of any OMERS pension plans.

It should also be noted that SC's Confidentiality Policy sets out confidentiality requirements applicable to SC Board members and SC employees, and provides in part as follows:

All documents and information, including third party communications, (hereinafter collectively referred to as "Information") not otherwise in the public domain, is confidential unless the SC Board decides otherwise pursuant to SC By-Laws.

What does the Poirier Report say? Was the OMERS Act amended?

As noted above, the Poirier Report recommended, as a matter of minimum standards, that the Sponsors Council charter include a requirement that meeting summaries be made available to stakeholders within 30 days.¹² Additionally, the Poirier Report noted that the initial Sponsors Council charter should consider establishing improved transparency requirements including:¹³

- Engagement model with council and non-council members.
- Consultation model for plan design decisions, and should include, at a minimum:
 - Materials published in advance in plain language.
 - Supporting explanatory materials outlining the rationale and anticipated impact.
- Stakeholder feedback via formal channels.
- Disclosure of how feedback was considered in final decisions, consistent with governance best practices.
- Transparency requirements behind decision making, and should consider, at a minimum:
 - Establishing a formal transparency policy requiring publication of key non-confidential governance materials within a reasonable amount of time, including:
 - Plan design proposals.
 - Weighted voting records.
 - Non-sensitive board-level background reports, scenario analyses, third-party reviews, and financial impact models.
 - Minority opinions and policy rationales.
 - Non-confidential board decisions.

As a minimum standard to be set out in the OMERS Act, the Poirier Report also recommended mandatory sponsor and non-sponsor consultations prior to a specified change and mandatory reporting to plan members and participating employers on the outcome of such changes. The Poirier Report recommended that consultation must occur at least 90 days prior to a Sponsors Council meeting to consider a specified change¹⁴.

Following the Poirier Report, the OMERS Act amendments (which will come into force in the future) did not specifically address additional disclosure and transparency measures, but will continue to require that an annual report be prepared by the Sponsors Council (as is the case for SC today).¹⁵ In addition, the OMERS Act amendments provide the following broad powers to make by-laws, including on topics relating to disclosure and transparency (such amendments will come in force at a later date):

By-laws

- 25.1** (1) The Sponsors Council may pass by-laws and resolutions regulating,
- (a) its proceedings and generally for the conduct and management of its affairs; and
 - (b) its composition and the method of choosing its members.

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting, [...]
- (g) materials to be provided to any members who are not eligible to vote; [...]
 - (h) consultations between the Sponsors Council and others, and the sharing of documentation for the purposes of those consultations; [...]
 - (i) matters on which the Sponsors Council must report and to whom they must be reported; [...]

¹² Item 11, page 36.

¹³ Item 11, pages 36-37.

¹⁴ Item 11, page 36.

¹⁵ OMERS Act, sections 31(1)-(2).

Attached to this note is a proposed transparency, disclosure and engagement model designed to meet the elements described above.

A more detailed discussion on the engagement process for plan design changes will be included in the next meeting, dedicated to plan design.

Items to include from SC By-Laws, Legislation, Governance Review Guidance

- It is recommended that the Sponsors Council be required to prepare an annual report on Sponsors Council affairs in accordance with section 31 of the OMERS Act and that this be included in the AC's annual report under section 21(1) of the OMERS Act.
- In addition, the Sponsors Council should report to plan members and participating employers on: (a) plan review/amendments and contribution rates, and (b) specified changes and the reasoning. As previously discussed, AC will provide assistance with this, including legal counsel as needed and requested.

Discussion items for initial Sponsors Council by-laws

- The degree to which the Council should be bound by disclosure and transparency recommendations as described in the Poirier Report, specifically:
 - Engagement model with council and non-council members.
 - Consultation model for plan design decisions, and should include, at a minimum:
 - Materials published in advance in plain language.
 - Supporting explanatory materials outlining the rationale and anticipated impact.
 - Stakeholder feedback via formal channels.
 - Disclosure of how feedback was considered in final decisions, consistent with governance best practices.
 - Transparency requirements behind decision making, and should consider, at a minimum:
 - Establishing a formal transparency policy requiring publication of key non-confidential governance materials within a reasonable amount of time, including:
 - Plan design proposals.
 - Weighted voting records.
 - Non-sensitive board-level background reports, scenario analyses, third-party reviews, and financial impact models.
 - Minority opinions and policy rationales.
 - Non-confidential board decisions.
- Discussion on the transparency enhancements considerations developed by OMERS (Appendix 1)

Date: April 14, 2026
Distributed to: Sponsors by-laws engagement group

Appendix 1: Sponsors Council Transparency Considerations

As of early 2026, the OMERS sponsor model is undergoing a major governance transition toward a Sponsors Council.

Under the **previous Sponsors Corporation model**, the key mechanisms for achieving transparency included:

1. Reporting and Public Documentation

- **Meeting and Decision/Review Summaries:** The Sponsors Corporation posts brief online summaries of significant activities and decisions made at each Board meeting to maintain communication with stakeholders.
- **Governance Manual:** A comprehensive manual is maintained to document governance practices, structures, and policies, providing visibility into how decisions are made.
- **Annual Report:** In most years, a joint (AC/SC) annual report has been issued

2. Stakeholder Engagement Initiatives

- **Sponsor and Stakeholder Meetings:** Hybrid and in-person, individual and group, meetings held to present Plan updates.

As OMERS transitions to a Sponsors Council model, there is a unique opportunity to reshape how Plan changes are considered and to increase transparency by reducing the “corporate” distance between decision-makers and the people and organizations they represent—enabling Sponsor representatives to share information more freely and act directly on behalf of their constituents.

Sponsors Council Core Transparency Standards: Proposed Enhancements to the Transparency Toolkit

Current Tool	Suggested Upgrade	Why?	Timelines	Delivery Mechanism	Owner
Meeting Materials prepared by the AC (including reports, etc.)	Include a Recommended Distribution Level on All Materials	To enhance transparent communication with Sponsor organizations, each Council representative would be expected to share materials with the appointing Sponsor. With a new distribution recommendation, only the materials that are strictly required to be kept confidential as a result of the application of applicable law and privacy standards will be subject to requirements to not disclose/disseminate.	20 days prior to a regular meeting, 90 days prior to a meeting to consider a SPC (see below)	Materials would be circulated directly to Council representatives through the Council's administrative support team.	OMERS management
Meeting Summaries	Detailed Meeting Minutes Post-Meeting Video Interactive Decision Logs	Detailed minutes that capture key discussion points and the rationale for recommendations and decisions, including options considered, disclosures/conflicts, and any formal motions. They will also record outcomes clearly (decisions made, votes, action items, owners, and timelines) so stakeholders can understand what was decided and why. A video humanizes the process far better than a written meeting summary. An online database where members can see how their specific Sponsor organization voted on major issues.	Within 15 days of each meeting	Detailed meeting summaries posted to website; sent directly to sponsors and stakeholders.	OMERS management
Directors Report	Engagement Package	Ensure representatives are experts. Provide them with the tools they need to champion the Council's work rather than a summary of projects and decisions.	Within 15 days of each meeting	Package to be emailed directly to each Sponsors Council representative.	OMERS management
Emails from the SC CEO	Email or E-Newsletter from Sponsors Council	Make it effortless for stakeholders to receive and share information with their members.	Within 30 days following meetings or a quarterly newsletter update	Vehicle options include a standalone Sponsors Council email to sponsors and stakeholders or to incorporate an update from the Council into the quarterly stakeholder e-newsletter.	Sponsors Council and OMERS management
Sponsor and Stakeholder Meetings	Structured post-meeting briefings	Keep the OMERS sponsor and stakeholder community informed of the Council's work through timely updates, so information remains current and actionable.	Minimum two per year	Hybrid meetings that convene OMERS sponsor and the stakeholder community to provide timely updates and education on issues before the Council.	Sponsors Council and OMERS management

Annual Report	Dedicated Sponsors Council Section	Compliance with OMERS Act	Annually	Included as an insert with the OMERS Annual Report.	Sponsors Council and OMERS management
Governance Manual	Sponsors Council By-laws and Policies	The by-laws and any policies should be made available for all members to view online.	Posted online upon the establishment of the Council	Posted online, similar to the previous Sponsors Corporation Governance Manual.	OMERS management
By-laws Review	Maintain with greater information available to stakeholders and members	To enhance transparency for Plan members, online posting provides greater insight into what was reviewed and includes voting information.	Every 5 years	Posted as part of minutes, with underlying material provided alongside.	Sponsors Council and OMERS management
Board Decision on Specified Plan Changes	Progressive Engagement Model	A new rollout to enhance transparency around Plan changes under consideration, and the subsequent decisions.	As dictated by SPC process (TBD)	Publication of proposals, invitation for comment, meetings with sponsors leadership, open meeting(s) for members to provide input.	Sponsors Council and OMERS management
Composition Review	Maintain with greater information available to stakeholders and members	Publish policy on how composition will be reviewed, to be developed by June 2027, in response to stakeholder concerns.	Poirier recommends: A periodic review of the Sponsor composition will be established beginning on January 1, 2028, and every five years thereafter.	Posted as part of minutes, with underlying material provided alongside.	Sponsors Council and OMERS management

Sponsors Council By-laws

By-law Development Meeting 3 & 4 – Code of Conduct, Minimum Standards for Specified Plan Changes (SPCs), Financial and Administrative Support for Sponsors Council, Validation of Year 1 Work Plan

Overview

The purpose of this Briefing Note is to outline the topics for discussion at the development meeting to be held with representatives of Sponsors on May 5, 2026 regarding the establishment of the Sponsors Council's by-laws. This is intended as a general summary for discussion purposes only.

Source Documents:

- [2025 OMERS Governance Report, Final Report \("Poirier Report"\)](#)
- [Amendments to the OMERS Act, 2006 \(Bill 68, Schedule 13\)](#)
- [Sponsors Corporation By-Laws and Policies](#)

By-law Development Meeting Three and Four will include a discussion of:

1. Code of Conduct
2. Minimum Standards for Specified Plan Changes (SPCs)
3. Financial and Administrative Support for Sponsors Council
4. Validation of the Year 1 Work Plan

A more detailed discussion of these topics is set out below. At the outset, note that any regulations to the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act") may inform the development of the by-laws.

1. Code of Conduct

Sponsors Corporation Framework

The OMERS Sponsors Corporation's ("SC") authority to govern the conduct and management of its affairs, including through by-laws applicable to its Members, is set out in the OMERS Act:

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

[...]

By-laws

(3) The Sponsors Corporation may pass by-laws and resolutions regulating its proceedings and for the conduct and management of its affairs.

Consistent with the OMERS Act, SC addresses conduct through a combination of its by-laws and related governance policies, including SC By-Law No. 1 ("**General By-Law**"), its Code of Conduct Policy, its Conflict of Interest Policy and its Confidentiality Policy. The General By-Law guides SC's approach to its code of conduct by providing for conflicts of interest and confidentiality requirements and by expressly authorizing the adoption of related policies, providing that:

5.14 Conflicts of Interest

(a) Requirement to Disclose Conflict of Interest

Subject to and in accordance with the provisions of Section 132 of the OBCA and any Conflict of Interest Policy of the Corporation which may be in effect from time to time, a Member or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or officer of or has a material interest in any person who is or proposes to be a party to a material contract or transaction with the Corporation shall (i) disclose in writing to the Corporation or (ii) request to have entered into the minutes of meetings of the Members the nature and extent of such interest.

(b) Discussion and Voting on a Matter

Where a Member has a conflict of interest with respect to a particular matter under consideration by the Members, the Member shall not participate in any discussion and shall refrain from voting on the matter.

(c) Conflict of Interest Policy

The Members may enact a Conflict of Interest Policy from time to time to establish rules relating to the declaration of conflicts of interest by Members and officers.

5.15 Confidentiality

The Corporation may enact policies regarding confidentiality of Board materials, Board deliberations and other matters as it considers appropriate, and may proscribe requirements to be imposed on Members in such policies, including consequences for failure to comply with such requirements.

SC policies build on these provisions in the General By-Law by setting out more detailed requirements relating to SC Board Member (and employee) conduct. SC policies address, among other things, the following:

Code of Conduct

The [Code of Conduct](#) sets ethical standards for ... [SC] Board Members, employees and consultants who conduct business on behalf of the [SC]" and includes:

- Overall principles and application and references to the duties owed by SC Board members, including pursuant to the Ontario *Business Corporations Act* ("OBCA")
- Personal and professional conduct including those that arise in the context of SC being an employer (e.g., harassment, discrimination & violence) and in SC's conduct of business with suppliers and contractors
- Conflicts of interest, including, again, in the context of SC employing staff (e.g., outside activities and directorships of SC employees) as well as in the context of gifts, entertainment and improper payments
- Privacy and confidentiality
- Use of resources
- Media contact and public statements
- Reporting violations
- Responding to incidents of non-compliance
- Annual acknowledgement of compliance

Conflict of Interest Policy

The [Conflict of Interest Policy](#) provides additional information in relation to conflicts of interest and required disclosures relating to SC Board members and employees, and includes:

- Circumstances in which conflicts arise
- Disclosure requirements
- Timing of disclosure by Members
- Timing of disclosure by officers
- Disclosure where approval is not required
- Restrictions on voting
- General notice of interest
- Effect of disclosure
- Deemed conflicts

Confidentiality Policy

The [Confidentiality Policy](#) "[e]stablishes the policy and procedures with respect to confidentiality for SC Board Members and employees" and includes:

- Purpose
- Application
- Confidential information
- Categories of information generally not disclosed
- Confidential information procedures
- Communications and spokesperson requirements
- Storage, access, transmission and disposal of confidential information
- Dealings with non-confidential information
- Exceptions to and breaches of the policy

What does the Poirier Report say? Was the OMERS Act amended?

As a starting point, the Poirier Report noted that the intent of the 2025 Governance Review was as follows:

The intent is to ensure that:

- Sponsors governance results in fair and equitable impacts on its diversity of plan members; reflects consultation with employee and employer organizations; and is informed with the best available information.
- AC Board governance results in the best available plan performance for plan members.

- OMERS governance reflects best practices in the field.¹

The Poirier Report also noted, in relation to defined benefit, defined contribution and hybrid plans, that “[e]ach model carries distinct implications for risk-sharing, cost management, and retirement outcomes, making it essential for stakeholders, including plan members, employers, and policymakers, to understand the structure, governance, and long-term viability of the pension arrangements in place.”²

With that said, the Poirier Report does not directly address a code of conduct for the Sponsors Council, although it recommends that the Sponsors Council be empowered to “pass resolutions regulating its proceedings and the conduct and management of its affairs”.³ As part of the initial charter, the Poirier Report also recommended that consideration be given to establishing:

- Engagement model with council and non-council members.
- Consultation model for plan design decisions, and should include, at a minimum:
 - Materials published in advance in plain language.
 - Supporting explanatory materials outlining the rationale and anticipated impact.
- Stakeholder feedback via formal channels.
- Disclosure of how feedback was considered in final decisions, consistent with governance best practices.
- Transparency requirements behind decision making, and should consider, at a minimum:
 - Establish a formal transparency policy requiring publication of key non-confidential governance materials within a reasonable amount of time, including:
 - Plan design proposals.
 - Weighted voting records.
 - Non-sensitive board-level background reports, scenario analyses, third-party reviews, and financial impact models.
 - Minority opinions and policy rationales.
 - Non-confidential board decisions.
- Governance process for the Council, including the appointment of co-chairs, etc., and ensuring the AC’s independent chair or their designate(s) shall attend.⁴

Similarly, the OMERS Act amendments do not directly address a code of conduct for the Sponsors Council. However, as discussed in By-Law Development Meeting 2, provisions in the OMERS Act (once in force) will provide that:

By-laws

- 25.1** (1) The Sponsors Council may pass by-laws and resolutions regulating,
- (a) its proceedings and generally for the conduct and management of its affairs; and
 - (b) its composition and the method of choosing its members.

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting,
- (a) the election or appointment of voting and non-voting members, eligibility and competency requirements of members, their term of office and the number of members to be elected or appointed;

¹ “Purpose of this Review”, page 10.

² “Jurisdictional Scan”, page 11.

³ Item 11, pages 36-37; also see proposed amendments to section 22 of the OMERS Act.

⁴ Item 11, pages 36-37.

Discussion items for initial Sponsors Council by-laws

In light of the direct representation model outlined in the Poirier Report and without the overlay of a corporation and the related requirements, the considerations for a code of conduct for the Sponsors Council are different than those that have applied to SC. Nevertheless, it is recommended that some criteria be established to mitigate risk and promote the efficient functioning of the Sponsors Council. During our discussion on April 7, 2026, it was raised that there ought to be a mechanism to ensure appropriate conduct, even in recognition of the view that it was likely to be rarely invoked.

A Sponsors Council Code of Conduct could be streamlined to remove any provisions that reflect SC's current corporate structure and application to SC employees, and consolidate SC's Conflict of Interest and Confidentiality Policies - with appropriate modifications - into a new Code of Conduct, designed around the following key principles:

- Acting with integrity and in good faith
- Commitment to the business of the Sponsors Council, including through attendance at Sponsors Council meetings
- Fostering a respectful environment
- Expectations with respect to the Council's commitment to maintaining transparency, with an understanding that in some cases confidentiality will be required
- Management of conflicts of interest
- Avoiding any implication that any individual Sponsors Council Member speaks on behalf of the Sponsors Council as a whole

The above could be contained in one comprehensive policy. Sponsors Council Members (and Non-Voting Members) could attest to their acknowledgment of the commitment to abide by the Code of Conduct.

While Sponsors retain the right to replace their Sponsors Council Member, breaches of the Code of Conduct would form the basis for the Sponsors Council itself to exercise any discipline powers available to it.

2. Minimum Standards for Specified Plan Changes (SPCs)

Sponsors Corporation Framework

As noted in prior materials, the OMERS Sponsors Corporation's ("SC") powers and objects are set out in the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act"). Those powers and objects expressly include making plan design decisions and setting contribution rates. More specifically, the OMERS Act provides as follows:

Objects

24 The following are objects of the Sponsors Corporation:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans. [...]

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

- (2) For furthering its objects and without limiting the generality of subsection (1), the Sponsors Corporation may,
- (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
 - (b) set contribution rates under the pension plans; [...]

The OMERS Act provides that decisions made by SC are made by majority vote. However, "specified changes" require a two-thirds majority vote⁵ or, if referred by SC on a majority vote, a decision made in accordance with supplementary-decision making mechanisms. Specified changes include those relating to changes in benefits or contribution rates. The OMERS Act provides as follows:

Procedural and other requirements for decisions

26 (1) A decision of the Sponsors Corporation requires an affirmative vote of a majority of its members.

Specified change

- (2) In subsections (3) and (6),
- "specified change" means,
- (a) a change in benefits for members of any of the OMERS pension plans,
 - (b) a change in the contribution rate for members or participating employers, or
 - (c) the establishment of, or a change to, a reserve to stabilize contribution rates.

Decision about a specified change

(3) Despite subsection (1), a decision respecting a specified change is not valid unless it is made in one of the following ways:

1. At a meeting called for the purpose of considering the matter, the Sponsors Corporation decides to make the specified change and passes a by-law providing for the specified change by an affirmative vote of two-thirds of its members.
2. At a meeting called for the purpose of considering the matter, the Sponsors Corporation decides on an affirmative vote of a majority of its members to refer the matter for consideration under the supplementary decision-making mechanisms described in subsection (4) or (5) and, using those mechanisms, the decision is made with respect to the specified change.

⁵ Note that decisions of SC relating to by-laws relating to composition of the OMERS Administration Corporation ("AC") are also subject to a two-thirds majority pursuant to section 33(2) of the OMERS Act. Appointments to the OMERS Board will be discussed in due course.

Supplementary decision-making mechanisms

(4) The Sponsors Corporation may, by by-law, establish supplementary mechanisms for making decisions about matters that are considered during its meetings.

Initial mechanisms

(5) Despite subsection (4), on the day this section comes into force, the supplementary decision-making mechanisms are those set out in section 42.

Rules for arbitration

(6) If the by-law establishing supplementary decision-making mechanisms provides for arbitration, the following rules apply with respect to the arbitration:

1. The arbitrator shall conduct the arbitration in accordance with the *Arbitration Act, 1991* and for that purpose the matter referred to the arbitrator shall be deemed to have been submitted for arbitration under an agreement and the members of the Sponsors Corporation shall be deemed to be parties to the agreement.
2. When deciding a matter relating to a specified change, the arbitrator shall consider the following matters:
 - i. The legal requirements relating to the pension plans and their administration.
 - ii. The actuarial valuation of each of the OMERS pension plans prepared by the actuary for the purposes of the *Pension Benefits Act*.
 - iii. The advice of the Administration Corporation to the Sponsors Corporation and to the arbitrator concerning the cost of the specified change.
 - iv. The economy of Ontario, the prevailing economic conditions and the overall financial state of the employers participating in the OMERS plans.
3. The arbitrator may make reasonable requests for information and advice from the Administration Corporation and the Administration Corporation shall comply with the requests.
4. The arbitrator shall not make a decision to increase benefits under an OMERS pension plan if the decision, combined with all other decisions made by an arbitrator in the previous 36 months to increase benefits under the plan, would result in a total increase to the contribution rate for the plan for members or participating employers of more than 0.5 per cent.
5. The arbitrator's decision with respect to the terms and conditions of any of the OMERS pension plans shall be deemed to be a decision of the Sponsors Corporation to amend the pension plan, or a decision not to amend the plan, as the case may be.

Today, SC's adoption of changes to the OMERS pension plans is subject to [SC By-Law No. 12](#) ("**Specified Changes By-Law**"). The below is intended to describe this process at a high level.

The types of changes provided for under SC By-Law No. 12 can be summarized as follows:

- Specified Changes, which are subject to final approval on a two-thirds vote (or referral to mediation/arbitration), for:
 - Contribution/benefit changes
 - Allocation of contribution rates (e.g., setting detailed contribution rates after the overall blended rate is set)
- Exceptional Specified Changes, which are: (1) required for compliance; or (2) where failure to adopt a change will result in hardship due to a condition not previously recognized, and such change would not materially affect contributions or funding and are subject to final approval on a two-thirds vote
- Technical Changes, which do not affect benefits, contributions or do not relate to a reserve to stabilize contributions, and are subject to final approval by a majority vote

- Specified Changes relating to pension transfers, which relate to pension transfer agreements in respect of certain City of Toronto pension plans, and are subject to approval on two-thirds vote⁶

SC maintains a process whereby stakeholders can submit plan change proposals to SC annually. Such proposals are reviewed by SC's Plan Design Committee ("Committee") and thereafter follow a stipulated process:

- If such a proposal is received before October 1, the Committee may refer the proposal to SC's Chief Executive Officer for further development on a majority vote.⁷
- In May, the proposal can be referred for decision by majority vote, following which the proposals are to be communicated broadly.⁸
- In June, SC can approve, reject, amend or refer to mediation or arbitration a proposal (an approval requires a two-thirds majority vote).⁹

While this process provides that specified plan changes submitted between January 1 and September 30 of a calendar year may be analyzed and considered for final decision by June of the subsequent year,¹⁰ there have been numerous deviations from this in practice. Several specified change proposals have extended well beyond the minimum timelines provided for under SC By-Law No. 12 and the process has also been paused (e.g., during SC's Plan Risk Assessment).¹¹

Specified change proposals stemming from required annual valuations and contribution rate studies generally also follow this process, with some variations.

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report made extensive comments about the plan change process and recommended amending the OMERS Act to "better clarify decision-making definitions related to specified and administrative changes".¹² The Poirier Report indicated as follows, in part:

A "specified change" means:

- A change in benefits for members of any of the OMERS pension plans.
- A change in the contribution rate for members or participating employers.
- The establishment of, or a change to, a reserve to stabilize contribution rates.
- Any amendment to the Charter.
- The establishment of a supplemental plan.

An "administration change" means a change to the OMERS pension plans that the Administration Corporation considers is necessary or appropriate:

- To resolve a critical issue that does not involve material changes in contribution levels of, or materially affect the funding of, any OMERS pension plan other than a supplemental plan.

⁶ The relevant mergers occurred effective in 2018/2019.

⁷ SC By-Law No. 12, section 6.4. If such a proposal is received after October 1, it is referred to the Committee the following calendar year.

⁸ SC By-Law No. 12, section 6.4.1.

⁹ SC By-Law No. 12, section 4.1.

¹⁰ Under Schedule "A" to SC-By-Law No. 12, proposals submitted after September 30 in a calendar year "will not be considered or discussed by [the Committee] until completion of the Corporation's formal deliberations the following year with respect to specified change proposals."

¹¹ See for example item 23, page 47 of the Poirier Report. Also see "Plan Change Process" under Q2 2021 at <https://www.omers.com/sc-board-meeting-summaries>.

¹² Item 12, page 38. Also see proposed amendments to section 26, page 85.

- For the proper administration of the pension plan, including to comply with the Pension Benefits Act or any other provincial law or any federal law.
- To amend the terms of any supplemental plan or to establish or amend contribution rates for any supplemental plan.

During consultations both Sponsor and Non-Sponsor organizations expressed concerns about role clarity and overlap between the two existing boards. Clarifying these decision-making categories will reduce ambiguity and support more efficient decision-making processes between governing bodies going forward.

The Poirier Report had also recommended that the OMERS Act be amended to provide for mandatory consultations on specified changes at least 90 days prior to a meeting of the Sponsors Council:¹³

Mandatory Sponsor and Non-Sponsor Consultations: Consultation must occur at least 90 days prior to a Sponsors Council meeting to consider a specified change.

It should also be noted that the Poirier Report recommended that the OMERS Act be amended to provide for a regular review of the terms of the OMERS pension plan and contribution rates:¹⁴

Meeting Frequency: The Sponsors Council will meet at least twice annually and once every three years to review OMERS pension plan terms and contribution rates. Outcomes of these reviews will be reported to plan members and participating employers.

The amendments to the OMERS Act largely do not address these points and preserve the existing provisions relating to specified changes (with changes to reference the Sponsors Council in place of SC). However, section 25.1 of the OMERS Act (which will come into force in the future) provides as follows:

[...]

Same

- (2) Without limiting the generality of subsection (1), the Sponsors Council may make by-laws respecting, [...]
- (h) consultations between the Sponsors Council and others, and the sharing of documentation for the purposes of those consultations;
 - (i) matters on which the Sponsors Council must report and to whom they must be reported;
 - (j) matters that the Sponsors Council must review and how often they must be reviewed; [...]

In order to simplify the existing specified change proposal process and promote efficient decision-making, it is recommended that an appendix to the by-laws of the Sponsors Council clearly delineate the types of plan changes and the associated timelines. Although the categories of changes would largely be preserved from SC By-Law No. 12, with some modifications, it is recommended that the process for specified changes follow the principles outlined below.

Decision transparency for specified plan changes (“SPCs”)

For significant changes, the Council should shift to a Consult-Collaborate-Decide model using a staged process:

1. **Notice of intent:** Provide notice that an SPC area is under consideration (e.g., at least 90 days before final decision).

¹³ Item 11, page 36.

¹⁴ Item 11, page 36. Also see proposed amendments to section 22, page 72.

2. **Options / evidence package:** Issue plain-language rationale plus underlying actuarial/policy reasoning, released *before* a decision, showing alternatives and trade-offs as applicable.
3. **Open input window:** Provide a time-bound written comment period.
4. **Open consultations (as appropriate):** Hold recorded, accessible sessions with speaker registration and question period.

Note: given the lack of consensus on this topic at By-Law Development Meeting 2, at this time we have not proposed sharing weighted voting records.

The chart that follows provides an overview of what could be included in the appendix, with an indicative timeline.

Items to be addressed

Note: subject to further refinement, including based on discussions on May 14, 2026 relating to contributions and funding

Type of Plan Change	Description	Process Overview	Notice ¹⁵	Final Approval Threshold
1. Specified – Proposed by Sponsor, Stakeholder or Member <i>(Note: a more detailed process map will be presented on May 5, 2026)</i>	Where an OMERS Sponsor, stakeholder or member submits a specified change proposal, on a three-year rather than the current annual cycle.	(i) OMERS receives submissions and, if applicable, prepares a report regarding the proposal for consideration (ii) The Sponsors Council will review and may amend/reject options in report or refer for decision (iii) The Sponsors Council decides on a proposal	At least 90 days prior to final decision, OMERS to provide notice of proposal to Plan members and participating employers (e.g., through OMERS website) and, if applicable, hold consultations and/or invite feedback	2/3 vote of the Sponsors Council Members
2. Specified – Proposed by Sponsors Council Member or OMERS	Where the Sponsors Council Members on a 2/3 vote resolve to make a specified change proposed by a Sponsors Council Member or OMERS	(i) OMERS will, if applicable, prepare a report regarding the proposal for consideration (ii) The Sponsors Council will review and may amend/reject options in report or refer for decision (iii) The Sponsors Council decides on a proposal	At least 90 days prior to final decision, OMERS to provide notice of proposal to Plan members and participating employers (e.g., through OMERS website) and, if applicable, hold consultations and/or invite feedback	2/3 vote of the Sponsors Council Members

¹⁵ Reference to notice is in addition to any notice required by applicable law.

3. Specified – Related to Valuation	Where an annual valuation report must be filed with the regulator and contribution rates and/or benefit changes are required to comply with applicable law	(i) OMERS to provide report to Sponsors Council relating to valuation (ii) The Sponsors Council will review and may amend/reject options in report or refer for decision (iii) The Sponsors Council decides on a proposal	At least 90 days prior to final decision (unless a shorter period is integral to filing the valuation in a timely manner), OMERS to provide notice of proposal to Plan members and participating employers (e.g., through OMERS website) and, if applicable, hold consultations and/or invite feedback	2/3 vote of the Sponsors Council Members
4. Specified – Exceptional	Where OMERS is of the view that the change is required for compliance with applicable law or whether failure to adopt the change immediately will result in hardship because of a condition previously not recognized and there will not be a material change to contributions or funding	Above process does not apply	Made available (e.g., through OMERS website) as soon as practical in advance of the meeting at which decision is being considered	2/3 vote of the Sponsors Council Members
5. Technical	Changes proposed by OMERS that do not affect benefits, contributions or do not relate to a reserve to stabilize contributions	At any Sponsors Council meeting	Made available (e.g., through OMERS website) as soon as practical in advance of the meeting at which decision is being considered	Majority vote of the Sponsors Council Members

Rationale for Above Items

- Streamline the existing specified change process (consistent with the OMERS Act and Poirier Report recommendations) and ensure decisions are made in a timely manner.
- The consultation requirement above is largely consistent with the Poirier Report, which recommended that a 90-day consultation be required before a specified change proposal is adopted, with the exception of

exceptional specified changes (which are not directly discussed in the Poirier Report and exist under the existing SC By-Law No. 12).

- The process described above leverages the existing SC process, while streamlining it subject to the constraints of the OMERS Act (which preserves the definition of a specified change, requiring a two-thirds vote). The recommendations above relating to exceptional specified changes and technical plan changes are largely consistent with existing SC practice.
- Given that Sponsors Council Members will generally be able to discuss and consult with their Sponsor at various points during the process, this model relieves one of the major issues around transparency and decision making that underpinned the Poirier Report.
- By moving to a process whereby stakeholders may submit proposals for consultation once every three years (expanding the timeline from SC's existing annual cycle), the intent is to reflect the fact that proposals can take some time for the Sponsors Council to decide on as they are reviewed and refined, while also promoting efficiency in the decision-making process.
 - Note that SC suspended its proposal process during Plan Risk Assessment and during the governance review. The intent is also to provide a consistent cycle for proposals to be submitted.
- The Sponsors Council could make changes resulting from contribution rate studies when a study is undertaken. A discussion relating to contribution rates is to occur at the meeting on May 14, 2026.
- Given the completion of pension transfers with the City of Toronto (as noted above), it is not recommended to maintain a category of specified change proposals relating to such transfers.

Discussion items for initial Sponsors Council by-laws

- How do Sponsors feel about the above principles and classification of plan changes, particularly with the approach to specified plan changes that emanate from sponsors and membership moving to a three-year cycle that would allow proposals to be submitted and initial analysis to take place in the first two years with assessment, consultation and decision-making in the third year?
- Given the comments in the Poirier Report about “support[ing] more efficient decision-making processes”, should there be constraints as to how many times the Sponsors Council reviews a given proposal submitted by a stakeholder, before it refers the item for decision? Should there be a commitment to make decisions by a given date?
- How should the Sponsors Council engage with members, sponsors and stakeholders when considering specified plan changes?
- In addition to the above process, do Sponsors feel that a regular review of the pension plan terms and contribution rates should be conducted at a stipulated frequency? Although the Poirier Report had recommended that this be undertaken every three years, given the discussions on balancing the workload of the Sponsors Council at By-Law Development Meeting 2, a fulsome review of the plan terms could be undertaken every five years.
- Can these principles and processes, once in place, be used to ensure that current SPC proposals are dealt with efficiently and transparently in year 1?

3. Financial and Administrative Support for Sponsors Council

Sponsors Corporation Framework

At the outset, it should be noted that the Poirier Report and the subsequent amendments to the OMERS Act, provide for a significant departure from the Sponsors Corporation model when it comes to the way in which Sponsors are to receive information and support. The information provided here is meant to assist the by-law development group in understanding the context in which the discussion of financial and administrative support takes place.

At the inception of the current bicameral OMERS model, the OMERS Act continued the former Ontario Municipal Employees Retirement Board as the OMERS Administration Corporation (“OMERS”), responsible for plan administration and investments, and established the OMERS Sponsors Corporation (“SC”) to act as plan sponsor (replacing the Government of Ontario). Under the OMERS Act, OMERS has certain powers and objects relating to supporting SC. The OMERS Act provides, in relevant part, as follows:

Objects

34 The following are the objects of the Administration Corporation: ...

2. To advise and assist the Sponsors Corporation.

...

Powers

35 (1) The Administration Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

(2) For furthering its objects and without limiting the generality of subsection (1), the Administration Corporation may,...

(c) provide reasonable technical support to the Sponsors Corporation, including, without limitation, providing actuarial advice and cost estimates, estimates of the impact of changes to the OMERS pension plans or other changes on contribution rates and advice with respect to any administrative or other issues arising out of proposed changes to the pension plans;

(d) provide reasonable administrative support to the Sponsors Corporation.

Under the OMERS Act, SC is permitted to receive reports from OMERS:

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

(2) For furthering its objects and without limiting the generality of subsection (1), the Sponsors Corporation may,...

(d) receive reports from the Administration Corporation.

OMERS has always provided support to the SC, as required under the Act. In addition to receiving support from OMERS, the SC grew its team by the time of the Governance Review in 2024 to include a chief executive officer, an actuary, legal counsel, a stakeholder relations/communications professional as well as administrative staff. In addition to SC employee salaries, expenses were incurred for items including SC Board member remuneration and expenses and professional advisors. Annually, SC was required to have audited financial statements prepared, contained within an annual report (which was typically contained within the OMERS annual report).¹⁶

¹⁶ Sections 30-31 of the OMERS Act.

Sponsors Corporation Members are remunerated out of Plan funds, with the quantum of pay depending on the role of the Members. Immediately before the Sponsors Corporation ceased operations the annual amounts payable were as follows:¹⁷

- Chair: \$110,000
- Vice-Chair: \$75,000
- Chairs of Audit & Human Resources, Corporate Governance & Risk, and Plan Design Committees: \$55,000
- All other Members: \$47,000

At a high level, there are two mechanisms for SC to recover costs under the OMERS Act: (1) through recovery of costs from the pension plan funds where OMERS determines that the expense can lawfully be paid out of the plan fund; and (2) through a levy on plan members and participating employers. The OMERS Act provides as follows:

Recovery of costs

27 The Sponsors Corporation may require the Administration Corporation to reimburse it from any pension or other fund for any of its costs that in the opinion of the Administration Corporation may lawfully be paid out of the fund.

Fees to fund other activities

28 (1) The Sponsors Corporation may, by by-law, require the employers who participate in an OMERS pension plan and the members of an OMERS pension plan to pay a fee for the purpose of funding any of the Sponsors Corporation's costs that may not lawfully be paid out of a pension fund.

Same

- (2) The types of costs that the Sponsors Corporation may require funding for include, but are not limited to,
- (a) its expenses incurred in connection with the use of supplementary decision-making mechanisms referred to in section 26, including actuarial or consulting fees necessary for those purposes; and
 - (b) the expenses incurred for collecting or administering the fees required under subsection (1).

SC and OMERS had entered into a joint-protocol to establish what categories of expenses may be paid out of plan funds and the support that OMERS provides to the SC.

As noted above, the Act required OMERS to provide support and advice to the SC. This is consistent with the operations of other jointly sponsored pension plans (JSPPs) where there is one set of staff employed by the administrator who provides information and support to the sponsors. The existence of a separate set of staff, including executives, was relatively unique to the SC model and, as noted in the Poirier report, increased costs to OMERS members, and could result in duplication of work, as further discussed below.¹⁸

What does the Poirier Report say? Was the OMERS Act amended?

An underlying theme that the Poirier Report addressed was the need to clarify roles and improve operational efficiency while avoiding duplication and inefficiencies associated with the separate corporations.¹⁹ The Report further recognized OMERS had the internal expertise (finance, actuarial, legal, etc.) to fully support the Council. Poirier concluded through his consultations with stakeholders, on page 33, that:

This review concluded that the 2006 decision to have Sponsors within a corporation has resulted in inefficiencies and misalignment of the two corporations. No other known bicameral Jointly Sponsored Pension Plan has Sponsors in a separate corporation, and for good reason.

¹⁷ This was prior to April 1, 2026. See [SC By-Law No. 6](#). SC also maintains a [Reimbursement of Expenses Policy](#) applicable to SC Board Members.

¹⁸ See Poirier Report, page 33.

¹⁹ See Background – Highlights, page 3, and From Insights to Action, pages 26-27.

Further the Poirier Report concluded on page 33:

“This change will eliminate fiduciary responsibilities and reduce the growing institutionalization that has hindered communication, transparency, and engagement, thereby eroding trust and confidence. The new structure will ensure that the Administration Corporation is directly accessible to both Sponsors and Non-Sponsors.”

The Poirier Report suggested “[t]he new Council will:

- Be fully supported by the Administration Corporation, eliminating the need for a separate Sponsors Corporation management team, staff and overhead. This streamlining reduces duplication, cuts costs, and improves operational efficiency with anticipated savings of over \$10 million annually in direct and indirect costs. Feedback during consultations indicates that many organizations feel confident they have the in-house expertise and or resources within their organization to participate without additional support from SC staff.
- Be more focused and transparent. During consultations, both Sponsors and Non-Sponsors expressed serious concerns about the lack of transparency regarding the [largely unknown] matters being discussed at Sponsors Corporation Board meetings. In 2024, the SC convening 17 board meetings and 19 board meetings in 2023. This unusually high number suggests potential governance issues and removing the corporation entity will support a transition to a more focused and transparent Council, supported by the AC.
- Operate without the corporate fiduciary overlay and formalities, providing greater flexibility and responsiveness, enabling direct engagement and transparency in decision making. This proposed Sponsors Council supports a more participatory and transparent governance framework, while preserving the essential levers of Sponsor oversight and control.
- Permit employee and employer sponsor groups to re-establish SC caucuses, which are valued by many Sponsors and support Non-Sponsor engagement. In response to calls for reduced duplication and inefficiency, the replacement of the Corporation with the Council will result in OMERS consolidating leadership under a single CEO to improve strategic alignment and operational efficiency.
- The Administration Corporation may wish to consult with the Sponsors Council on the appropriateness of providing a reasonable honorarium or equivalent payment to Sponsor organizations or their representatives, in recognition of their contributions to the plan’s long-term sustainability. The acceptance of any such payment should be at the Sponsors’ discretion and remain optional, in accordance with their internal policies.”²⁰

The Poirier Report did identify on page 46 that Sponsors had requested the introduction of funding as follows:

“Some Sponsors have requested the introduction of funding for costs associated with, for example, legal and actuarial support to support decision-making when presented with data, analysis and options from the Administration Corporation. Funding was also raised in terms of restoring caucuses, which we believe will be a natural development within the Sponsors Council structure. All Sponsors and many Non-Sponsors stated they have some capacity to fund their own analysis, but from time to time, funding from the Administration Corporation could be appropriate and reasonable.

In short, Sponsors raised the need to access reasonable and appropriate funding to support decision-making and to better align with the Sponsors representative function.”

²⁰ Item 9, pages 33-34

In recommending the introduction of funding, the Poirier Report was clear the funding must meet a “reasonableness” threshold, at the discretion of the Administration Corporation:

Proposed Legislative Amendment

“See Appendix 4 for a chart of recommended and redlined legal amendments. — See amendment to section 27 of the OMERS Act 2006, which states the Sponsors Council Corporation may require the Administration Corporation to reimburse it from any pension or other fund for any of its costs that, in the opinion of the Administration Corporation, are reasonable and may lawfully be paid out of the fund, as well as additional amendments in section 28.”

In addition, the Poirier report recommended the cost recovery funding for arbitration-related expenses as follows:

Page 46:

“21. Amend the cost recovery for arbitration-related expenses so that the associated levy is applied exclusively to plan sponsors, rather than to all plan members.

Arbitration is a powerful tool for the Sponsors Council; however, the current cost-recovery levy on all plan members is not viable and hinders the potential use of this important tool. Arbitration costs would therefore need to be borne by the Sponsor organizations, not the plan members.”

Similarly, the Poirier Report recommends that any remuneration and/or expenses paid to members of the Sponsors Council be explicitly subject to the same reasonableness requirement as the proposals regarding funding. While the OMERS Act does not explicitly import this requirement into the particular section that deals with remuneration, any expenses paid out of the fund must be, in the opinion of OMERS, reasonable and therefore lawfully payable out of Plan funds.

As discussed previously, the OMERS Act amendments, once in force, will replace SC with a new Sponsors Council that will operate without the overlay of a corporation but do not directly address the other items noted above. However, provisions in the OMERS Act (once in force) will provide that OMERS is responsible for supporting the Sponsors Council:

Objects

34 The following are the objects of the Administration Corporation: ...

2. To advise and assist the Sponsors Council to exercise its powers and perform such duties as may be required under this Act.

...

Powers

35 (1) The Administration Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

(2) For furthering its objects and without limiting the generality of subsection (1), the Administration Corporation may, ...

- (c) provide reasonable technical support to the Sponsors Council, including, without limitation, providing actuarial advice and cost estimates, estimates of the impact of changes to the OMERS pension plans or other changes on contribution rates and advice with respect to any administrative or other issues arising out of proposed changes to the pension plans;
- (d) provide reasonable administrative support to the Sponsors Council.

Further, the OMERS Act will maintain that the Sponsors Council may “receive reports” from OMERS:

Objects

23 (1) The following are the objects of the Sponsors Council:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans.
2. To perform such other duties as may be provided under this Act.
3. Such other objects as may be prescribed.

Same

(2) For furthering its objects, the Sponsors Council may,...

(d) receive reports from the Administration Corporation;...

In addition, the provisions in section 27 and 28 regarding costs of the Sponsors Council will largely be maintained, with some modifications (including relating to insurance for members of the Sponsors Council):

Recovery of costs

27 The Sponsors Council may require the Administration Corporation to reimburse it from any pension or other fund for any of its costs that in the opinion of the Administration Corporation may lawfully be paid out of the fund.

Fees to fund other activities

28 (1) The Sponsors Council may, by by-law, require the employers who participate in an OMERS pension plan and the members of an OMERS pension plan to pay a fee for the purpose of funding any of the Sponsors Corporation's costs that may not lawfully be paid out of a pension fund.

Same

(2) The types of costs that the Sponsors Council may require funding for include, but are not limited to,

- (a) its expenses incurred in connection with the use of supplementary decision-making mechanisms referred to in section 26, including actuarial or consulting fees necessary for those purposes;
- (b) the expenses incurred for collecting or administering the fees required under subsection (1); and
- (c) the expenses incurred for obtaining insurance for members of the Sponsors Council.

It should be noted that the requirement for the Sponsors Council to have prepared audited financial statements, contained within an annual report, has been maintained under the OMERS Act amendments (which are not yet in force).²¹

²¹ Sections 30-31 of the OMERS Act.

Discussion items for initial Sponsors Council by-laws

- Under the Sponsors Council structure, OMERS, as plan administrator, remains solely responsible for determining the costs relating to the governance of OMERS that may be paid from the pension plan funds. It should be noted that many of OMERS peer JSPPs do not provide for or permit their sponsor bodies to retain service providers and advisors directly and charge the related expenses to the pension fund. Instead, it is the plan administrator that provides these supports to the sponsor body in response to questions and issues posed in the discharge of their duties as sponsors of the JSPP. This approach prevents duplication of the costs associated with advice already provided to the sponsors body by the administrator, which is consistent with the findings of the *Archibald* decision²² that found that such sponsor costs would generally not be eligible for payment by OMERS.
- Consistent with the recommendations of the Poirier Report and the OMERS Act amendments (once in force), OMERS will provide all necessary support to the Council, as well as required funding for services not available through OMERS that are demonstrably required for the effective functioning of the Sponsors Council. The services provided by OMERS may include, but are not limited to: secretariat/administrative, financial, policy, actuarial, legal support and, research. While such support will generally be provided internally, there may also be reasonable scenarios requiring the provision of external support or some combination of internal and external expertise where lawful.
- In cases where the Council passes a resolution or motion requesting information or support from OMERS, OMERS will provide that support via the most appropriate vehicle (internal/external) unless it would be unreasonable to do so. In cases where the Council is not aligned with OMERS position on providing a specific element of support or information, an escalation path to the Governance Committee of the Corporation's Board would be available.
- While it is expected that this would form the bulk of the support needed by the Sponsors Council, the Sponsors Council would also retain the right to impose a levy to fund activities that are not payable from the pension plan funds.
- Where individual Sponsors feel the need for third party advice, they will be free to procure that advice at their own cost.
- Do Sponsors feel that Sponsors Council Members and Non-Voting Members should receive a honoraria or per diem for participating on the Sponsors Council (which would be optional at the discretion of Sponsors)? If so, should the payment be made on an annual or per meeting basis?
- Should reimbursement of reasonable expenses be provided and, if so, should an expense policy be adapted for the Sponsors Council?
- While the OMERS Act contemplates that insurance for Council members be funded by a levy imposed on members and employers, OMERS is exploring whether insurance and/or indemnities can be arranged for Sponsors Council Members and/or Non-Voting Members and be funded out of Plan funds.

²² *Omers Sponsors Corporation v. Omers Administration Corporation*, 2008 CanLII 3970 (ON SC)

4. Validation of the Year 1 Work Plan

Sponsors Corporation Framework

Included with the By-Law Development Meeting 1 Briefing Note was an outline of the recurring activities that were part of SC's annual work plan and will now form the basis of the Sponsors Council annual activities.

What does the Poirier Report say? Was the OMERS Act amended?

In terms of items for the Sponsors Council Work Plan, the Poirier report identified two proposed reviews, as follows:

Page 39:

"13. As outlined in Recommendation #2, the current composition of Sponsors will remain unchanged. A periodic review of the Sponsor composition will be established beginning on January 1, 2028, and every five years thereafter."

Page 50:

"25. OMERS to provide a report back to the Minister on the implementation of the recommendations in this report by no later than June 30, 2027."

"26. The Minister of Municipal Affairs and Housing shall establish a periodic legislative review of the OMERS governance structure, five years following these changes and then every ten years."

While these recommendations have not been adopted into the amended OMERS Act, OMERS is preparing for the possibility that a request to report back to the Minister in accordance with this suggested timeline may be made.

Following our discussions on April 7 and April 21, 2026, we have added the following items that received consensus to add to the Year 1 Work Plan:

- Supplemental Plan
- Specific process relating to Specified Plan Changes
- Engagement Tools to enhance Transparency
- Framework for Composition Review and determination of the date for the next review

These items have been added to the attached Year 1 Work Plan (Appendix 1) and included in with the recurring annual activities for Sponsors Council. Subject to further discussions and refinement of the by-law, the Work Plan may be further adjusted. For example, the Council will likely seek to deal with outstanding SPC proposals (submitted prior to 2026) in year 1.

Discussion items for initial Sponsors Council by-laws

- Review and validate the Sponsors Council Year 1 Work Plan (the Work Plan from By-Law Development Meeting 1 is re-attached for reference and would be updated based on the discussion items from this and future meetings)

Date: April 28, 2026

Distributed to: Sponsors by-law engagement group

Appendix 1

Recurring Sponsor Council Activities

Activity (Deliverable)	Timing*	Type (Recurring/ Transitional)
<i>Funding/Actuarial Matters</i>		
Primary Plan Valuation Filing Decision	Q1	Recurring (every 3 years, but there may be strategic reasons to file more often)
RCA Funding Mechanism (Allocation Threshold Report)	Q2	Recurring
Supplemental Plan Contribution Rate Study	Q2	Recurring but transitional for the 2024 study that was completed
Plan Projections	Q3	Annual
Discussion of Actuarial Assumptions	Q3	Annual
Primary Plan Contribution Rate Study	Not due until 2029	Recurring (every 5 years)
<i>Plan Changes</i>		
Shared Risk Indexing (SRI) Assessment	Q1	Recurring (potential, but SRI has not been invoked)
Specified Plan Changes (SPCs)	On a to-be-determined cadence	Recurring (for new proposals) & transitional for existing SPCs
<i>Other Matters</i>		
Member Affiliation & Employer Categorization Stats	Q2	Recurring
Terminating Employer Approvals	Q2	Recurring (as needed)
Sponsor & Stakeholder Forums	TBD	Recurring (possibly following each Council meeting)

Sample Sponsors Council Standing Agenda*

This series of three meetings each year would be aligned to occur in proximity to, and following, the AC Board cycle. These formal meetings will be supported by regular sponsors and stakeholder forums and ad hoc meetings as required.

Meeting 1

Timing: Winter/Early Spring

1. Selection of Chairs
2. Review of Annual Workplan
3. Investment Results
4. Primary Plan Valuation Filing Decision
5. SRI decision
6. Review/Adopt Policies/Guidelines (e.g., Communication/Transparency)

Meeting 2

Timing: Summer

1. RCA Funding Mechanism
2. Member Affiliation / Employer Categorization Statistics
3. Terminating Employer Approvals
4. Investment Results

Meeting 3

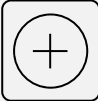
Timing: Fall

1. Actuarial Assumptions (including discount rate with AC)
2. AC Actuarial Projections



Add meetings as needed

1. Plan Changes
2. By-law / Composition Reviews



- Additional Meetings/Agenda items to be added covering: Asset and Liability Study, Discount Rate Study, Administrative Plan Changes, etc.
- Additional meeting cadences in years when Sponsors are considering Specified Plan Changes (SPC's) – including 2026/27.

Sponsors Council By-laws

By-law Development Meeting 5 – Contributions & Funding, Shared Risk Indexing and Appointments

Overview

The purpose of this Briefing Note is to outline the topics for discussion at the fifth development meeting to be held with representatives of Sponsors on May 14, 2026 regarding the establishment of the Sponsors Council's by-laws. This is intended as a general summary for discussion purposes only.

Source Documents:

- [2025 OMERS Governance Report, Final Report \("Poirier Report"\)](#)
- [Amendments to the OMERS Act, 2006 \(Bill 68, Schedule 13\)](#)
- [Sponsors Corporation By-Laws and Policies](#)

By-law Development Meeting Five will include a discussion of:

1. Contributions and Funding
2. Determination of Shared Risk Indexing ("SRI") Inflation Adjustments
3. Appointments to the OMERS Board

A more detailed discussion of these topics is set out below. At the outset, note that any regulations to the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act") may inform the development of the by-laws.

1. Contributions and Funding

Sponsors Corporation Framework

As noted in prior materials, the powers and objects of the OMERS Sponsors Corporation (“SC”) are set out in the OMERS Act. Those powers and objects expressly include making plan design decisions and setting contribution rates. More specifically, the OMERS Act provides as follows:

Objects

24 The following are objects of the Sponsors Corporation:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans. [...]

Powers

25 (1) The Sponsors Corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, subject to the restrictions set out in this Act.

Same

- (2) For furthering its objects and without limiting the generality of subsection (1), the Sponsors Corporation may,
 - (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
 - (b) set contribution rates under the pension plans; [...]

In support of the above powers and objects, SC maintains various policies, including:

Primary Plan Funding Management Statement

The [Primary Plan Funding Management Statement](#) (“FMS”) “provides policy direction to the SC Board when it considers changes to contribution rates and/or benefit provisions in respect of the OMERS Primary Pension Plan” and includes:

- Discussion of the funding target
- Mechanisms to achieve objectives
- Funding management strategy, with guidance toward decisions related to benefits and contributions that depend on whether the Primary Plan is in a Deficit, Reserve or Surplus funding zone
- Other considerations (including filing the annual valuation more frequently than required by the *Pension Benefits Act*)
- Limitations and exceptions
- A review cycle for the FMS that occurs at least once every 5 years, with any amendments or repeal of the FMS requiring a 2/3 majority vote

Contribution Rate Policy

The [Contribution Rate Policy](#) (“CRP”) “provides policy direction to the SC Board in setting detailed contribution rates once the SC Board has set the overall blended contribution rate” and includes:

- Principles for allocating a blended contribution rate to the four individual contribution rates: two each for members with a normal retirement age (“NRA”) of 60 or 65 on contributory earnings below and above the Year’s Maximum Pensionable Earnings (“YMPE”)
- Monitoring and adjusting the allocation of contribution rates, with studies to be conducted at least once every five years with adjustments made to timing based on material developments
- Limitations and exceptions
- A review cycle for the CRP that occurs at least once every 5 years, with any amendments or repeal of the CRP requiring a 2/3 majority vote

RCA Funding Mechanism Policy

The Retirement Compensation Arrangement for the OMERS Primary Pension Plan (“RCA”) provides pension benefits for Primary Plan members with contributory earnings exceeding the amount that generates the maximum pension allowed by the *Income Tax Act*. For members who have earnings above an established threshold, a portion of their contributions are directed to the RCA fund. When members retire, a portion of the eventual pension benefit may be paid out of that fund if the pension payable exceeds the applicable limits.

SC has been responsible for determining how contributions are allocated between the Primary Plan and the RCA. Today, the RCA is funded on a partial pay-as-you go basis with the target being that the RCA fund, future contributions to the fund, and investment returns are sufficient to pay projected benefits and expenses over a 20-year period.

The [RCA Funding Mechanism Policy](#) (“RCA Policy”) provides policy direction to the SC Board in determining the allocation of contributions made to OMERS between the Primary Plan and the RCA and includes:

- Discussion of the “Allocation Threshold”: individual member and employer contributions on their behalf derived from earnings up to the Allocation Threshold are directed to the Primary Plan and contributions derived from earnings exceeding this amount are directed to the RCA. Depending on the year of the contribution, the Allocation Threshold may be different. The Allocation Threshold for 2026 is \$200,351.
- A process for the confirmation of the Allocation Threshold (see below)
- Limitations and exceptions
- A review cycle for the RCA Policy that occurs at least once every 5 years, with any amendments or repeal of the RCA Policy requiring a 2/3 majority vote

Under the RCA Policy, the process for confirmation of the Allocation Threshold applicable to years after 2024 involves: (a) OMERS delivering a report, written by OMERS external actuary, to SC Management by July 31 (or such other date as agreed by OMERS and SC Management) regarding the subsequent year’s Allocation Threshold; and (b) the SC Chief Executive Officer (“CEO”) confirming the subsequent year’s Allocation Threshold within 30 days. In practice, the SC CEO writes a letter to OMERS to confirm the Allocation Threshold as determined by OMERS external actuary.

OMERS advises participating employers of the Allocation Threshold in the fall of each year in order for employers to adjust their payroll systems for the following year – for example, OMERS would advise participating employers of the 2027 Allocation Threshold in Fall 2026. Since contributions on earnings above the Allocation Threshold are not permitted under the Primary Plan, and since employers are expected to calculate and remit to OMERS the amount of contributions to be allocated to each of the Primary Plan and the RCA, it is important that employers have the necessary direction regarding the threshold with sufficient lead time. As discussed below, going forward and consistent with the definition of the Allocation Threshold in the Primary Plan text, the Sponsors Council’s by-laws must lay out a process for the Sponsors Council to (explicitly or implicitly) confirm the Allocation Threshold or the Sponsors Council will need to quickly determine a process once it is operating in 2026.

Given the existence of a current RCA Policy that, once the formula contained within it is applied, will produce a threshold for 2027, the 2027 Allocation Threshold can simply be determined and established by an adoption of that policy by the Council (with necessary alterations to make the policy applicable to the Council). OMERS would report to the Council informing them of the 2027 threshold. The Council may thereafter wish to revisit the RCA Policy prior to the establishment of a future threshold.

What does the Poirier Report say? Was the OMERS Act amended?

Special Advisor Robert Poirier’s *2025 OMERS Governance Review Final Report to the Minister of Municipal Affairs and Housing* (“Poirier Report”) recommended that Sponsors “retain their statutory powers under the Act related to the ABCs

(Appointments, Benefits, and Contributions), and whether to file a valuation more frequently than is required under the Pension Benefits Act (consistent with current practices involving consultation with the AC).”¹

Other than recommending the above statutory powers, the Poirier Report does not provide any other comments or recommendations regarding powers relating to the setting of contribution rates. As has been discussed previously, the amendments to the OMERS Act will provide (once in force) that the Sponsors Council’s powers and objects include making plan design decisions and setting contribution rates:

Objects

23 (1) The following are the objects of the Sponsors Council:

1. To make decisions about the design of benefits to be provided by, and contributions to be made to, the OMERS pension plans...

Same

(2) For furthering its objects, the Sponsors Council may,

- (a) make decisions about the design of the OMERS pension plans and make amendments to the OMERS pension plans;
- (b) set contribution rates under the pension plans;
- [...]

The Poirier Report does not make any specific recommendations regarding the FMS, the CRP or the RCA Policy.

Discussion items for initial Sponsors Council by-laws

- Changes to the referenced policies are not required for Day One operations of the Council. Are you comfortable with adopting the FMS, CRP and RCA Policies as stated?
- Notwithstanding the above, can the reference to the SC CEO in the RCA policy be deleted and can the 2027 Allocation Threshold be established by OMERS applying the formula in the current RCA Policy and reporting this information to the Sponsors Council once it is established?
- Should the FMS, CRP and RCA policies be reviewed in 3 or 5 years?

¹ Item 3, page 30.

2. Consideration of Shared Risk Indexing (“SRI”) Inflation Adjustments

Sponsors Corporation Framework

Benefits earned on or after January 1, 2023 are subject to SRI, meaning that the level of inflation protection for post-retirement pension increases may be adjusted by the Sponsors Corporation with reference to the financial health of the Plan. Although the use of SRI is provided for under the OMERS Plan terms, to date, SC has never caused a change to indexing under the SRI provisions and has never considered amending its By-Law 20 (below). Additional considerations relating to use of SRI by SC are set out in the FMS, which is discussed above.

SC maintains [By-Law No. 20](#) (“Determination of Inflation Adjustment”) that provides, in part, as follows:

2.1 Determination of Inflation Adjustment

Until such time as the Corporation amends this By-Law in respect of the inflation adjustment in an adjustment year pursuant to Section 3.1, the inflation adjustment determined by the Corporation:

- (a) under clause 31(2)3 of the Primary Plan for 2024 and each subsequent adjustment year be 100 per cent of the inflation increase for the applicable adjustment year in respect of credited service after December 31, 2022;
- (b) under clause 29(8)2 of the Supplemental Plan for 2024 and each subsequent adjustment year be 100 per cent of the inflation increase for the applicable adjustment year in respect of credited service after December 31, 2022;
- (c) under the RCA for 2024 and each subsequent adjustment year be 100 per cent of the inflation increase for the applicable adjustment year in respect of credited service after December 31, 2022;

An amendment or repeal of SC By-Law No. 20 is subject to a 2/3 vote.²

What does the Poirier Report say? Was the OMERS Act amended?

The Poirier Report does not make any recommendations with respect to the use of SRI and the OMERS Act amendments do not address SRI specifically.

Discussion items for initial Sponsors Council by-laws

- Given that the Poirier Report does not make any recommendations about the approach to SRI, we recommend adopting the existing approach.
- Under this approach, during the annual review of the actuarial valuation report(s) prepared by OMERS in 2027 and beyond, the Council would determine if any decisions regarding SRI are necessary or desired; see “standing items” in the Council Annual Workplan, as discussed.
- Should the approach to SRI be reviewed in 3 or 5 years?

² Section 3.1.

3. Process for Appointments to the OMERS Board

Sponsors Corporation Framework

The power of the OMERS Sponsors Corporation ("SC") to make by-laws that determine the process for appointing members to the OMERS Administration Corporation ("OMERS") Board, is set out in the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act"):

Composition

33 (1) The composition of the Administration Corporation and the method of choosing its members is as specified by by-law of the Sponsors Corporation.

Same

(2) Despite subsection 26 (1), a decision of the Sponsors Corporation to pass a by-law under subsection (1) requires an affirmative vote of two-thirds of its members.

...

Eligibility

(4) A person who is a member of the Sponsors Corporation is not eligible to hold office as a member of the Administration Corporation or to be appointed to any committee established for the purpose of advising the Administration Corporation.

Term of office

(5) The term of office of each member of the Administration Corporation is as determined by by-law of the Sponsors Corporation.

Remuneration and expenses

(6) Members of the Administration Corporation are to be paid such remuneration and expenses as may be authorized by by-law of the Sponsors Corporation.

Pursuant to the OMERS Act, [SC By-Law No. 4](#) specifies the composition of the OMERS Board and the method of choosing its members, including the allocation of seats among sponsor organizations, the necessary qualifications and appointment process for appointees and the OMERS Board Chair, and related rules respecting terms, vacancies, voting and removal, and includes:

- **Board composition and seat allocation**, including providing for a 15-member OMERS Board, 14 members of which occupy the seats of Sponsor Organizations,³ and one of whom is the OMERS Chair, with CUPE and AMO each holding two seats, and OPSBA and OCSTA sharing one seat on a rotating basis, and each other Sponsor Organization holding one seat (CUPE Local 416 and Local 79 are not allocated a seat).
- **Nomination procedures for Sponsor Organization seats**, including processes for: (i) reappointing incumbent appointees eligible for reappointment, (ii) appointing first-time nominees, and (iii) filling vacancies arising from death, resignation, removal or failure to nominate, together with deadlines for submission of names, résumés and contact information. In the case of (ii) and (iii), the relevant Sponsor Organization is instructed to submit a list of up to three nominees to fill the seat.
- **Background checks are mandatory for nominees** and the results are reported to the Chair of SC's Corporate Governance & Risk Committee ("CGRC").

³ Defined thereunder as consisting of The Association of Municipalities of Ontario ("AMO"), The Canadian Union of Public Employees ("CUPE"), Electricity Distributors Association, The Ontario Association of Children's Aid Societies, Ontario Association of Police Services Boards, Ontario Catholic School Trustees' Association ("OCSTA"), Ontario Professional Fire Fighters Association, Ontario Public School Boards' Association ("OPSBA"), Ontario Public Service Employees Union, Ontario Secondary School Teachers' Federation, The Police Association of Ontario, The Retiree Group and The City of Toronto.

- **Sponsor Organizations are requested to consider and take into account the current competency framework, skills matrix and/or gap analysis** for OMERS Board Members as prepared by OMERS.
- **Meetings with Sponsor Organizations by the Chair of SC and OMERS Board Chair (or their delegate) before nominations are made**, including to describe the roles and responsibilities of OMERS Members, the mandate and role of OMERS Members, the time and educational commitments, applicable compensation and expense policies, and any identified current gaps in the skills, knowledge and experience of the OMERS Members.
- **Minimum Qualifications to be appointed as an OMERS Member**, including relating to age, capacity, not having status of a bankrupt, no prior removal for ethical breach or malfeasance, required qualities, and term-limit restrictions.
- **Formal independence requirements are enumerated for appointees and the OMERS Board Chair**, consisting of requirements that include that appointees have not been employees of OMERS or associated with the firm that has conducted an audit, in the previous 5 years
- **Interview, recommendation and appointment process for Sponsor Organization nominees**, including interviews by an SC interview panel, input from OMERS, recommendations by the CGRC, and final appointment by majority vote of the SC Members. The By-Law provides that:

When deliberating on the appointment of AC Members, the Members shall take into account the competency framework, skills matrix and/or gap analysis most recently communicated by the Administration Corporation.⁴

- **Fiduciary and competency expectations for OMERS Members**, including the requirement to act in the best interests of the OMERS pension plans and OMERS pension plan members, to exercise independent judgement, and to satisfy applicable competency expectations.
- **Process where original nominees are not accepted**, including a further 45-day period to submit a new list of up to three nominees and repetition of the selection process until a nominee is appointed, subject to restrictions on repeated submissions of previously rejected nominees.
- **Terms of office for OMERS Members**, including three-year terms, a maximum of four terms, with certain transitional provisions.
- **Vacancy and holdover rules for Sponsor Organization seats**, including vacancies caused by death, resignation, removal or failure to nominate, and automatic extension of an expiring OMERS Member's term in certain circumstances until a replacement is appointed.
- **Term rules for replacement OMERS Members**, including that a replacement generally serves only the balance of the original term, subject to any applicable extension under the vacancy provisions.
- **Qualifications for the OMERS Board Chair** mirror the OMERS Member qualification requirements.
- **Search process for a new OMERS Board Chair**, including the creation of a Joint Working Group (established by SC in conjunction with the AC Board comprised of eight members), engagement of an executive search firm, candidate interviews, selection by the Joint Working Group of a preferred candidate by two-thirds vote, background checks, CGRC interview, OMERS endorsement and recommendation to SC.
- **Appointment of a replacement OMERS Board Chair by two-thirds vote of the SC Members**, including timing requirements before expiry of the incumbent chair's term.
- **Reappointment process for an incumbent OMERS Board Chair**, including advance notice of interest in serving another term, consultation between the CGRC and a subset of OMERS Board members, provision of role and assessment materials, background checks, confirmation of support from OMERS Board member representatives for the reappointment, CGRC interview and recommendation, and SC Member vote for reappointment by a two-thirds majority.
- **Terms of office for the Board Chair**, including three-year terms, a maximum of four terms, with certain transitional provisions, and rules for counting prior service as an OMERS Member toward the term limit.
- **Vacancy and incapacity rules for the OMERS Board Chair**, including initiation of the replacement process, temporary vacancy of the chair seat, appointment of an interim chair from among the OMERS Members,

⁴ SC By-Law No. 4, Section 3.3(e).

automatic extension where a chair's term expires before a replacement is appointed, and the process to address prolonged incapacity.

- **Voting rights of OMERS Members**, including the rule that each Director, including the Board Chair, has one vote and that the OMERS Board Chair does not have a second or casting vote.
- **Removal of Directors and the Board Chair**, including removal at the request of a Sponsor Organization (which shall be honoured) or at the request of OMERS, which requires a two-thirds vote by SC Members, and initiation of the applicable replacement process following removal. In addition, the SC Members may remove any appointee, including the Board Chair, by a two-third vote whether or not the AC Board has requested such removal.
- **Amendments and flexibility regarding composition-related timing and terms**, including two-thirds approval for amendments and the ability of the SC Members in particular circumstances to shorten or lengthen terms at the time of appointment or accelerate, suspend, waive or extend specified dates, without extending maximum term limits.

In addition to SC By-Law No. 4, the [SC Member Background Checks Policy](#) applies to “all individuals who are proposed or nominated for appointment or reappointment as a Member of SC or AC, respectively.”

Finally, [SC By-Law No. 6](#) sets out the compensation of the SC Board and the AC Board,⁵ providing for expenses of OMERS Board members to be in a policy adopted by OMERS. SC By-Law No. 6 is subject to amendment by majority vote. In 2023, SC, with assistance from OMERS Human Resources team, commissioned a report from an external provider to review, among other things, the compensation structure for the AC Board. The vendor reviewed a sample of large pension funds, focusing on pension boards that were comparable to OMERS and had responsibility for investment management, actuarial assumptions and methods, and plan administration. The eventual report plotted the compensation model at OMERS against peers and made recommendations to the SC for alterations to compensation. The model set out in this external report has not been followed.

What does the Poirier Report say? Was the OMERS Act amended?

One of the themes identified in consultations with stakeholders in Special Advisor Robert Poirier's *2025 OMERS Governance Review Final Report to the Minister of Municipal Affairs and Housing* (“Poirier Report”) related to “Board Selection

- Concerns raised by organizations about whether the SC Board should have the right to nominate AC Board members, if the AC is intended to be a skills-based expert board.
- Sponsors and Non-Sponsors are generally supportive of AC Board member appointments being skill-based, although some have raised the need to better reflect the diversity of its membership.”⁶

The Poirier Report recommended that:

Sponsor Organizations will retain their statutory powers under the Act related to the ABCs (Appointments, Benefits, and Contributions), and whether to file a valuation more frequently than is required under the Pension Benefits Act (consistent with current practices involving consultation with the AC).⁷

⁵ The annual retainer of OMERS Board members is as follows:

OMERS Board Chair - \$195,000

Chairs of most committees - \$102,500

All other members - \$85,000

⁶ *Key Themes Identified from Stakeholders' Consultations*, page 25.

⁷ Item 3, page 30.

In recommending the establishment of a new Sponsors Council with direct representation from the current Sponsors, the Poirier Report recommended that:

Sponsor organizations on the Council will retain, as per recommendation #3, the ABC statutory powers (Appointments, Benefits, Contributions) currently held under the Administration By-law and the OMERS Act, including the authority to appoint members to the Administration Corporation board, and to make decisions regarding plan design, including benefit structures and contribution rates. The term *Council* was chosen deliberately, as it does not imply a legal entity.⁸

The Poirier Report recommended that “the Sponsors will have the right to directly appoint members to the Administration Corporation board.” It explained that with direct representation on the new Sponsors Council, Sponsors would “directly appoint to the Administration Corporation Board, rather than nominating through the SC Board.”⁹

It was also recommended that the current composition of the OMERS Board be maintained, with 15 directors including an independent Board chair, maintenance of the current term limits and that a review of composition be conducted “beginning on January 1, 2028, and every five years thereafter”.¹⁰ Further, the Poirier Report recommended “retaining the existing skills and competency criteria for the Administration Corporation board members”. The Poirier Report provided a further explanation that retaining skills and competency criteria “is essential to ensure the board can effectively oversee a pension plan of OMERS’ scale and complexity.”¹¹

With respect to term limits, the Poirier Report recommended amending the OMERS Act to codify the current 12-year limits for OMERS Board members and to permit future changes through regulation. It also contemplated amendments to section 33 of the OMERS Act regarding appointment terms and reappointments ¹².

The Poirier Report also recommended “a two-thirds (2/3) majority vote to exercise a veto on Sponsor appointments to the AC Board and a formal procedure to ensure directors satisfy governance safeguards, including that they possess the necessary expertise and pass the necessary background checks. It also recommended proposed legislative language under which the OMERS Governance & Risk Committee would advise on needed competencies, Sponsors would nominate accordingly, and the AC members could appoint the nominee or veto by a two-thirds vote (with re-nomination following a veto)¹³.

The Poirier Report recommended “a provision to prohibit the movement of Board members between the Administration Corporation and the Sponsors Council or the Sponsors Corporation,” citing concerns about recycling members between bodies with different roles and competency requirements¹⁴. It also recommended that the OMERS, in consultation with the Sponsors Council, establish “a formal procedure enabling a Sponsor to revoke or replace its appointed member on the Administration Corporation board at its discretion.”¹⁵

With respect to OMERS Board member compensation, the Poirier Report recommended that “the Administration Corporation board shall establish authority over Administration Corporation director compensation, guided by the compensation formula that the Sponsors Corporation approved within the last three years.”¹⁶

⁸ Item 9, page 33.

⁹ Item 27, page 52.

¹⁰ Item 2, page 28; item 6, page 31; item 13, page 39; item 16, page 42. A recommendation was also made to permit the OMERS Board to extend the Independent Board Chair’s term as a transitional measure, under item 17, page 43.

¹¹ Item 5, page 31.

¹² Item 16, pages 42-43.

¹³ Item 18, pages 44-45.

¹⁴ Item 19, page 45.

¹⁵ Item 28, page 52.

¹⁶ Item 30, page 52.

Following the Poirier Report's recommendations regarding OMERS Board appointments, the OMERS Act was amended (with certain amendments coming into force at a future date) to provide that:

Composition

33 (1) The composition of the Administration Corporation and the method of choosing its members is as specified by by-law of the Sponsors Council.

Same

(2) Despite subsection 26 (1), a decision of the Sponsors Council to pass a by-law under subsection (1) requires an affirmative vote of two-thirds of its members.

Same, compliance with prescribed requirements

(3) The by-laws referred to in subsection (1) must comply with such requirements as may be prescribed.

Eligibility

(4) The following persons are not eligible to hold office as a member of the Administration Corporation or to be appointed to any committee established for the purpose of advising the Administration Corporation:

1. A person who is or has been a member of the Sponsors Corporation.
2. A person who is or has been a member of the Sponsors Council.
3. Such other persons as may be prescribed

Term of office

(5) The term of office of each member of the Administration Corporation is as determined by by-law of the Sponsors Council.

Remuneration and expenses

(6) Members of the Administration Corporation are to be paid such remuneration and expenses as may be authorized by by-law of the Sponsors Council.

Appointment of Chair (in force on Royal Assent, and transitional)

33.1 (1) Despite subsection 33 (1), the Minister of Municipal Affairs and Housing may, by order, appoint a person as Chair of the Administration Corporation for a term commencing on April 15, 2026 or such other date as may be prescribed.

Term

(2) The term of the appointment set out in the order under subsection (1) shall not exceed three years.

Copy of order to be provided

(3) If the Minister makes an order under subsection (1), the Minister shall, as soon as possible after the order is made, provide a copy of the order to the Sponsors Corporation and the Administration Corporation.

Order to be made available to plan members

(4) The Administration Corporation shall, as soon as possible after receiving the copy of the order, make the order available to the plan members.

Note (future repeal): On a day to be named by order of the Lieutenant Governor in Council, section 33.1 of the Act is repealed.

The OMERS Act amendments maintain that composition (among other things) of the AC Board is "as specified by by-law of the Sponsors Council", subject to any regulations.

It should also be noted that in his letter to Plan Sponsors and Members dated January 23, 2026, Minister Flack provided the following comments about what further action the government would be taking:

In the coming months, the government will also be:

- Bringing into effect the requirement that the AC develop the initial governance bylaws for the Sponsors Council to support transition.
- Introducing a co-chair model for the Sponsors Council.
- Establishing five non-voting members on the Sponsors Council; and
- **Establishing a framework to govern appointments to the Board of the AC by the Sponsors Council.**
- Considering other recommendations contained in the Special Advisor's Governance Review Report as may be required to set OMERS governance up for long term success, including the eventual limiting of regulatory powers.

As of the date of distribution of this Briefing Note, the requirement for the AC to develop the initial governance by-laws for the Sponsors Council is now in force under the amended OMERS Act.¹⁷

Discussion items for initial Sponsors Council by-laws

The Poirier Report recommends that:

- Sponsors will have the right to directly appoint members to the OMERS Board rather than nominating through the Sponsors Council;
- the current composition of the OMERS Board be maintained, with 15 directors including an independent Board chair, with current term limits, and transitional provisions;
- a review of composition be conducted “beginning on January 1, 2028, and every five years thereafter” (note that the By-Law Development Meeting group has already touched on this matter)
- the existing skills and competency criteria for the OMERS Board members be retained
- a two-thirds (2/3) majority vote of the OMERS Board members would be required to exercise a veto on Sponsor appointments to the OMERS Board and a formal procedure be developed to ensure directors satisfy governance safeguards, including that they possess the necessary expertise
- OMERS, in consultation with the Sponsors Council, establish a formal procedure enabling a Sponsor to revoke or replace its appointed member on the OMERS Board at its discretion
- the OMERS Act be amended to codify the current 12-year limits for OMERS Board members, including 3-year terms and reappointments, up to a maximum number of terms, and allow for future changes through regulation
- the OMERS Board establish authority over OMERS Board member compensation, guided by the compensation formula that the Sponsors Corporation approved within the last three years

Given this direction from the Poirier Report, and given that the government has indicated that it will create a framework to govern appointments to the OMERS Board, is the By-Law Development Meeting group comfortable setting this matter aside, pending further clarity from government?

¹⁷ See section 25.2 of the OMERS Act.

Should a placeholder be added to the Sponsors Council Year 1 Work Plan to address any matters that may be required of the Sponsors Council following the government's direction?

Note: the By-Law provisions below are drafts and subject to change (e.g., due to regulations/government input)

Draft: June 1, 2026

Sponsors Council Transparency Framework

Schedule “B”

Sponsors Council Transparency Standards

SPONSORS COUNCIL TRANSPARENCY FRAMEWORK

SPONSORS COUNCIL TRANSPARENCY STANDARDS

This Schedule “B” establishes minimum transparency standards and principles for the Sponsors Council and the appointing organizations that appoint Council Members and Non-Voting Members (referred to in this ~~Schedule~~Schedule “B” as “Appointing Organizations”), ~~aligned with the concerns outlined in the Poirier Report~~in order to address issues outlined in Special Advisor Robert Poirier’s final report on the OMERS governance review to the Minister of Municipal Affairs and Housing dated September 2025. They are designed to support informed participation and meaningful stakeholder awareness, while managing legal, privacy, and proprietary information risks. The expectation is that the Sponsors Council will ~~embed~~adopt additional standards as appropriate, with supporting tools, through ~~their~~its Year 1-3 Work Plan.

PRINCIPLES

Principles

- **Transparency within the system (Council ↔ Appointing Organizations):** Default expectation is shareability to Appointing Organizations to enable the Sponsors Council to do its work effectively and promote transparency with Appointing Organizations. In most cases, information transmitted to the Sponsors Council will be able to flow to Appointing Organizations, either in full or in summary.
- **Transparency to members of the OMERS Pension Plans (“OMERS Members”) (Council/Appointing Organizations ↔ OMERS Members and/or the Public):** Requires a separate, ~~more-controlled~~ standard, recognizing the Corporation’s primary responsibility for OMERS Member communications related to OMERS Pension Plan administration. Appointing Organizations should use their best judgement and consult with the Sponsors Council and the Corporation in order to ensure OMERS Members are provided with accurate and high-quality information before sharing information that goes above the minimum standards developed by the Sponsors Council.
- **Disclosure restrictions on information delivered to Appointing Organizations:** Only applies when clear legal, privacy or proprietary information requires restriction. The Sponsors Council commits to avoid reverting to a model where all materials are confidential by default.

MINIMUM TRANSPARENCY STANDARDS

~~Minimum Transparency Standards~~

~~The~~ It is expected that the majority of the transparency guidelines and standards applicable to the Sponsors Council will be set by the Sponsors Council as part of its Year 1-3 Work Plan and the following are minimum standards with respect to levels of distribution that the Sponsors Council will follow.

LEVELS OF DISTRIBUTION

~~Levels of Distribution~~

- **Public:** May be posted publicly and shared with all OMERS Members and stakeholders.
- **OMERS Membership:** Contained in OMERS Member communications and/or permitted to be shared by Council Members and Non-Voting Members with their Appointing Organizations and the membership of those organizations, as applicable.
- **Sponsors Council / Council Members / Non-Voting Members:** Delivered to Council Members, Non-Voting Members and their Appointing Organizations, ~~which includes the authorized leadership of an Appointing Organization, acting in their governance or decision-making capacity~~ but does not include the Appointing Organization's broader membership, ~~employees, or constituency~~.
- **Sponsors Council-Only:** Restricted to Council Members, including Non-Voting Members.
- **In Camera / Legal / Privileged:** Restricted to the in camera attendees; not shareable, may be subject to legal privilege, privacy, or sensitive risk management considerations.
- ~~**Special Designation:** Where the Sponsors Council or the Corporation determine that a piece of information or a document requires a different level of transparency than typical, such designation will be clearly communicated to Council Members and Non-Voting Members and their Appointing Organizations, as applicable.~~

The following Transparency Tools (i.e., communication vehicles) are designed to provide examples of the way in which information may flow from the Sponsors Council to Appointing Organizations and OMERS Members. Ultimately, the Sponsors Council will direct the way in which information is shared.

Transparency Tool	Distribution	Why?	Timelines	Delivery Mechanism
Meeting Materials (including reports, etc.)	Include a Recommended Distribution Level on All Materials	Supports transparency-by-default amongst Appointing Organizations: Council Members and Non-Voting Members should generally be able to share materials with their Appointing Organization to enable effective governance and engagement. Confidentiality is applied only where required (e.g., in camera, or other defined exceptions). All other materials should be designated as shareable with Appointing Organizations, with OMERS Members, and/or public, as appropriate.	<u>At least:</u> 20 days prior to a regular meeting, 120<u>60</u> days prior to a meeting to consider a Specified <u>Change (and subject to a minimum 120-day consultation period) other than an Exceptional Specified Change</u>	Materials would be circulated directly to Council Members <u>and Non-Voting Members</u> through the Designated Officer. Transparency Level: Council Members / Appointing Organizations and their membership. Individual reports and materials may be designated as shareable or restricted from member/public distribution.
Meeting Minutes & Summaries	Meeting Summary: OMERS Members / Public Detailed Minutes: Sponsors Council / Council Members / Non-Voting Members	Detailed minutes that capture key discussion points and the rationale for recommendations and decisions, including options considered, disclosures/conflicts, and any formal motions. They will also record outcomes clearly (decisions made, votes, action items, owners, and timelines) so Appointing Organizations and other stakeholders can understand what was decided and why, while protecting legally	Within 30 days of each meeting	Meeting <i>summaries</i> posted to public OMERS website and sent directly to Appointing Organizations and other stakeholders who may share with their stakeholders and OMERS Members. Transparency Level: OMERS Members and the public. Detailed minutes, <u>as approved by the Co-Chairs</u>, shared with Council Members, Non-Voting Members and their Appointing Organizations and updates provided if minutes are amended.

Transparency Tool	Distribution	Why?	Timelines	Delivery Mechanism
		sensitive and other materials requiring additional confidentiality. Maintain meaningful records while protecting sensitive deliberations. In camera items are recorded separately and remain restricted. <u>Summaries of meetings will also be prepared (and will not, for clarity, include contents from in camera discussions). Co-Chairs will approve meetings summaries prior to distribution.</u>		Transparency Level: Council Members/Non-Voting Members/Appointing Organizations In camera minutes remain confidential to Sponsors Council Transparency Level: Confidential to Council Members (may also exclude <u>some Council Members and Non-Voting Members due to particular conflicts of interests</u>)
Appointing Organizations and Stakeholder Meetings	Sponsors Council / Council Members / Non-Voting Members + Additional Stakeholder Groups	Keep the Appointing Organizations and other stakeholders informed of the Sponsors Council's work through timely updates, so information remains current and actionable.	Minimum two per year	Hybrid meetings that convene Appointing Organizations and the broader stakeholder community to provide timely updates and education on issues before the Sponsors Council. Transparency Level: Council Members, Non-Voting Members, Appointing Organizations, broader stakeholder organizations. Meetings not open to OMERS Members but Appointing Organizations and other stakeholder organizations would be free to report back to their own membership/employees on discussions.

Transparency Tool	Distribution	Why?	Timelines	Delivery Mechanism
Specified Change Consultations	OMERS Members	120-day period where anyone <u>has OMERS Members and participating employers have</u> an opportunity to make written submissions to the Sponsors Council and/or attend an open session to provide feedback.	Every 3 years, as Specified Changes <u>(other than Exceptional Specified Changes)</u> are considered (as provided for in Section (*) <u>17</u> of the By-Law), <u>or as such changes may otherwise be considered</u>	As part of a broader Specified Changes consideration framework, fulsome, clear, <u>impartial</u> materials developed and shared broadly to ensure that OMERS Members and participating employers are able to fully understand nature of proposed Specified Changes before Sponsors Council, potential reasons for adoption or rejection, and impact on present and future OMERS Members. <u>In accordance with the By-Law, discussions relating to Specified Changes will not occur in camera unless required for reasons relating to legal privilege.</u>
Annual Report	Public / OMERS Members	Compliance with OMERS Act	Annually	Included as an insert with the OMERS Annual Report. <u>Prepare and make available an annual report of the Sponsors Council activities and decisions for the previous year.</u> Transparency Level: OMERS Members and the public. <u>This will be completed</u> through posting on OMERS website.
Sponsors Council By-laws and Policies	Public / OMERS Members	The Sponsors Council by-laws (including this By-Law) and any policies will be made available for all OMERS Members to view online.	Posted online upon the establishment of the Sponsors Council and	Posted online, similar to the previous Sponsors Corporation Governance Manual. Transparency Level: OMERS Members and the public. <u>This will be completed</u> through posting on OMERS website.

Transparency Tool	Distribution	Why?	Timelines	Delivery Mechanism
			updated following any amendments	