

Annual Update on OMERS Related to the City's Employer Contributions

Date: July 6, 2026
To: General Government Committee
From: Executive Director, Finance Shared Services and Interim Chief People Officer
Wards: All

SUMMARY

The purpose of this report is to provide the annual summary of the City's employer contributions submitted to the Ontario Municipal Employees' Retirement System (OMERS) in 2025 and to provide information on the City's members and contributions relative to the overall OMERS plan.

RECOMMENDATIONS

The Executive Director, Finance Shared Services and Interim Chief People Officer recommend that:

1. The General Government Committee receives this report for information.

FINANCIAL IMPACT

Consistent with 2024 budget results, the City contributed \$603,626,531 to OMERS in 2025, which was split equally between employer and employees, each contributing \$301,813,265.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

At its meeting on June 16, 2025, General Government Committee received a related presentation from OMERS

<https://secure.toronto.ca/council/agenda-item.do?item=2025.GG22.1>

The General Government Committee at its meeting on June 16, 2025, received a report from the Interim Controller, which provided a summary of the City's employer contributions submitted to OMERS over the last 5 years and provided information on the City's total members and contributions relative to the overall OMERS plan members and contributions. The following is the link to the report:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.GG22.1>

At its meeting on July 14, 15, and 16, 2021, City Council requested that the OMERS Administration Board of Directors report back to the General Government and Licensing Committee in December 2021 and continue to report to the General Government and Licensing Committee twice a year. The following is the link to the report:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.GL24.5>

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

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

COMMENTS

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

The City had 32,073 active OMERS members for 2025, of which 28,958 employees were permanent full-time and 3,115 were temporary/part-time employees.

The OMERS primary pension plan provides benefits under two plans:

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

Of the 32,073 total active OMERS members for 2025, 28,728 employees were enrolled in the NRA 65 plan, and 3,345 employees were enrolled in the NRA 60 plan.

The number of City of Toronto OMERS members between 2024 and 2025 increased by 2.1% compared to 3.1% between 2023 and 2024. The 2025 membership increase aligns with the growth in the City's employee population.

Attachment 1 provides the total City OMERS Membership, including the number of NRA65 and NRA60, and permanent and part-time employees for the last ten years.

OMERS uses a two-tiered system to calculate contribution rates which are aligned to the Yearly Maximum Pensionable Earnings (YMPE), which is the threshold set by the

federal government to determine the base Canada Pension Plan benefits and contributions. The current contribution rates for each of the plans are provided in Table 1 below.

Table 1: OMERS Contribution Rates – 2026

Year	Plan	Employee	Employer
2026	NRA 65	9.0% up to YMPE \$71,300; 14.6% on earnings above the YMPE	9.0% up to YMPE \$71,300; 14.6% on earnings above the YMPE
	NRA 60 Firefighters	9.2% up to YMPE \$71,300; 15.8% on earnings above the YMPE	9.2% up to YMPE \$71,300; 15.8% on earnings above the YMPE
	2026 CAP on contributory earnings is \$522,200 (7 X YMPE)		

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

The City submitted total contributions of \$603,626,531 to OMERS for 2025, split equally between employer and employees, each contributing \$301,813,265.

The City of Toronto's Contributions to OMERS increased by 14.24% between 2024 and 2025, compared with a 6.1% increase between 2023 and 2024. The unusually high increase in 2025 is partly attributable to salary increases resulting from the new collective agreements for CUPE Local 79, CUPE Local 416, and TPFFA Local 3888, which took effect on January 1, 2025.

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

OVERVIEW OF OVERALL OMERS MEMBERSHIP AND CONTRIBUTIONS

OMERS provides defined pension benefits to local government employees, retirees, and beneficiaries throughout Ontario. The OMERS Primary Pension Plan is a jointly sponsored, multi-employer pension plan with over 1,000 employers and 665,000 active, deferred, and retired members in 2025.

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

According to OMERS statistics, the City of Toronto is the largest OMERS employer, with its active members accounting for approximately 8.6% of all the overall OMERS active membership, and 10.6% of the estimated 2025 total contributions by employers and active members paid to OMERS.

In addition, as outlined in Attachment 4, many of the City's agencies and corporations are also OMERS employers.

As of December 31, 2025, the City's agencies and corporations had 16,893 active OMERS members and according to OMERS statistics, represented 4.7% of the overall OMERS active membership.

Further, the contributions made by the City's agencies and corporations are approximately \$385 million (split equally between employers and employees, each contributing \$192.5 million), which represents approximately 6.8% of the estimated 2025 total contributions by employers and active members paid to OMERS, according to OMERS statistics. When these agencies and corporations are included, the City represents approximately 13.3% of the OMERS active membership and 17.4% of the estimated 2025 total contributions by employers and active members paid to OMERS.

OMERS HIGHLIGHTS

In late 2024, the Ontario government launched a governance review in response to requests from certain Plan sponsors to enhance the Plan's transparency and effectiveness, while providing greater representation to those the Plan serves.

Under the current governance model, established by provincial legislation in 2006 and later reviewed in 2012/13, OMERS is governed by two corporations: the OMERS Sponsors Corporation, or SC, and the OMERS Administration Corporation, or AC. The governance review, culminated in a final report published in November 2025. The report prompted legislative changes that set the stage for winding down the current SC corporate entity and establishing a new Sponsors Council.

The SC was wound up effective March 31, 2026. On April 15, 2026, following the unanimous recommendation of the OMERS AC Board, the Minister of Municipal Affairs and Housing reappointed George L. Cooke as appointed Chair of the OMERS AC Board for a further three-year term, ending April 14, 2029.

In parallel, OMERS AC and Plan sponsors have been working on draft by-laws for the new Sponsors Council. These draft by-laws were approved by the OMERS AC Board on June 5, 2026, for delivery to the Minister of Municipal Affairs and Housing. The new governance structure has not yet taken effect, as the government is still finalizing the enabling regulations.

Details and updates about OMERS' governance transition are available on the OMERS website: <https://www.omers.com/review-of-omers-governance>

In 2025, the OMERS Plan delivered a net return of 6.0%, down from 8.3% in 2024, while maintaining a 10-year average return of 7.1%. This performance occurred during a year marked by trade tensions, elevated debt levels, and structural headwinds that subdued global growth. Market uncertainty also weighed on private market activity, constraining appetite for new projects, mergers, and acquisitions. Currency markets were also volatile throughout the year, with the U.S. dollar weakening notably by 4.7%.

As of December 31, 2025, OMERS net assets totalled \$145.2 billion, up from \$138.2 billion in 2024. This growth was supported by OMERS' well-diversified portfolio of high-quality assets and its active currency management strategy.

CONTACT

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SIGNATURE

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ATTACHMENTS

- Attachment 1 – Number of City of Toronto OMERS Membership – Ten-Year Summary
- Attachment 2 – OMERS Contribution Rates – Ten-Year Summary
- Attachment 3 – OMERS Contributions – Ten-Year Summary
- Attachment 4 – The City of Toronto and its Agencies and Corporations as a percentage of total OMERS Active Headcount, Contributions for 2025