

OMERS UPDATE

Contribution Decrease for OPSEU Members

PARAMEDICS NRA 60 ISSUE DEFEATED: This issue of enabling paramedics to be included in the NRA (Normal Retirement Age) 60 group was tabled again in 2008, following a defeat in 2007. Despite a multi-union campaign, the motion did not garner the 2/3 support required at the board, nor was a motion to access mediation/arbitration on this issue supported by majority vote.

CONTRIBUTION RATE DECREASE FOR NRA 65 MEMBERS: The SC Board was presented with a contribution rate study prepared by OMERS actuaries Watson Wyatt, which observed how the contributions were keeping pace with the salary adjustments for all the members in the plan. It found that the contribution rate for higher-earning members in the NRA 60 group were insufficient to meet the cost of the benefits earned by those members. Several scenarios were presented to the board for consideration. The SC Board passed a motion that rebalanced the contributions between the NRA 60 and NRA 65 groups.

As of January 1, 2009, contribution rates for the majority of OMERS plan members will decrease as set out in the chart below. ***OPSEU members in this OMERS NRA 65 group will see a rate reduction in January.***

Beginning with the first, *full* pay in 2009, the rates will be as follows. For comparison, we have also listed the current contribution rates.

		2008	2009
Normal retirement age 65 members	On earnings up to CPP earnings limit	6.5%	6.3%
	On earnings over CPP earnings limit	9.6%	9.5%
Normal retirement age 60 members	On earnings up to CPP earnings limit	7.9%	7.7%
	On earnings over CPP earnings limit	10.7%	12.8%

CPP earnings limit in 2008 is \$44,900

On a paycheque level, members will notice the following changes in 2009:

Normal retirement age 65 (most OMERS members):

Total annual earnings example	2008 contributions	2009 contributions	Difference per pay*
\$40,000	\$100.00/pay	\$96.92/pay	(\$3.08)
\$60,000	\$168.00/pay	\$163.97/pay	(\$4.03)
\$80,000	\$241.85/pay	\$237.05/pay	(\$4.80)

There is more information on the contribution rates and other plan design changes considered at: http://www.omerssc.com/index.cfm?pagepath=Plan_Design_Changes&id=3103