

OMERS Primary Pension Plan

Example of SPC #04-13 Benefit Accrual Rate 1.85%

Proposal:

Under the current provisions of the Primary Plan, the lifetime benefit formula is:

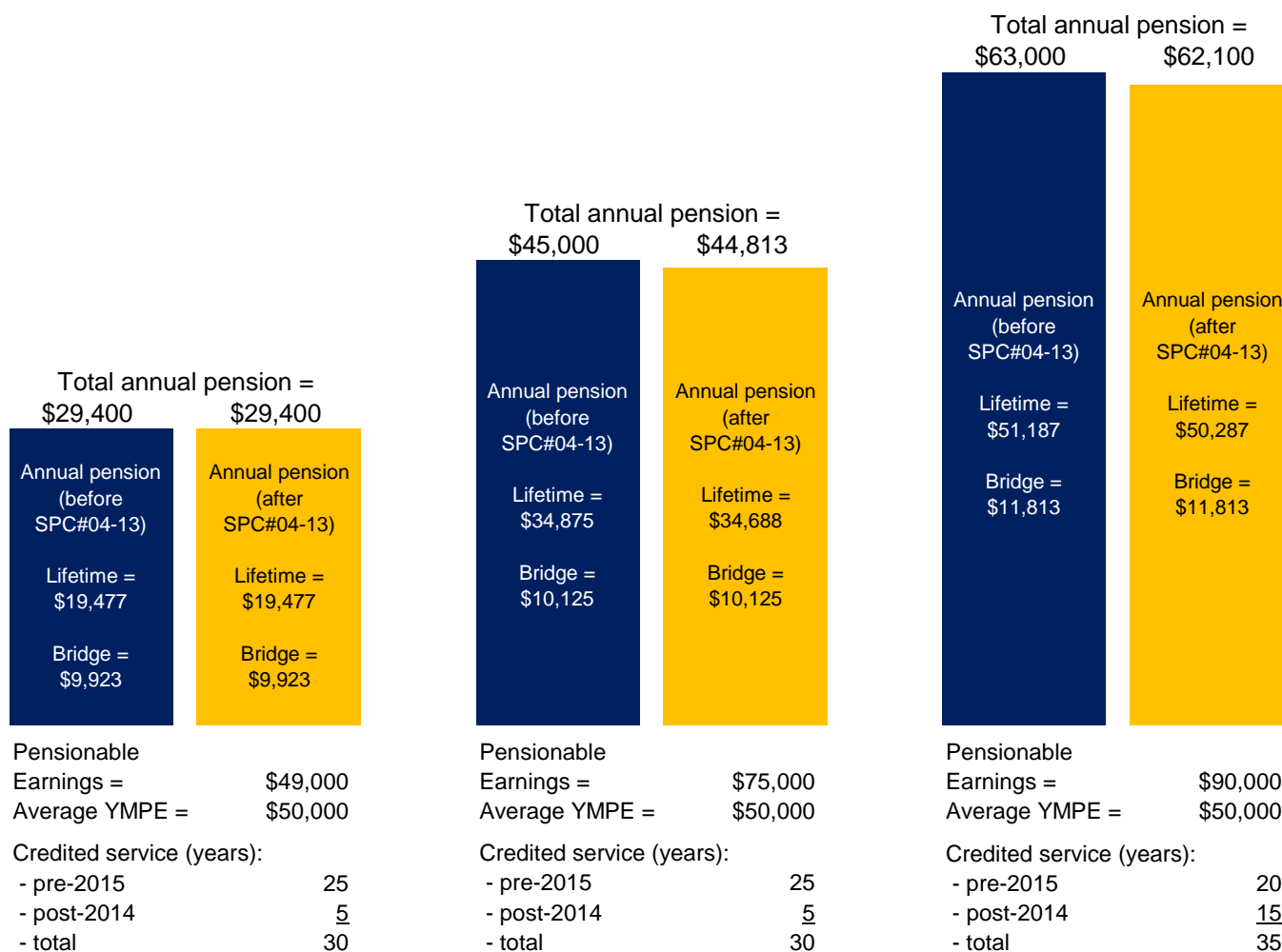
- 1.325% of the lesser of pensionable earnings and the 5-year average of the Year's Maximum Pensionable Earnings ("YMPE5") plus 2% of the excess of pensionable earnings over YMPE5, times credited service.

SPC#04-13 proposes to replace the 2% accrual in the above lifetime benefit formula with 1.85% for service after December 31, 2014. The following examples, provided for illustrative purposes only, show how SPC#04-13 could impact the lifetime benefit portion of a member's retirement pension.

Example 1

Example 2

Example 3



The SPC will:

- affect the lifetime pension for members whose pensionable earnings are more than the 5-year average of the YMPE (approximately \$48,600 in 2013) and who earn service after December 31, 2014; and
- allow a member to accrue more than 35 years of credited service.

The SPC will not affect:

- lifetime pensions for members whose pensionable earnings are less than the 5-year average of the YMPE;
- lifetime benefits for service before January 1, 2015; and
- how the bridge benefit is calculated.

SPC proposals are summary documents and may not contain the level of detail that might ultimately be included in a subsequent plan amendment. The sole purpose of the above example is to provide an illustration of one possible interpretation of the SPC proposal. Since other interpretations may be possible, the above example should not be relied on for any purpose, including financial planning. Furthermore, SPC proposals may be modified prior to approval, withdrawn outright, or rejected by the SC, any of which could change the potential impact of the proposal and the example illustrated above. For plan changes to become effective, they must be approved by a 2/3s vote of the SC Board and by-laws detailing the amendments must be filed with, and accepted by, the regulators.