

For Office Use Only:

**Rescind Cap on
Contributory Earnings**

SPC #02-10(a)

Date Tabled: March 23/2010
Posted on SC Website: March 25/2010
Amended: June 22

OMERS Pension Plan(s) SC Member Request for a Specified Plan Change

All Specified Plan Changes proposed by SC Members can be amended or withdrawn at any time and no proposal is effective until it is approved by the SC Board and the Pension Plan is amended and accepted for filing by the Financial Services Commission of Ontario. (As per By-Law #12 and Protocol.)

Requested by:

Charlie Macaluso

(Please Print)

(Contact Information, Affiliation & Member Status on File)

Date Prepared:

February 24, 2010 (via stakeholder [Toronto Hydro] request)
Amended June 22, 2010

Pension Plan and Relevant Area of Change

Primary Plan Supplemental Plan for Police, Firefighters and Paramedics

RCA

Proposed Change to Current Provision

1. General description of current provision

By-Law #15, 2.1, and Schedule A: Cap on contributory earnings such that the contributory earnings of a member shall not exceed 150% of the member's contributory earnings, before the inclusion of any incentive pay. The cap is to be effective January 1, 2011 for all members.

2. Proposed change(s) to current provision

Defer implementation of the Earnings Cap amendment approved in 2009 and set out in OMERS SC By-Law #15 until January 1st of the year following completion of the specified plan change cycle after receipt of the RCA study currently underway

3. Effective date of change. If a proposed variation of the change requires different effective dates then set out (e.g. all members [date 1], all new members [date 2]).

Effective in 2010

4. Who is impacted by the change and any variations thereof (e.g. all members, all new members or a subset of either: deferred members; retired members; employers; etc).

Current and future members who would otherwise be subject to the cap on contributory earnings which is scheduled to take effect January 1, 2011.

5. Provide key rationale for change.

There are significant concerns respecting the potential negative impact that the Earnings Cap will have on some employees. There are individuals who have compensation packages that include an element of performance/incentive pay and whose pension accrual under the OMERS plans could be negatively affected by the Earnings Cap. It is possible that in the future there will be other employees who, because of the incentive pay component of their compensation, are also potentially negatively affected by this change.

This deferment allows the SC to have the benefit of the complete RCA study before implementing the cap.

All information contained in tabled Specified Change Proposals, including any estimate of the financial or other impact of such proposal, has been supplied by the proponent(s) of the proposed Specified Plan Change, and has not been independently verified for accuracy. Accordingly, anyone reviewing tabled Specified Change Proposals should make their own assessment of the potential impact of such proposal.