

M E M O R A N D U M

TO: All CUPE Local Executives with Members in OMERS
CUPE Council Presidents
CUPE Ontario Committees
Ontario Council of School Board Unions Executive
CUPE Ontario Executive Board

FROM: Fred Hahn, President of CUPE Ontario

DATE: November 21, 2018

RE: **OMERS Pension Plan Protected and Next Steps**

Last week, thanks to all your efforts and working with our allies, we were successful in not only stopping all the proposed, concessionary changes to the OMERS pension plan, but also in securing a long sought after, positive provision for paramedics.

As noted in our joint communication last week with other OMERS Sponsor unions, the OMERS Sponsor Corporation (SC) Board voted against implementing:

- Changes to the 100 % guaranteed indexing benefits;
- Changes to early retirement benefits;
- Changes to pension calculations as part of the Canada Pension Plan (CPP) expansion.

We would not have been able to achieve this outcome without the tremendous mobilization of CUPE members in OMERS, all across Ontario. Locals came together, holding meetings for members informing them about the proposed changes that could negatively impact them and asking them to take action. And take action they did, with tens of thousands of members emailing the OMERS SC Board to make it clear they did not support these changes. Members spoke one-on-one with others in their workplaces, handed out thousands of leaflets, phoned OMERS directly, and used their personal social media channels to get the word out.

Our Young Workers' Committee took action at OMERS events, our Sector Committees got the word out at leadership events, and the entire CUPE Ontario Convention rallied outside the OMERS office in Toronto. Our CUPE Ontario OMERS Reference Group not only spread out across the province to participate in Local meetings but also pushed

back against the negative proposed changes in countless meetings with OMERS. It was truly a remarkable and collective effort.

Changes Adopted

Two changes to the OMERS pension plan were adopted by the OMERS SC Board at their meeting on November 15th. They are:

- Eliminating the current cap of 35 years service;
- Allowing paramedics to negotiate a Normal Retirement Age of 60 (known as NRA 60).

While both these changes have been adopted by the OMERS SC Board, the details of how and when they will be implemented, still need to be decided. To implement these plan changes, the OMERS SC Board will have to develop and then pass changes to the OMERS Plan Text. In a meeting with other Sponsors on November 16th, CUPE Ontario was informed this work would commence immediately, but that it was unlikely these changes would be voted on, or that the process of implementation would begin prior to the end of this year.

As we await the exact details on these plan changes, our understanding of them are as follows: On the 35-year service cap, currently, members working full-time for an OMERS employer contribute to OMERS – and have their pension calculated – only up to a maximum of 35 years. When the cap is lifted, members who work past the 35-year mark will continue to contribute to OMERS and, since pensions are calculated on years of service, will receive a higher pension. Many details, like how this would apply to those who are currently working and have passed the 35-year mark, will become known as the plan text is developed by the OMERS SC Board.

On the NRA 60 provision, even though the Income Tax Act permits paramedics to participate in NRA 60, like police and firefighters, the option to negotiate such provision with their employers has not previously been available to our paramedic members in OMERS. For more than a decade, CUPE Ontario has been working with CACO, our paramedics' committee, along with CUPE Locals, our Representatives on OMERS SC Board, and allies to achieve the right to negotiate NRA 60 for paramedics. This is a substantial victory and a credit to all those, particularly our paramedics, who have campaigned tirelessly for this basic fairness provision in OMERS.

While the details of how NRA 60 for paramedics will appear in the OMERS plan text is still to be determined, CUPE Ontario will be working with CACO and CUPE National, to ensure Locals representing paramedics have the information they need. A separate memo on NRA 60 is being prepared for distribution to CUPE Locals and CUPE National Representatives representing paramedics, and CUPE Ontario will be monitoring the implementation process for this provision at OMERS closely.

Thank You and Going Forward

As this is an internal CUPE communication, I don't need to tell you the campaign to preserve benefits at OMERS, through this Comprehensive Plan Review, was an uphill battle. When we started our fightback, we were told by many that it was a done deal but in true CUPE form, we refused to accept concessions as inevitable. We were bold, we were brave, we demanded better and, along with our allies, we campaigned for it.

This has truly been a joint effort, by all parts of CUPE. To every CUPE Local and Council who organized a meeting, every young worker who got to a mic or talked to a retiree, every member who signed an email or spoke to their coworkers and neighbours, this is your victory. We could not have achieved this outcome without the support of our fellow CUPE OMERS Sponsors, CUPE Local 79 and CUPE Local 416, or CUPE National who provided staff and expert actuarial support, or the CUPE Ontario Executive Board, who not only prioritized but participated actively in this campaign. And we really would not have achieved this success without the tireless, determined and dogged work of the members and staff of the CUPE Ontario OMERS Reference Group and our CUPE representatives on the OMERS SC Board, John Weatherup and Jason Chan.

While we have been successful at preserving important benefits at OMERS through this process, we also know this is not the end. As we noted in our presentations to Locals, this is not the first time we have seen benefits like indexing threatened at OMERS and it will likely not be the last. CUPE Ontario will continue to work actively with other unions in OMERS to not only protect the financial health of the plan but to also ensure that the plan's first priority is always the financial health of its members in their retirement.

And we will continue to build on the successful mobilization of CUPE members we've seen through this campaign, so that we keep increasing our capacity to protect and preserve pension benefits.

In Solidarity and Appreciation,



Fred Hahn
President, CUPE Ontario

cc: J. Weatherup; J.Chan; D. Beggs; C.Mueller, C.Rennick, J.Matasic; M.Hancock