

May 29, 2015

Hon. Mitzie Hunter
Associate Minister of Finance (Ontario Retirement Pension Plan)
Frost Building South, 6th floor
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Dear Minister:

We are writing to share our deep concern about the possibility of the ORPP being applied "universally" with no exemption for comparable plans.

At OMERS, we share your conviction that all Ontarians deserve a secure retirement. Every day, we live by our commitment to provide retirement security for the 450,000 members of our Plan. Our members and their employers already contribute a significant portion of each pay towards retirement savings to replace up to 70% of their income. As a result, the ORPP will not necessarily add to the retirement security of our members, and it could disrupt a very successful retirement savings model that has evolved over decades of progress and hard work.

Our concern about "universality" includes potentially serious impacts for Plan members, employers and taxpayers:

- **Impairs the value for Plan members:** We expect contributions to the ORPP would likely drive an offsetting reduction in OMERS contribution rates and benefits; or, it could result in a more expensive approach to retirement savings for members and employers. Either way, Plan members would likely see less value for their contribution dollars and it is likely to be more expensive for employers.
- **Risks lower retirement security for workers who are less than 'full-time':** Part-time employees of our 900+ employers may be less inclined to join the OMERS plan if they are also required to participate in the ORPP, resulting in lower benefits upon retirement for the very people you are intending to assist.
- **May drive uncertainty for municipal budgeting:** The OMERS Plan would mature at an accelerated rate, raising the potential for volatility in contribution rates of members and employers, which then extends to municipal taxpayers.

OMERS offers exactly what you are striving to provide for Ontarians. We are also a committed, long-term partner of the government in many ways, including our important role in the retirement system, and through our investments in the province. We support and create thousands of meaningful jobs, and bring significant value to the economy.

We appreciate the complexity of implementing a program as substantial as the ORPP. It is our view that, regardless of the specific design, you will need a process to manage movements into and out of the Ontario workforce for a variety of reasons. We believe that exempting defined benefit plans, an easily identifiable group with a relatively stable membership base, can follow a similar process. We would be happy to work with you to help make such a process as efficient as possible.

Strengthening retirement security is an important priority. It is so important that we have seconded staff to assist in delivering on this work with you. However, we are concerned about unintended consequences of universality and ask that you follow the original intent of exempting those who already have a secure retirement pension. We would welcome the opportunity to meet with you and to discuss this further.

Yours truly,



Michael Latimer
President and CEO
OMERS Administration Corporation



Deb Preston
Chief Executive Officer
OMERS Sponsors Corporation

c.c. Hon. Charles Sousa, Minister of Finance