



**OTTAWA POLICE SERVICES BOARD
COMMISSION DE SERVICES POLICIERS D'OTTAWA**

**REPORT
RAPPORT**

DATE 22 June 2015

TO/DEST. Members, Ottawa Police Services Board

FROM/EXP. Chair, Ottawa Police Services Board

SUBJECT/OBJET **ONTARIO RETIREMENT PENSION PLAN**

RECOMMENDATION

That the Ottawa Police Services Board direct the Board Chair to write to the Province to request that the proposed Ontario Retirement Pension Plan (ORPP) be implemented as per the original design set out by the Ontario government and that it not be extended to individuals already enrolled in a Defined Benefit or Defined Contribution pension plan.

BACKGROUND

Attached are a letter and a briefing note from the Ontario Municipal Employees Retirement System (OMERS) dated 29 May 2015 to the Honourable M. Hunter, Associate Minister of Finance for the Government of Ontario, expressing concern about the possibility of the Ontario Retirement Pension Plan (ORPP) being applied “universally” with no exemption for comparable existing pension plans, such as OMERS.

The Ontario Association of Police Services Boards (OAPSB) Board of Directors has also been alerted to this concern and is currently seeking clarification.

The concerns have arisen due to recent statements from Government officials that seem to run contrary to previous indications about which Ontarians would be paying into the ORPP. The government’s website currently states: “*Those already participating in a comparable workplace pension plan would not be enrolled in the ORPP.*” Despite this, Associate Minister Hunter stated in May at a Canadian Public Sector Pensions and Benefits Conference that large Defined Benefit (DB) plans such as OMERS, would be among the first groups expected to comply with the ORPP legislation, effective January 1, 2017.

In light of the conflicting messages from the Province, OMERS wrote the attached letter to Associate Minister Hunter expressing strong opposition to any move to have the ORPP applied to the municipal sector. Pension contributions in municipal police budgets already make up a large component of wages and benefits expenditures. Based on calculations conducted by one of the Big 12 police services boards, if the ORPP is '*stacked*' on top of the existing pension structure now in place, it would equate to the equivalent of an approximately 1.5 per cent increase in wages on an annual basis effective January 1, 2017 (*to be matched by employee contributions*). That would represent an unexpected, unwanted and unnecessary increase in every municipal police budget in this province; an increase that would have to be funded from the municipal property tax. Other concerns are set out in the attached OMERS letter.

CONSULTATION

The OMERS letter was circulated to the Chairs of the Big 12 police services boards in Ontario to alert them to the potential impact should the ORPP be applied to Defined Benefit pension plans such as OMERS. The OAPSB is also reviewing the matter.

FINANCIAL STATEMENT

The financial impact is not fully known at this time but is anticipated to be significant should the ORPP apply to the municipal sector.

CONCLUSION

This matter is presented to the Board with a recommendation that the Board direct the Board Chair to write to the Province echoing the concerns expressed by OMERS, and to seek assurances that the ORPP will not apply to the municipal police sector.

(Original signed by)

Board Chair Eli El-Chantiry

Attach. (2)