

Our File/N/Réf.
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DATE: 6 August 1999

TO/DEST. Co-ordinator
Transit Services Committee

FROM/EXP. General Manager

SUBJECT/OBJET **PARTICIPATION IN OMERS**

DEPARTMENTAL RECOMMENDATION

That the Ottawa-Carleton Transit Services Committee recommend the attached by-law for the participation in the Ontario Municipal Employees Retirement System (OMERS), and that the Ottawa-Carleton Regional Transit Commission adopt this by-law.

BACKGROUND

As part of the Commission's recent ratification of the collective agreement with the Amalgamated Transit Union Local 279 and in discussions with its non-unionized salaried employees, the Commission has agreed:

- a) That effective 1 January 1999, all future pension accruals for these employees will be through OMERS, and,
- b) that when permitted by the governmental regulating authorities, OC Transpo will transfer to OMERS all pension accruals earned prior to 1 January 1999 and sufficient assets to fund these promises. Remaining surplus shall be shared equally between the Region and OC Transpo pension plan members.

We are presently in collective bargaining with CUPE 5500 who represent approximately 115 of our supervisory and security personnel. At the completion of these negotiations, we expect that they will accept this OMERS package.

BY-LAW

The attached by-law (annexed hereto as Appendix "A") is required under the OMERS Act for participation in the system by the Commission.

FINANCIAL IMPLICATIONS

It is anticipated that the financial implications of the Commission's participation will be as follows:

Year 1999 - OMERS has waived both employer and employee contributions - savings to each party will be approximately \$5,000,000.

Years 2000 and 2001 - While not guaranteed, it is fully expected that the OMERS surplus will be sufficient and permit the continued pension contribution holiday. Expected savings to each party is \$10,000,000.

Years 2002 and 2003 - While not guaranteed, we feel that the OMERS surplus is sufficiently large to permit OMERS to gradually re-introduce its normal employer and employee contributions over a two-year period. Expected savings to each party is \$5,000,000.

Year 2004 - We expect that OMERS will re-instate its normal employer and employee contributions which are identical to those presently in effect at OC Transpo.

*Approved by
M.J.E. Sheflin, P.Eng.*

APPENDIX "A"

**OTTAWA-CARLETON REGIONAL TRANSIT
COMMISSION BY-LAW NO. OF 1999**

A by-law to authorize participation in the Ontario Municipal Employees Retirement System (OMERS) in respect of the employees of the Ottawa-Carleton Regional Transit Commission who are members of ATU, Local 279 or who are non-unionized Salaried employees.

WHEREAS pursuant to subsection 15(1) of the *Ontario Municipal Employees Retirement System Act*, R.S.O. 1990, c. 0.29 (OMERS) and Regulation 890 as amended, a local board may by resolution or by-law participate in OMERS on behalf of its employees and pay to the OMERS Fund the total of the employer and member contributions, and has all the powers necessary and incidental thereto.

THEREFORE the Board of the Ottawa-Carleton Regional Transit Commission (the Employer) enacts as follows:

1. Election

The Employer hereby elects to participate in OMERS in respect of its employees as of the first day of January, 1999, (the effective date) and authorizes the General Manager or Acting General Manager to submit forthwith a certified copy of this resolution to the President of the Ontario Municipal Employees Retirement Board.

2. Present Employees

Subject to subsection 8(6) of the Regulation issued under the OMERS Act, an employee who is entitled to become a member becomes a member on the first day of the month following the month in which the application is received by the President, provided that the President may, at the request of the Employer, fix an earlier date on which the employee becomes a member but not before the date on which the employee becomes entitled to be a member or the first day of January in the year in which the application is received by the President, whichever is the later date.

3. Future Full-Time Employees

Every person who becomes an employee of the Employer on or after the effective date, if such person is employed on a continuous full-time basis shall, as a condition of employment, become a member of OMERS, or if such person is already a member, resume contributions to OMERS on the date so employed

4. Contributions

The Treasurer of the Employer is hereby authorized to deduct from the earnings of each employee who is a member of OMERS, the contributions required to be made by the member, and to remit such contributions together with the amounts required under the OMERS Act to be paid by the Employer to the OMERS fund.

5. Agent

The General Manager or Acting General Manager is hereby authorized to execute all necessary documents and to do all such things as are necessary to carry out the intent of this by-law, in accordance with section 6 of the OMERS Regulation.

6. Part-Time Employees

Every person who becomes an employee of the Employer on or after the effective date, if such person is employed on an other-than continuous full-time basis, shall, as a condition of employment, become a member of OMERS.

7. Effective Date

This by-law shall come into effect on the first day of January, 1999.

ENACTED AND PASSED by the Ottawa-Carleton Regional Transit Commission this
Day of _____, 1999.