Representing our members from coast to coast in solidarity.

One Voice. One Canada. One ATU!

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October 29, 2018

Paul Harrietha
Chief Executive Officer
OMERS
100 Adelaide St W #900
Toronto, ON M5H 0E2

Dear Mr. Harrietha:

I write further to your request for consultation on OMERS proposed "Comprehensive Plan". I am President of ATU Canada, the national organization of the Amalgamated Transit Union in Canada. Thousands of members of ATU Canada are also members of the OMERS pension plan. I write to express their deep concern regarding a number of the proposed changes to the plan.

As you are well aware, OMERS continues to operate with considerable strength and vigour. 2017's investment returns of 11.5% are almost double the plan's assumed rate of return and is far in excess of the strategic rate. OMERS $9.9 billion in earnings in 2017 represents a strong performance and you have accordingly been able to lower the discount rate and the plan fund has continued to increase.

Given this continued strong performance, ATU Canada is gravely concerned about a number of components of the Comprehensive Plan which, if implemented, would negatively impact our members.

Specifically, we are concerned with:

1. **Conditional Indexing** - Conditional indexing will remove the financial certainty our members have that their pension will keep pace with inflation. The proposals will remove guaranteed indexing in 2025, and will from 2025 forward only provide guaranteed indexing should the plan meet certain conditions. This creates massive uncertainty for our members regarding the core of their financial position – pension security.

2. **Early Retirement Changes** - Moving early retirement to within 5 years of NAR (normal age of retirement) will have a significantly negative impact on our members, some of whom enter the plan as young as 20 or 21. Notwithstanding these members' years of service and contribution history, they would be impaired from retiring on full pension until the age of 60.

3. **Calculation Changes** - Proposed changes to the pension formula will also disadvantage our members. OMERS proposes to lower pensions for those members making above the Year's Maximum Pensionable Earnings (YMPE), claiming that this reduction will be offset by increases to CPP. Plan members will accordingly not receive the advantage afforded them by the enhanced CPP.

Our members have deferred wages they have earned in the expectation of a secure pension which is to be made available to them when they so choose. These proposed changes threaten to strike at the heart of those legitimate expectations.

I would urge OMERS in the strongest of terms to reject these proposed changes to the plan.

Please do not hesitate to contact me should you have any questions or concerns.

Respectfully,

John Di Nino
President