

Meghan Townsend

From: AMO Communications <communicate@amo.on.ca>
Sent: December 5, 2025 2:34 PM
To: Meghan Townsend
Subject: [BULK] Help us advocate for strong OMERS governance

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We Need Your Voice on OMERS Governance Changes & Bill 68

Tools to help you spread the word with a template letter to send to representatives.

Meghan,

Following a successful webinar last week, here are some resources to make it easy for you to help AMO in advocating for a fair and transparent approach to the provincial government's proposed changes to OMERS governance under Bill 68.

How you can help:

- **Send a letter and Council resolution template** - [This toolkit](#) contains an overview of what's happening, Q&As, a draft motion and a **done-for-you template letter** to personalize and send to your local representatives.
- **Share the Fact Sheet** - this [Bill 68 Fact Sheet](#) offers a brief overview can be shared with colleagues to raise awareness about the proposed changes and their potential impact.
- **Stay informed** - [Slides](#) from last week's webinar recap what was covered in the information session.

[Get the Template Letter](#)

Together, we can help protect the integrity, independence, and long-term stability of OMERS.

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OMERS Governance Changes & Bill 68 Municipal Resource Toolkit

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What Happened?

The province passed legislation through Bill 68 that would allow the Minister of Municipal Affairs & Housing to dissolve the OMERS Sponsors Corporation and replace it with a Sponsors Council that lacks corporate status, independent resources, and fiduciary protections.

The legislation is based on observations made in a Special Advisor’s report (“Poirier Report”) on OMERS governance that the Sponsors Corporation decision-making is ineffective and disconnected from the needs of members, employers, and sponsors. AMO did not express these views to the Special Advisor. In fact, AMO cautioned that major change isn’t needed and risks eroding confidence in the plan.

Why This Matters

The current OMERS governance model of two corporate boards with distinct responsibilities works because it balances independence, accountability, and fairness across the many different employers and employees.

- The dissolution of the Sponsors Corporation would shift the governance model from long-term stewardship to an interest-based bargaining table.
- The changes weaken sponsor and municipal employer oversight by shifting power with respect to appointments and resources to the plan administrator.
- The changes provide significant authority to the Minister to prescribe rules and regulations related to Sponsors Council business, which risk interference in the plan design and potential new costs without the say of sponsors, employers, or employees.

This is another example of provincial overreach into areas of municipal responsibility without a clear rationale or a full understanding of impacts. Other recent examples include: banning municipal speed cameras and reducing local representation on Conservation Authority boards.

What AMO is Asking For

AMO believes that the current OMERS structure with two corporate boards is the model that would best deliver on the long-term sustainability of the plan. AMO is ready to work with the Minister of Municipal Affairs and Housing on a path forward that protects the independence and long-term stability of OMERS. We're sending the message: “Work with us, not in place of us.”

If the government dissolves the Sponsors Corporation, AMO is asking the government to:

1. Restore sponsor control over appointments to the Sponsors Council and Administration Corporation, removing vetoes or restrictions to appointees and restoring responsibility for the appointment of the Independent Board Chair;
2. Guarantee independence and appropriate resources for the Sponsors Council to fulfill its responsibilities through full sponsor control over the Council’s by-laws and budget;
3. Limit ministerial regulation-making powers over Sponsors Council affairs, recognizing that decisions on contributions, benefits or appointments belong to the employers and employees who pay into it.

Questions and Answers

What is the core issue with the province's proposed governance changes to OMERS?

Dissolving the Sponsors Corporation and giving the Minister authority in plan design violates the “pay for say” principle: municipal governments will pay the contributions bill and absorb plan risks without a full say on sustainability and affordability.

Why is removing the Sponsors Corporation a problem?

The current Sponsors Corporation reconciles employer and employee interests through a corporate body, with expert advice and a mandate to protect long-term sustainability. This model shields sponsors from lobbying, pressure campaigns, and short-term decisions.

How does the proposed Sponsors Council enable interest-based bargaining?

The Poirier Report expressly contemplates employer and employee sponsor caucusing, thus bargaining among factions. Further, without the corporate structure, the new Sponsors Council would be an entity of at least 14 organizations with different priorities, different advisors, and disparate resources. This creates the conditions for horse-trading between sponsors or short-term wins for one sponsor at the expense of others.

Will this really cost municipalities money? What's the worst-case?

It could, and that unpredictability is the concern. Sponsors own the risk of the pension plan; only employers and employees pay contributions to the plan and bear the risk if there is not enough money in the plan to pay out the benefits. The current governance model provides cost predictability; removing the Sponsors Corporation risks the opposite.

Will the new model affect workers' retirement security?

Only employers and employees bear the risk if there is not enough money in the plan to pay out the benefits. Without strong sponsor oversight, decisions could be made that undermine long-term stability. The goal is to ensure the new model protects pensions not put them at risk.

What is the concern about a veto over appointments?

A potential veto in the hands of the administrator (Administration Corporation) would give them the power to block sponsor appointments. Sponsors must have exclusive authority to determine who is appointed to invest the plan funds and pay pensions.

Are you saying the province is trying to interfere politically?

We're saying the structure must make interference impossible regardless of which government is in power. A good governance model protects pensions from political winds of any kind.

Template Letter

[Date]

The Honourable Rob Flack
Minister of Municipal Affairs and Housing
College Park, 17th Floor
777 Bay Street
Toronto, ON M7A 2J3

The Honourable Peter Bethlenfalvy
Minister of Finance
Frost Building South
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Dear Ministers Flack and Bethlenfalvy,

As an employer within the Ontario Municipal Employees Retirement System (OMERS) pension plan, I am writing to express [Municipality]'s concern with the legislative changes contained in Bill 68.

We share the province's commitment to ensuring OMERS remains strong, sustainable, and responsive to the needs of employers and employees alike. However, Bill 68 risks weakening the very principles that have made the OMERS model stable and accountable for more than two decades.

The changes in Bill 68 would dissolve the independent Sponsors Corporation and replace it with a new "Sponsors Council" that lacks corporate status, independent resources, and fiduciary protections. In practice, this would allow pension decisions to be made without meaningful municipal oversight, increasing financial exposure for local governments and, ultimately, local taxpayers.

At a time when municipalities are already stretched thin by rising costs, downloaded responsibilities, and growing service demands, we cannot afford new, unfunded pension liabilities or diminished accountability. Ontarians expect their local governments to protect public dollars; we need pension governance structures to do the same.

We believe that current structure of OMERS, with two corporate Boards is the model that would best deliver on the long-term sustainability of the pension plan. This model works because it balances independence, accountability, and fairness between employers and employees.

We urge your ministries to work with the Association of Municipalities of Ontario (AMO) and all OMERS sponsors to chart a path forward on regulations, by-laws, and any further legislative changes. Municipalities stand ready to work collaboratively with the province to strengthen governance, enhance transparency, and protect the long-term interests of both workers and communities.

Sincerely,
[Head of Council's Name]
[Position], [Municipality Name]

Template Resolution

WHEREAS the Ontario Municipal Employees Retirement System (OMERS) Pension Fund serves over 1,000 employers and over half a million employees and retirees from diverse groups including: municipal governments, school boards, libraries, police and fire departments, children's aid societies, and electricity distribution companies; and

WHEREAS the long-standing jointly-sponsored governance model with two corporate boards has provided stability, accountability, and fairness for both plan members and employers for more than two decades; and

WHEREAS the Government of Ontario has passed legislative changes to OMERS' governance structure through Bill 68; and

WHEREAS these changes would replace the current OMERS Sponsors Corporation with a new Sponsors Council that would lose its corporate status and independent resources; and

WHEREAS the proposed model could allow pension decisions affecting municipal employers and employees to be made without meaningful municipal oversight, increasing financial risk for municipalities and local taxpayers; and

WHEREAS municipalities are already under significant fiscal strain and cannot absorb additional pension costs without consequences for property taxes or local services;

THEREFORE BE IT RESOLVED THAT [Municipality Name] does not support the legislative changes to the *OMERS Act* contained in Bill 68 and requests that the Government of Ontario reconsider the advisability of proceeding with these changes;

FURTHER BE IT RESOLVED THAT the [Municipality Name] Council supports the Association of Municipalities of Ontario (AMO) in calling on the Government of Ontario to:

1. Ensure Sponsors retain full control without restrictions over their appointments to the new Sponsors Council and Administration Corporation;
2. Guarantee the Sponsors Council's independence from the plan administrator and access to resources needed to perform its duties; and
3. Limit the Minister's regulation-making authority over plan design and the Sponsors Council's internal affairs.

BE IT FURTHER RESOLVED THAT this resolution be circulated to:

- The Honourable Rob Flack, Minister of Housing and Municipal Affairs;
- The Honourable Peter Bethlenfalvy, Minister of Finance;
- [Local MPPs Names]; and
- The Association of Municipalities of Ontario (AMO).

Major changes coming to OMERS Pension Plan governance

What municipal employers should know

The Ontario government has tabled legislation that, if passed, would significantly change how OMERS makes decisions about contribution rates, benefits and plan design. These changes would have real, long-term consequences for municipal employer budgets.

What's changing

The legislation proposes a number of changes to the way OMERS operates. Key for municipal employers is:

- Replacing the existing Sponsors Corporation with a Sponsors Council. The Council would take on responsibility for making decisions around plan design, benefits and contribution rates.
- Ending Sponsor access to shared resources through the Sponsors Corporation, and empowering the Administration Corporation to determine which resources the new Sponsors Council can access.
- Providing the Minister of Municipal Affairs and Housing with broad regulation-making authority, and putting some restrictions on who Sponsors can appoint to the Sponsors Council and Administration Corporation Board.

AMO is concerned about long-term municipal consequences

New Sponsors Council

Unlike the existing Sponsors Corporation, the new Council has no duty to act in the best interest of the OMERS plan. With no accountability to the plan, individual sponsor interests could make it difficult for Sponsors Council members to agree on decisions around plan design, contribution rates and benefits. This creates a model that more closely resembles a bargaining table.

Sponsors Council resources

The new Sponsors Council will need its own experts and funding in order to play its critical role in plan design and overseeing the Administration Corporation. Without independent resources, the Sponsors Council could be forced to rely solely on advice from the Administration Corporation (the same body it's meant to oversee).

Ministerial regulation-making authority and appointment restrictions for the Sponsors Council and Administration Corporation

Pension plans must be protected from politics and interference. Both of these proposed changes dilute the authority of the employer and employee sponsors who are responsible for the plan. The Ontario *Pension Benefits Act* outlines that it is a fundamental right of sponsors of a jointly sponsored plan to determine the plan design and appoint the board members of the plan's administrator. These changes weaken the plan's independence and risk giving too much influence to the administrator or future governments.

Employers, employees and taxpayers all have an interest in the long-term health of the OMERS plan. It must be fair and affordable for all who contribute. A strong governance structure that prioritizes the long-term health of the plan, coupled with strong expertise and advocacy from AMO and MEPCO has long delivered peace of mind for municipal employers. Proposed changes could erode that stability and create new costs for municipal governments as AMO and MEPCO work to ensure that the decisions made at the Sponsors Council reflect municipal realities.

What's next

The legislation was introduced just one day after the release of recommendations from a 2025 review of plan governance, conducted by a government-appointed special advisor.

AMO will communicate our concerns to the provincial government with a focus on retaining strong Sponsor oversight over plan design and mitigating financial risk to municipal governments.

More about OMERS governance

OMERS is a **jointly sponsored pension plan** with a **bicameral governance structure** where employee and employer sponsors are jointly responsible for funding the plan and making decisions around plan design. Right now, OMERS is governed by two corporate boards, each made up of members appointed by employee and employer sponsor groups:

- The **Sponsors Corporation** determines plan design and contribution rates. The Sponsors Corporation has a legal obligation to act in the best interest of the plan and its members. This obligation helps ensure that the OMERS plan is fair, balanced and affordable for all sponsors as they must consider plan sustainability over individual interests.
- The **Administration Corporation** is the plan administrator, and responsible for investing plan funds, collecting contributions from participating employers, and paying pension benefits.



OMERS Governance Changes & Bill 68

Municipal Resource Toolkit



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OMERS: Current Governance Model

- OMERS is a defined benefit jointly sponsored pension plan where employee and employer sponsors are jointly responsible for funding the plan and making decisions around plan design.
- OMERS is governed by two corporate boards, each made up of members appointed by employee and employer sponsor groups:
 - The **Sponsors Corporation** determines plan design, contribution rates, and appointments to the Administration Corporation Board.
 - The **Administration Corporation** is responsible for the overall administration of the Plan, including making investment decisions and paying pension benefits to retirees.

The current OMERS governance model of two corporate boards with distinct responsibilities works because it balances independence, accountability, and fairness across the many different employers and employees.

OMERS: Sponsor Organizations

Employer Sponsors	Employee Sponsors
Association of Municipalities of Ontario	CUPE Ontario CUPE 416/79
City of Toronto	OPSEU
Ontario Public School Boards Association & Ontario Catholic School Trustees Association	Police Association of Ontario
Ontario Association of Police Services Boards	Ontario Professional Fire Fighters Association
Ontario Association of Children's Aid Societies	Ontario Secondary School Teachers' Federation
Electricity Distributors Association	Retirees Group

*Sponsor organizations currently appoint members to the Sponsors Corporation and *nominate* members to the Administration Corporation (Sponsors Corporation reviews nominations and appoints to AC).

What happened?

- As part of the Fall Economic Statement, the Province introduced and passed Bill 68 which contained significant changes to the *OMERS Act*
- Bill 68 is based on observations made in a Special Advisor's report ("Poirier Report") following a provincial review of OMERS governance
 - AMO/MEPCO participated in the review and cautioned that major change is not needed and risks eroding confidence in the plan.

Poirier Report Summary

	Recommendations
Sponsors Council	<ul style="list-style-type: none">• Wind down Sponsors Corporation and replace with a Sponsors Council• Maintain current composition with the addition of five (5) non-voting members• Re-establish employer/employee co-chair model and employer/employee sponsor caucuses
Appointments	<ul style="list-style-type: none">• Extend current Independent Board Chair term for three (3) years• Sponsors to directly appoint members to Administration Corporation Board• Give Administration Corporation Board veto (2/3 majority vote) over sponsor appointments
Resources	<ul style="list-style-type: none">• End corporate structure for Sponsors Corporation and access to independent resources• Administration Corporation to reimburse Sponsors Council for “reasonable costs”• Costs of arbitration be borne exclusively by sponsor organizations
Other	<ul style="list-style-type: none">• Legislate normal retirement age (NRA) 60/65 flexibility within plan text

Bill 68 Summary

- As part of Fall Economic Statement, Government introduced Bill 68 legislation to enact several (but not all recommendations)
- Provides authority to the Minister of Municipal Affairs & Housing to:
 - Dissolve Sponsors Corporation at a date determined by Ministerial order
 - Establish a Sponsors Council, subject to any rules Minister deems appropriate
 - Make regulations governing any elements of the Sponsors Council by-laws
 - Approve Sponsors Council by-laws, as established initially by the Administration Corporation
- Prohibits Sponsors from appointing:
 - to the Sponsors Council anyone who has been a member of the Administration Corporation Board or the Sponsors Corporation Board
 - to the AC anyone who has been a member of the Sponsors Corporation Board or the Sponsors Council

Why does this matter?

Report recommendations and legislation mean significant changes to overall OMERS governance that:

- Shifts from a stewardship model focused on long-term sustainability and affordability to one focused more on advocacy and interest-based bargaining
- Weakens sponsor and municipal employer oversight by shifting power to the administrator (Administration Corporation) with respect to appointments and resources
- Provides significant authority to the Minister to prescribe rules and regulations related to Sponsors Council business, which risk interference in the plan design and potential new costs without the say of sponsors, employers, or employees

This is another example of provincial overreach into areas of municipal responsibility without a clear rationale or a full understanding of impacts. Other recent examples include: banning municipal speed cameras and reducing local representation on Conservation Authority boards.