

## Report to Council

**Report Title:** Council – OMERS and Group Benefits  
**Prepared By:** Jessica Pinkse, Deputy Treasurer  
**Department:** Finance  
**Date:** November 12, 2024  
**Report Number:** FIN2024-34                      **File Number:** C11FIN

### Attachments:

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### Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2024-34 – Council – OMERS and Group Benefits, prepared by Jessica Pinkse, Deputy Treasurer for information purposes.

### Report:

#### Background:

On September 24<sup>th</sup>, 2024, council passed RES24-24-03 hereby requesting that staff provide a report regarding the provision OMERS, life, health and other benefits that neighbouring municipalities are providing to their councils. The following detail is provided for information purposes. Further direction can be provided to staff should Council deem it desirable to advance offering this to enhance the total compensation package for existing and future Council members in the interest of attraction.

#### Analysis:

In September and October 2024, Brockton staff reached out to Ontario municipalities requesting the following:

1. Does their Municipality have Council enrolled in the OMERS program?
2. Does their Municipality offer health or life insurance benefits?
3. What types of health or life insurance benefits does their Municipality provide for council members?

### OMERS Responses

Currently, the Municipality of Brockton does not participate in the OMERS program for its council members.

We received responses from 26 municipalities regarding their participation in OMERS:

- 7 municipalities (26.92%) participate in Council OMERS for all councillors
- 1 municipality (3.85%) participate in Council OMERS for the Head of Council only.
- 18 municipalities (69.23%) do not participate in Council OMERS.

## **OMERS Process**

### **Part I: Electing to Enrol and Background**

A council can choose to enroll all council members in the Plan (including the head of council) or the head of council only. Council members, without the head of council, cannot enroll in the Plan.

The council, as a group or class, is treated separately for the purposes of OMERS membership from the employees of the municipality.

The maximum age for enrolment to an OMERS pension is 71 for compliance with the *Income Tax Act* (ITA). Since OMERS pensions are paid at the beginning of each month, the pension must start no later than December 1 of the year the member turns 71. This applies even if the member's birthday is in December. Therefore, you may enrol a member no later than November 30 of the year the member turns 71.

**Existing Council Members** – At the effective date of council enrolment, existing council members can individually choose to enrol in the Plan. A council member who does not enrol on the effective date can choose to enrol at a future date.

**New Council Members** – After the effective date of council enrolment, *any new or future council members must* enrol in the Plan (maximum age excepted).

**Retired OMERS Members** – Council members who are also retired OMERS members are automatically enrolled in the Plan; but can, however, choose to opt out and not enrol.

### **Part II: Initiating participation for council members**

Follow these steps to initiate participation in the OMERS Plan for a new group of council members or head of council:

1. Contact OMERS indicating the intent to participate in the Plan.
2. OMERS will provide a template by-law with instructions.
3. Council must pass the by-law that authorizes participation and states the effective date.
4. Send a certified copy of the by-law to OMERS.
5. Forward a listing of all council members at the participation date and indicate those who are electing to join and those who are electing not to.
6. Complete an *Enrolling a member* (102) e-form for all council members enrolling in the Plan.

### **Part III: Contributory Earnings for Council Members**

A council member's contributory earnings are defined in the OMERS Plan as taxable "money paid to the councillor for the councillor's services as a councillor under the *Municipal Act*".

The contributory earnings for 2025 are:

- Kuhnke - \$17,466.21
- Peabody - \$35,305.12
- McLean - \$17,466.21

- Hutcheon - \$21,190.81
- Clark - \$17,466.21
- Elphick - \$17,466.21
- Travale - \$17,466.21

The contribution rates are the same as for other OMERS NRA 65 members. In 2024, this is 9% of earnings.

Therefore, the following OMERS amounts would be deducted from councillors and these contributions are matched by Brockton:

- Kuhnke – 1,571.96
- Peabody – 3,177.46
- McLean - \$1,571.96
- Hutcheon - \$1,907.17
- Clark - \$1,571.96
- Elphick - \$1,571.96
- Travale - \$1,571.96

This would increase the council operating budget by \$12,944.43 for the 2025 budget year if all council members are included in the Plan. If only the head of council is included in the Plan, the increase to the annual budget is \$3,177.46.

#### **Part IV: Credited Service, End of Contributions, and Pensions Received**

OMERS assumes that council members are continuous full-time members. Council members earn credited service for the period of time that they are an elected official.

OMERS continues for council members who are re-elected for consecutive terms with no termination or re-enrolment.

The period of time between terms of office, if any, cannot be purchased.

A retired OMERS member who is elected to a participating council before December 1 of the year of their 71<sup>st</sup> birthday will be re-enrolled in the OMERS Plan unless they elect not to enrol. At this time, the OMERS pension earnings would pause as a member may not receive a pension and contribute to the Plan at the same time.

#### **Life, Health and Other Benefits:**

Currently, the Municipality of Brockton only offers Critical Illness Insurance coverage for council members.

We received responses from 14 municipalities regarding their participation in Life, Health, and other Benefits:

- 4 municipalities (28.57%) – Do not offer any type of Life, Health or other insurance benefits.
- 3 municipalities (21.42%) – offer Accidental Death & Dismemberment (AD&D) coverage only.
- 2 municipalities (14.29%) – offer Life Insurance coverage only with varying coverage limits.
- 2 municipalities (14.29%) – offers Health and Dental coverage without Life Insurance coverage.

- 2 municipalities (14.29%) – Offers a Health Spending Reimbursement account benefit with varying spending limits.
- 1 municipality (7.14%) – Offers a Health Allowance to council members which is added as a taxable benefit to the councillors.

Based on the varied nature of the responses received, staff are not able to provide a reasonable estimate of the financial impacts to the 2025 budget would be. However, any enrollment in a health, life or benefit plan would result in an increase to the tax supported operating budget. Further information can be made available to Council if details related to a specific benefit are established.

**Strategic Action Plan Checklist:**

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- |   |     |
|---|-----|
| • Recommendations help move the Municipality closer to its Vision                       | N/A |
| • Recommendations contribute to achieving Heritage, Culture, and Community              | N/A |
| • Recommendations contribute to achieving Quality of Life                               | N/A |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | N/A |
| • Recommendations contribute to achieving Economic Development                          | N/A |
| • Recommendations contribute to achieving Municipal Governance                          | N/A |

**Financial Impacts/Source of Funding:**

- Do the recommendations represent a sound financial investment from a sustainability perspective? No

Enrolment in either the OMERS and/or any Life, Health or other Benefits plans will increase the Tax Supported Operating Budget for subsequent years.

**Reviewed By:**



Trish Serratore, Chief Financial Officer

**Respectfully Submitted by:**



Jessica Pinkse, Deputy Treasurer

**Reviewed By:**

A handwritten signature in cursive script, appearing to read "Sonya Watson", written in black ink.

Sonya Watson, Chief Administrative Officer