

# Modernizing leave purchases: A preparation guide

## Introduction

OMERS is committed to partnering with you to support our members throughout their career and retirement journey, while working with you to simplify and improve OMERS administration.

For leaves starting on or after January 1, 2026, OMERS will be expanding the ways in which members can purchase service related to leaves. At the same time, we will assume responsibility for leave purchase communications and elections, as well as the collection of member payments. This is an improvement that many of our employer administrator partners have requested, and we anticipate this will reduce your administrative workload.

With more than 1,000 employers, OMERS knows that each workplace is unique. This document is intended to spark internal discussions on how best to incorporate the upcoming changes to OMERS leave purchases into your processes and systems.

This document provides items for you to consider in order to prepare your organization for the changes.

- **Communicate changes to internal stakeholders.** For example, inform HR, payroll (including those responsible for tax reporting) and other impacted staff members of relevant changes.
- **Sign up for training and support.** We will share registration links this summer for training sessions to take place in the fall.

## Leave reporting

For leaves starting on or after January 1, 2026, you will be asked to report within 30 days of the start of the leave, rather than after the member returns to work. This will allow members to take advantage of a longer period to purchase their leave.

Leave end date will no longer be a required field at the outset, but we ask you to report the end of the leave within 30 days.

Reporting will be a fully online process through e-access.

The number of scattered days (i.e. non-consecutive leave days) permitted to be reported is increasing from 20 to 40 days. Timing for their reporting remains after the end of the leave. They will need to be reported by January 31 of the following year.

As is the case today, but unlike the reporting of most other leaves, you report a disability leave after the leave ends. For more details, please see the [disability leaves and reporting guide](#).

- **Update your HR systems to align with new leave reporting.** Ensure your systems are set up to report a leave start date and the leave type within 30 days of the start of the leave. This may require you to increase the frequency of your internal reporting.
- **Review processes for collecting and reporting leave end date.** Determine if changes are required to collect leave end dates and report the end of each leave within 30 days.
- **Encourage employees to use personal emails on their myOMERS account.** This will make it possible for us to contact them while on leave.
- **New disability leave types are coming** that address the period while a member waits for approval of disability benefits.
- **Prepare to report all scattered days in a calendar year by January 31** of the following year.

## Member communications, elections and payments

Starting in 2026, OMERS will begin to communicate directly with members about leave purchases at the start of their leaves and collect elections and payments directly from members using an online process in myOMERS.

- **Update your internal communication processes and materials** to reflect that OMERS will communicate directly with members about leave purchases and elections.
- **Cease any existing payroll deduction plans** for leaves continuing into 2026 or starting after January 1, 2026.

## Employer dashboard and payments

OMERS is building a new e-access dashboard to display and track information about leaves and outstanding employer payments. You will continue to use e-form 105 to remit payments to OMERS.

- **Watch out for future updates on employer matching payments** and register for our training sessions this fall where the topic will be covered.

## Tax reporting

Starting for the 2026 tax year, OMERS will take on tax reporting required for leave purchases, including calculation and reporting of PAs and reporting contributions. Employers must report PAs for all leaves that took place in 2025. All other routine tax reporting that employers complete will remain unchanged.

- **Inform those responsible for tax reporting at your organization about these changes** so they are accurately reflected in tax reporting and compliance processes.

## Transition rules

Members whose leaves end in 2025 will fall under the current leave purchase process. Members whose leaves start in 2026 or later will fall under the new leave purchase process.

Members with open-ended leaves that continue into the 2026 calendar year (i.e., leaves with start dates in 2025 or earlier and end dates in 2026 or later) will be affected by the transition.

- **Consider how best to prepare affected members for the transition.** You may want to inform members who are preparing to start a leave that will continue into 2026 that OMERS will communicate directly with them about their leave purchases.
- **Inform** those responsible for tax reporting that:
  - **OMERS will be responsible for PAs for all 2026 leaves**, including the 2026 portion of continuing leaves from 2025 or earlier. Leave payments taken directly by OMERS in 2026 and beyond will be tax reported by OMERS.
  - **Employers will remain responsible for PA reporting for the 2025 tax year**, including any amended PAs. Be prepared to tax report payments for leaves that ended in 2025 or earlier, even if payments were made in 2026 or later, in keeping with your ongoing responsibilities under the current leave process.

OMERS is aware that some employers provide flexibility for members to purchase their leave period while on leave through automatic payroll deductions.

- If you have collected member contributions for leaves that started in 2025 or earlier and continue into 2026, this practice will need to be changed. Please contact your OMERS employer representative for specific transition guidance.
- **Reminder:** Where a member on leave receives 100% of their regular contributory earnings, employers should continue to deduct normal contributions in the usual way. Employers should not be report these leaves through the new leave purchase process.