

OMERS SC Conditions of Participation for Associated Employers Policy

SPONSORS CORPORATION



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OVERALL PRINCIPLES

An Associated Employer¹ may participate in the Plans on such conditions as may be agreed upon by the employer and the OMERS Sponsors Corporation (the “SC”)². This policy sets out the conditions for participation by an Associated Employer in the Plans.

The SC is a corporation established under the *OMERS Act, 2006* (the “Act”) and is the sponsor of the Plans as defined in the Act. The SC is responsible for making decisions about the design of the Plans, amendments to those Plans, setting contribution rates and establishing any stabilization reserves and making decisions on any other issues consistent with the terms of the Act. The Plans are administered by the OMERS Administration Corporation (the “AC”).

This Policy applies to the administration of the OMERS Primary Pension Plan, the Retirement Compensation Arrangement for the OMERS Primary Pension Plan and the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics, collectively, the “Plans”.

Next renewal date:	December 2025
Frequency of review:	Every five years

Conditions of Participation

Associated Employers must agree to, and comply with, the following conditions in order to participate in the Plan(s):

- The Associated Employer is required to familiarize itself with, and understand its duties, under the Act and relevant plan texts and understand that it is also subject to the relevant rules of any other legislation (e.g., *Ontario Pension Benefits Act*, *Income Tax Act*, etc.).
- An Associated Employer must provide to the AC a letter of guarantee from a Traditional Employer³ or a letter of credit equal to four months of member and employer contributions in respect of an Associated Employer’s participation. If obtained, a letter of credit must be updated from time to time in order to reflect current contributions of the Associated Employer at that time.
- Failure to enroll an eligible employee of a class that is designated for participation may result in a penalty cost. The Associated Employer is responsible for paying employer contributions plus interest and the member’s interest charge. The member is responsible for member contributions.

Termination of Participation

SC consent is required in the event an Associated Employer wishes to discontinue participation in the Plan(s) and a participation by-law or resolution can only be repealed or revoked upon conditions as established by the SC.

- An Associated Employer who wishes to terminate participation in the Plan(s) is required to:
 - Provide evidence that 100 per cent of those employees of the employer who participate in the Plan(s) voted in favour of ceasing participation; and

- o Amend the original participation by-law or resolution to terminate participation.

Evidence of the vote, the amended by-law or resolution and any other necessary information required by the SC must be received within 90 days of the vote being held to cease participation.

The SC has the right to discontinue an Associated Employer’s participation should the employer fail to remit contributions for 120 days, or if the SC becomes aware of a reasonable concern about the Associated Employer’s ability to pay contributions within the following 120 days.

An Associated Employer who terminates participation in the Plan(s) remains liable for any errors made during the period of participation.

Exemptions from the Letter of Guarantee/Letter of Credit Requirement

The requirement to provide a letter of guarantee or a letter of credit does not apply to hydro employers and other employers who were previously in the Plans, but due to legislative changes or restructuring, had to re-join under the Associated Employer provision if they wished to remain in the Plan(s).

A letter of guarantee that had been previously obtained from an entity that is not a Traditional Employer³, that is otherwise compliant with the requirements of this policy, shall continue to be valid until it is terminated, at which time the Associated Employer must immediately obtain a new letter of guarantee or a letter of credit in accordance with this policy.

¹ An Associated Employer is an employer defined in subsection 6(1) of the Act.

² See subsection 6(1) of the Act.

Administration

The AC will develop the appropriate forms and processes to ensure the conditions established by the SC are met for Associated Employer participation in the Plan(s).

An authorized agent of the Associated Employer must sign such form(s) agreeing to the conditions established by the SC, from time to time.

Monitoring and Reporting

The AC will monitor the status of the letter of credit or letter of guarantee for each associated employer. It will ensure that these documents remain up to date, including ensuring the amount secured by the letter of credit (as applicable) continues to represent four months of member and employer contributions.

In addition, the AC will also monitor the contribution remittances for associated employers to ensure they are remitted on time in accordance with this policy.

The AC will report to the SC any non-compliance issues regarding a letter credit or letter of guarantee or issue related to late contribution remittances that violate the conditions of this policy.

³ A Traditional Employer is an employer defined in paragraphs 1 to 7 or paragraphs 9 or 10 of subsection 5(1) of the Act.

ROLES & RESPONSIBILITIES		
Policy Approver	SC Board of Directors	Responsible for approving the Policy
Policy Sponsor	CEO of the SC, as a representative for the Plan Sponsor	Ultimately accountable for the Policy, including its development, implementation and administration
Policy Manager and Monitor	Executive Director, Strategy, Stakeholder Relations & Communications	Responsible for the design and operational effectiveness of the day to day administration of the Policy, and for its monitoring, compliance and reporting functions