



September 24, 2009

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

Dear Minister Duncan:

RE: Ontario Regulation 239/09 (PBA), (Amending Reg. 909 of R.R.O.1990)

On February 17, 2009 AMO Executive Director, Pat Vanini wrote to you on behalf of the Municipal Employers Pension Centre of Ontario (MEPCO) Board, providing comments on the report of the Ontario Expert Commission on Pensions, entitled "A Fine Balance" (Report). One of the three key areas that MEPCO identified as being significant to the sponsors of the Ontario Municipal Employees Retirement System (OMERS) was the need to exempt the OMERS Primary Plan from solvency deficiency requirements.

As you are aware, pursuant to section 3.2 of Regulation 909 of the Pension Benefits Act (PBA), OMERS has been prescribed as a Jointly Sponsored Pension Plan (JSPP). MEPCO supported the Report's recommendation that JSPPs be required to fund only on a going concern basis and that JSPPs be relieved from solvency funding requirements. Our previous letter also pointed out that the related condition that would see amortization periods shortened, per the Specified Ontario Multi-employer Pension Plans (SOMEPPS) regulation, would impose intolerable increased member and employer funding requirements. As you are aware these increased costs will ultimately be borne by Ontario taxpayers, more so at an economic time when every savings is needed.

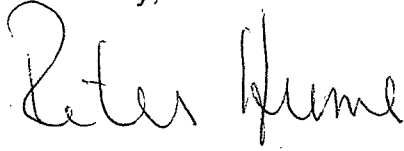
It continues to be our position that OMERS as a public sector plan, with an inherently different makeup of plan sponsors, is not subject to the same risks as private sector MEPPs or SOMEPPs and that more stringent requirements for going concern valuations that have shorter amortization periods are not necessary to protect OMERS benefits. Public sector pension plans have a very low probability of default and the JSPP rules in the PBA Regulation specifically contemplate the possibility of benefit reductions on wind-up of a jointly sponsored pension plan. JSPPs can respond more quickly to funding issues given that plan sponsors' contributions reflect the funded position.

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Minister, the OMERS plan must be fully and unconditionally exempted from the solvency valuation requirement. Amend Regulation 239/09 quickly.

Yours truly,



Peter Hume
President

cc. The Honourable Jim Watson, Minister of Municipal Affairs and Housing

