

A woman with dark hair tied back, wearing a white hoodie, is sitting on a rustic wooden chair outdoors. She is holding a glass of orange juice and looking towards the camera with a slight smile. The background shows a white building with horizontal siding.

**OMERS**

Plan for the Future

# YOUR DISABILITY PENSION

A guide to your OMERS benefit

## IMPORTANT!

In this booklet, we refer to the OMERS Primary Pension Plan as the “OMERS Plan.”

The information in this booklet provides a summary of the terms of the OMERS Plan text at the time of publication. From time to time, the Plan text may be amended by the OMERS Sponsors Corporation. If there is any discrepancy between this information and the *Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006)* and the Plan text, the *OMERS Act, 2006* and Plan text will govern.

OMERS Primary Pension Plan Registration  
Number: 0345983

## YOUR INFORMATION IS SECURE

Personal information is collected for pension administration purposes by OMERS under the authority of Section 35 of the *OMERS Act, 2006*. OMERS does not share your personal information with any other person other than for purposes of pension plan administration, and, by providing personal information, you consent to its use for those purposes. The collection, use, retention and destruction of personal information are subject to our Privacy Policy at [www.omers.com](http://www.omers.com). Any questions regarding the collection of personal information should be directed to OMERS Client Services at 1-800-387-0813.

# INTRODUCTION

You are a valued member of the OMERS Plan and we remain committed to serving you. Each year, you will receive a personalized *Annual Statement of Pension*. As well, several times a year you will receive a newsletter with updates on your pension plan.

This booklet explains how we calculated your OMERS Plan disability pension, and other important information you need to know, such as:

- when and how your pension is paid
- how to change your address or banking information
- what happens to your OMERS Plan pension when you die.

# THERE ARE MANY WAYS TO REACH US

## Phone

Monday to Friday, 8 a.m. to 5 p.m.  
416-369-2444  
1-800-387-0813

## Fax

416-369-9704  
1-877-369-9704

## Mail

One University Ave.  
Suite 800  
Toronto ON M5J 2P1

## Email

client@omers.com  
*(en français ou anglais)*

## Web

[www.omers.com](http://www.omers.com)

When you write to us, please include your OMERS Plan reference number (or social insurance number), and sign the letter. When you call us, have this information handy. Please note that OMERS can't provide or make changes to your financial information over the telephone.

## Online retirement advice and more

Visit [www.omers.com](http://www.omers.com) for comments from active and retired OMERS Plan members on topics such as preparing for retirement and realizing your retirement dreams.

## myOMERS – the key to your pension

Sign up to view your pension information online. You can also change your address and banking information, reprint copies of your T4A tax slips, request that additional tax be withheld from your pension payments, and sign up for e-only delivery of your annual pension statement – all online!

Visit [www.omers.com](http://www.omers.com) and click on 

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Section 1

# YOUR PENSION CALCULATION

Find out how we bring together your service and earnings to calculate your OMERS Plan pension.

For more details and up-to-date information, visit [www.omers.com](http://www.omers.com).

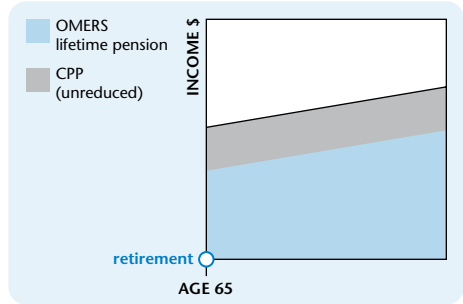
# THE BUILDING BLOCKS OF AN OMERS PLAN PENSION

Your OMERS Plan pension has two components: a *lifetime pension*, plus a *bridge benefit* that is paid if you retire before age 65. (The bridge benefit stops when you reach age 65.)

## How the OMERS Plan lifetime pension works

All OMERS Plan members are entitled to receive a lifetime pension, regardless of when they retire. This is paid for life, and indexed to increase with inflation every year.

Members who retire before age 65 will also receive an OMERS Plan bridge benefit until they reach age 65.

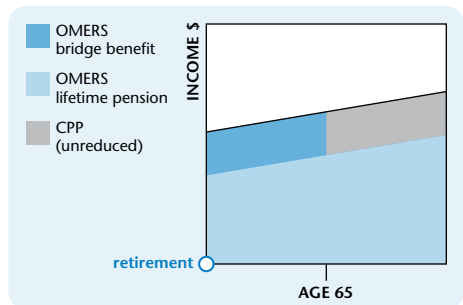


## How the OMERS Plan bridge benefit works

This temporary benefit supplements your OMERS Plan lifetime pension until age 65, when it is expected your CPP pension will take over.

The bridge benefit:

- will not necessarily be the same amount as your CPP pension; and
- continues to be paid to age 65 even if you start your CPP pension early (from age 60).



## How we calculate your OMERS Plan pension

<b>Your OMERS Plan lifetime pension + bridge benefit to age 65</b>			
2%	x	credited service (years)	x "best five" earnings
<b>Less OMERS Plan bridge benefit at age 65</b>			
0.675%	x	credited service (years)	x lesser of "best five" earnings or AYMPE
<b>Equals your OMERS Plan lifetime pension from age 65</b>			

### Key components of your pension calculation

**"Best five" earnings** – this is the annual average of the *60 consecutive months* during which your earnings were at their highest. It does not include any overtime pay or most lump-sum payments.

It may, however, include earnings from a period of service that was transferred in from another registered pension plan. If you have less than five years of credited service, we use your actual service to calculate your average earnings. We may include partial years at the beginning and end of the 60 consecutive months so your *best five* earnings could span more than five calendar years.

Note that your employer reported your contributory earnings annually. We calculated your earnings for a single month by dividing your reported annual earnings by your total months of credited service reported for that year.

**Credited service** – this is the number of years you have earned in the OMERS Plan (including any service you purchased).

**AYMPE** – this is the five-year average of the year's maximum pensionable earnings (YMPE). You contribute to the CPP up to this earnings limit.

## Keep in mind...

There are factors that can affect your OMERS Plan pension amount:

- **OMERS-WSIB limit** – Your OMERS Plan disability pension and Workplace Safety and Insurance Board (WSIB) benefits combined cannot total more than 85% of your annual contributory earnings immediately before you were disabled.

If your OMERS Plan disability pension payments plus WSIB benefits exceed the 85% limit, we must reduce your OMERS Plan disability pension until you reach your normal retirement date or your WSIB benefits decrease or stop. Once you reach your normal retirement date or if you take an early retirement pension, this limit no longer applies.

Your normal retirement date is the last day of the month in which you reach your normal retirement age. Most OMERS members have a normal retirement age of 65. Some police and firefighter members have a normal retirement age of 60.

### Notify us of WSIB benefit changes

If you become entitled to a WSIB benefit after your pension begins, or if the amount you are receiving changes (except for cost of living increases), please notify OMERS immediately in writing.

- **Maximum pension** – The *Income Tax Act* limits how much pension we can pay from the OMERS Plan. In 2010, this limit is \$2,494.44 per year of post-1991 credited service (reached only if your annual earnings exceed \$139,855.50). We pay any pension amount in excess of this limit through a Retirement Compensation Arrangement – a special fund for this purpose.
- **Supplementary agreements** – Your employer may have an agreement with OMERS that increases your annual normal retirement pension. If so, it will be listed on your *Annual statement of pension*.
- **Pension from another plan** – You may be entitled to a pension for a period of credited service covered by both another plan of your employer and OMERS. If so, we will reduce your OMERS Plan pension by the amount payable from the other plan when you reach your normal retirement age (60 or 65).

Section 2

# YOUR DISABILITY PENSION

Find out what happens if you get better or return to work.

For more details and up-to-date information, visit [www.omers.com](http://www.omers.com).

## WHEN WILL YOUR DISABILITY PENSION CEASE?

Your OMERS Plan disability pension is paid for life unless:

- you are no longer considered “totally and permanently disabled” before your normal retirement date; or
- you return to work on a non-rehabilitative basis.

To continue to be eligible for the disability pension, you must meet the definition of totally and permanently disabled in the OMERS Plan, which means that:

- you are suffering from a physical or mental impairment;
- this prevents you from engaging in any occupation or performing any work for compensation or profit for which you are, or may reasonably become, qualified by education, training, or experience; and
- which can be expected to last the rest of your lifetime.

## WHAT IF YOU GET BETTER OR RETURN TO WORK?

*If, before you reach your normal retirement age, you cease to be disabled, or you return to work in any capacity, please contact OMERS immediately and let us know the details.*

Send us a signed letter including the following:

- your full name (printed);
- your OMERS reference number (or social insurance number);
- your former employer’s name or group number;
- your address and telephone number; and
- the date you ceased to be disabled.

And, if you returned to work, include:

- the date you returned to work;
- the name of your current employer; and
- indicate whether your work is considered to be rehabilitative or your regular duties.

Section 3

# GENERAL INFORMATION

Here, we cover the details about your OMERS Plan pension.

For more details and up-to-date information, visit [www.omers.com](http://www.omers.com).



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## YOUR PENSION IS PROTECTED AGAINST INFLATION

Inflation protection is one of OMERS most powerful benefits. This feature helps to maintain the buying power of your OMERS Plan retirement income.

Each year, OMERS increases all pensions by 100% of the Canadian Consumer Price Index (CPI) – up to a maximum increase of 6%. This is measured by taking the monthly average of the CPI for the 12-month period ending in October of the year before the increase date. This figure is compared to the monthly average of the CPI for the 12-month period ending in October of the previous year. OMERS increases pensions by the percentage difference.

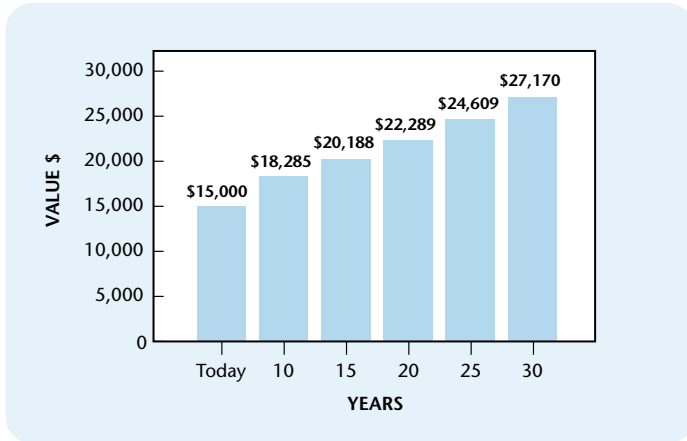
All OMERS Plan pensions – retirement, deferred, disability, and survivor – have inflation protection.

The maximum increase in any year is 6%. If the CPI is greater than 6%, we carry the excess forward. This can be used in later years when the CPI increase isn't as high.

OMERS Plan pensions are increased each year on January 1. The increase is pro-rated for pensions that began within the previous year.

### How does OMERS inflation protection increase my pension over the long term?

An OMERS Plan pension of \$15,000 today, with an inflation assumption of 2% per year, would be worth the following in the future, to keep pace with rising prices:



## WHEN TO EXPECT YOUR PENSION PAYMENTS

Your monthly payment goes into your bank account by direct deposit (available in Canada, the U.S. and the U.K.) on the first banking day of the month. The first banking day isn't necessarily the first day of the month. It could be the first day banks are open after a weekend or holiday.

We can make direct deposit payments to most banks anywhere in Canada, the U.S. and the U.K.

If you receive your pension in Canadian dollars, your 12 monthly pension payments in any year will be the same. If you receive your pension in U.S. dollars or U.K. pounds, your monthly amount may fluctuate, depending on your bank's exchange rate.

If you receive your monthly pension payments by mail, you can expect to receive your cheque at the beginning of each month.

## IF YOU CHANGE YOUR ADDRESS

You can change your address information securely online through myOMERS. If you prefer, call OMERS Client Services with your address change. When you call, we'll need your:

- full name;
- OMERS Plan reference number (or social insurance number);
- previous/present address and phone number;
- new address and phone number; and
- the effective date of your new address.

## IF YOU CHANGE YOUR BANKING INFORMATION

You can change your banking information securely online through myOMERS. If you prefer, you can:

- complete, sign and return *Form 108 – Changing information (retired member/survivor)*, available at [www.omers.com](http://www.omers.com); or
- send a signed letter, by fax or mail, with your new information to OMERS.

In the letter include:

- your full name (printed);
- your OMERS Plan reference number (or social insurance number);
- the effective date of the change;
- your new information (bank, branch, and account number);
- a cheque marked "void" from your new account; and
- your signature.

**Tip!** Keep your old account open until you see your next pension payment being deposited into your new account – in case we didn't receive your new information in time.

**For your protection, OMERS will not accept changes to your banking information over the telephone.**

## LETTER OF INCOME

If you need a letter to prove that you are receiving an OMERS Plan pension (and the dollar amount), call OMERS Client Services. We'll send the letter to your home address.

If you want the letter of income to go to someone else directly, we need your signed request in writing – either by mail or fax. Please let us know to whom we should send the letter of income and by which delivery method: mail, fax, or email.

## POWER OF ATTORNEY

You may decide to appoint someone to look after your financial matters if you become incapacitated. If you do, make sure you send OMERS a copy of your **Continuing Power of Attorney for Property** document.

We deal with the person you have appointed when he or she makes a request, provided we get proof of identity. If you specify in the power of attorney document that proof of your incapacity is needed first, we will require this proof before dealing with the person you appointed.

## INCOME TAX

Canada Revenue Agency (CRA) requires tax to be deducted from OMERS Plan pension payments.

The tax amount, if any, is based on:

- your OMERS Plan monthly pension payments; and
- your federal and provincial income tax forms (TD1s) or country of residence information.



MARTINE FORTIN

If you would like to have **additional** tax deducted from your pension payments, or if you would like to change this amount:

- do it securely online through myOMERS; or
- complete and return *Form 108 – Changing information (retired member/survivor)* available at [www.omers.com](http://www.omers.com); or
- mail or fax a signed letter, which must include your full name (printed) and OMERS Plan reference number (or social insurance number), and the additional monthly dollar amount you want withheld.

### **Residence in Canada – T4A Form**

Each year, by the end of February, we will mail a T4A to your home address. This form shows the total amount of pension paid to you during the previous calendar year and the total tax deducted, if applicable. The T4A is your official proof of income for income tax purposes. You can get copies of your T4A slips securely online through myOMERS.

## Residence outside Canada – NR4 Form

Canadian tax law may require that we withhold tax from your pension payments if you live outside of Canada. The tax rates vary depending on whether your country of residence has a tax treaty with Canada, and on whether you have non-resident tax status.

If you live outside of Canada, we will send an NR4 to you by the end of February each year. The NR4 shows the total amount of pension paid to you during the previous calendar year and the total tax deducted, if applicable. It is your official proof of income for income tax purposes.

If part of your pension is paid from the OMERS Retirement Compensation Arrangement (RCA), you will receive an additional T4A or NR4 tax form.

## IF YOU BECOME TERMINALLY ILL

If you become terminally ill – with a life expectancy of less than two years – you may be eligible to withdraw the cash value of your pension, even if it's locked-in.

To be eligible, you must:

- provide medical evidence supporting your claim of shortened life expectancy which must be approved by a medical doctor appointed by OMERS; and
- if you have an eligible spouse, obtain written consent from your spouse to withdraw the locked-in funds.

To apply for this benefit, send a completed and signed *Form 146 – Application for a shortened life expectancy benefit* to OMERS (available at [www.omers.com](http://www.omers.com)). Form 146 includes sections for your doctor and eligible spouse to complete.

Section 4

# SURVIVOR BENEFITS

Along with your disability pension, the OMERS Plan also offers excellent survivor benefits.

For more details and up-to-date information, visit [www.omers.com](http://www.omers.com).

## PLANNING AHEAD

There's no substitute for having your affairs in order. Letting your survivors know where all your important papers and documents are will save them additional stress should something happen to you. We can help with some of these preparations.

Send OMERS, in advance, photocopies of any documents that prove your relationship to your survivors – for example, your marriage certificate or documents that support your common-law relationship, and, if applicable, the birth certificates of your children. Sending us these documents gives us what we need to process any survivor benefits quickly.

Designate someone to contact OMERS immediately in the event of your death. That person can either write us a letter, or call OMERS Client Services.

We'll need to know:

- your name;
- your OMERS Plan reference number (or social insurance number);
- your date of death;
- whether you have a surviving spouse or eligible children; and
- the name and phone number of someone we can contact for more information.

## OMERS ORDER OF ENTITLEMENT

When an OMERS Plan member dies, survivor benefits are paid according to a specified order of entitlement that follows the provisions of the Ontario *Pension Benefits Act*. Your will cannot change this order, but it does help us to direct any benefit entitlement to your beneficiary or estate, if you do not have an eligible spouse or children.

# WHAT HAPPENS IF I DIE *AFTER* RETIREMENT?

Relationship to you	Type of benefit
1. Your <b>eligible spouse</b> is first in line for survivor benefits.	<p><b>Spousal pension</b> equal to:</p> <ul style="list-style-type: none"><li>• 66 <sup>2</sup>/<sub>3</sub>% of the lifetime pension (after the bridge benefit ends) you were receiving at the date of death; <i>plus</i></li><li>• a further 10% for each eligible child up to a total of 100% of your lifetime pension (paid to whoever has Guardianship of Property for the children).</li></ul> <p>This pension:</p> <ul style="list-style-type: none"><li>• is indexed to inflation;</li><li>• is guaranteed for life – it does not stop if your surviving spouse remarries;</li><li>• does not include the OMERS Plan bridge benefit; and</li><li>• does not include any pension for a period of credited service covered by both another plan of your employer and OMERS.</li></ul>
2. If you do not have an eligible spouse, we will pay a survivor pension to any <b>eligible dependent children</b> for as long as they qualify.	<p><b>Children's pension</b> equal to the greater of:</p> <ul style="list-style-type: none"><li>• 66 <sup>2</sup>/<sub>3</sub>% of the lifetime pension you were receiving at the date of death; or</li><li>• the survivor pension your spouse was receiving at their date of death, less any additional amount that was being paid for the eligible children.</li></ul> <p>This pension:</p> <ul style="list-style-type: none"><li>• is divided equally among your eligible children and is paid to each child (or to whomever has Guardianship of Property for the children). When a child is no longer eligible, we redistribute the pension among the remaining eligible children;</li><li>• is indexed to inflation;</li><li>• does not include the OMERS Plan bridge benefit; and</li><li>• does not include any pension for a period of credited service covered by both another plan of your employer and OMERS.</li></ul>

Relationship to you	Type of benefit
3. If you do not have an eligible spouse or children, <i>your</i> beneficiary on file with OMERS may be entitled to a residual refund.	<ul style="list-style-type: none"> <li>• The residual refund (minus income tax) is the total of your OMERS contributions with interest, minus any pension paid to you and/ or your survivors.</li> <li>• OMERS needs to have your beneficiary's name on file.</li> <li>• A person with Continuing Power of Attorney for Property cannot change your designated beneficiary.</li> </ul> <p><b>Note:</b> After five years of retirement, most members have received pension payments equal to their contributions plus interest, so there may not be a residual refund.</p>
4. If you have no beneficiary on file with OMERS, we will pay any residual refund to <i>your</i> estate.	See description in 3 (above).

## DEFINITIONS AND EXPLANATIONS

### Eligible spouse

The surviving spouse of a deceased member may be eligible for a benefit if he or she was either the legal spouse or the common-law spouse of the member.

### Legal spouse

OMERS considers a “legal spouse” to be one who is legally married to the member. OMERS will accept a legible photocopy of one of these documents as proof of a legal marriage:

- a marriage certificate; or
- a statutory declaration (or a signed letter from the place of worship where the marriage took place); or
- a sworn affidavit.

## **Common-law spouse**

OMERS considers a common-law spouse to be one who has lived together with the member in a conjugal relationship:

- continuously for a period of not less than three years; or
- in a relationship of some permanence if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act* (Ontario).

On and after April 23, 1998, OMERS considers a same-sex spouse to be eligible if the common-law or legal spouse criteria are met.

## **Proof of common-law relationship**

The surviving common-law spouse must make a statutory declaration or swear an affidavit before a Commissioner of Oaths (e.g., a lawyer, MPP, municipal or court official with authority to take affidavits).

The declaration has to address issues such as:

- Were you living together in a conjugal relationship, e.g., had a physical relationship, ate meals together, socialized as a couple, shared expenses, financially supported each other, etc.? Was the relationship to the exclusion of others? Was there any discussion of the possibility of future marriage?
- When did you begin to live together? Did this relationship continue until the member's date of death? Were there any breaks when you were not living together?

**Other documents** are required for proof of a common-law spouse and include:

- any pertinent birth certificates or formal adoption papers for children of the relationship;
- proof of joint charge and bank accounts, tax returns, home ownership, or jointly held property.



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### **Post-retirement – eligible spouse**

Determining the eligible spouse of a retired member is complex. The following outlines the order of entitlement for members whose pension started on or after January 1, 1988.

#### **Retirement-date spouse**

If the member had a legal or common-law spouse before the pension began to be paid, OMERS considers the surviving legal or common-law spouse at the date the pension began to be paid (i.e., retirement-date spouse) to be the eligible spouse if:

- he or she was not living separate and apart (see page 21) from the member on the date the pension began to be paid; and
- he or she has not waived rights to survivor benefits from the OMERS Plan.

If the retirement-date spouse and the member were living separate and apart (see below) at the date the pension began to be paid, he or she may still qualify as an eligible spouse if:

- he or she and the member were not divorced at the date of the member's death; and
- there is no eligible common-law spouse at the date of the member's death.

### **Living separate and apart**

Whether two persons are "living separate and apart" is often complicated to assess. It is a question of both fact and law and must be determined on a case-by-case basis. The determination may require the assistance of a lawyer.

In general, physical separation is usually, but not always, an indication that the two persons are living separate and apart. However, physical separation is not always conclusive. There must also be a mutual or unilateral intention for two persons to live separate and apart and end the marriage or common-law relationship. For example, a physical separation between two spouses caused by one of them living in a nursing home will not necessarily result in a determination that the spouses intended the marriage or common-law relationship to continue despite the physical barrier.

### **Post-retirement-date spouse**

If the member married (or remarried) or entered into a common-law relationship after their pension began to be paid, OMERS considers the surviving legal or common-law spouse at the date of death (i.e., post-retirement-date spouse) to be the eligible spouse if:

- there was no eligible retirement-date spouse; and
- the post-retirement-date spouse has not waived rights to survivor benefits from the OMERS Plan.

## Eligible dependent child

OMERS considers an eligible child to be:

- a natural child; or
- a legally adopted child; or
- a person whom a member has demonstrated a settled intention to treat as a child of his or her family (except under an arrangement where the child is placed for valuable consideration in a foster home, by a person having lawful custody).

At the time of the member's death the eligible child must be dependent on the member for support and:

- 18 years or younger in the year of the member's death; or
- under age 25\* and a full-time student; or
- totally disabled.

An eligible dependent child will receive a pension:

- up to the end of the calendar year in which they turn 18; or
- up to the month they turn 25\* if they are a full-time student (OMERS requires that they complete a *Form 155 – Declaration of full-time attendance at an educational institute*); or
- as long as they are totally disabled.

## Totally disabled child

OMERS considers a totally disabled child to be someone whose physical or mental disability:

- occurred before age 21 or occurred before age 25\* while a full-time student; and
- whose condition prevents self-support or doing any work for compensation or profit (except for an OMERS-approved rehabilitation or workshop program); and
- did not become disabled from a willfully self-inflicted injury, committing (or attempting to commit) an offence under the Criminal Code, or working in an unlawful occupation.

\*If the member died before January 1, 2005, the eligibility period ends at age 21.

## Entitled to a pension from another plan?

If you are entitled to a pension for a period of credited service that is covered by both another plan of your employer and the OMERS Plan, we will reduce your OMERS Plan pension by the amount payable from the other plan before we calculate your survivor's benefit.

## Naming a beneficiary

Some things to keep in mind when naming a beneficiary:

- If you have a spouse or child who isn't eligible to receive an OMERS Plan pension (for example, a common-law spouse you haven't been living with long enough or a child who's too old to qualify), you could name them as your beneficiary. This would entitle them to any available refund.
- If you name your grandchildren who are under age 18 as your beneficiaries, any refund would be payable to them in trust. Please specify their trustee in your will, or send us a copy of your trustee papers.
- You may name an institution as your beneficiary – for example, a church, charity, hospice, etc.
- If you don't designate a beneficiary, any available refund will be paid to your estate (and divided in accordance with your will or estate law).

## Keep in mind...

- Only *you* (the OMERS Plan member) can change your designated beneficiary. A survivor or a person with Continuing Power of Attorney for Property can't change your designated beneficiary.
- After five years of retirement, most members have received pension payments equal to their contributions plus interest, so there may not be a refund.









**Phone**

Monday to Friday, 8 a.m. to 5 p.m.

416-369-2444

1-800-387-0813

**Fax**

416-369-9704

1-877-369-9704

**Mail**

One University Ave.

Suite 800

Toronto ON M5J 2P1

**Email**

[client@omers.com](mailto:client@omers.com)

*(en français ou anglais)*

**Web**

[www.omers.com](http://www.omers.com)