

OMERS Primary Pension Plan Change Option to Negotiate NRA 60 for Paramedics

The following questions & answers reflect the Plan change at a high level. All members have a unique set of circumstances that could affect the outcome of converting their Normal Retirement Age (NRA) to 60.

For more detailed information on NRA 60, please refer to the March 2019 OMERS Q&A.

Who does the NRA 60 Plan change affect?

- Paramedics (and their employers)

When can NRA 60 for paramedics begin?

- January 1, 2021

How do paramedics change their NRA from NRA 65 to NRA 60?

- Collective bargaining (for unionized employees), and changes impacting non-unionized employees would be subject to the normal procedures for establishing a total compensation package. The employer will have to file a by-law with OMERS.

What are the NRA 60 contribution rates?

- 2019 NRA 60 Contribution Rates: 9.2% up to the CPP earnings limit and 15.8% over CPP earnings limit (Note: 2019 CPP earnings limit is \$57,400).

Can a member opt out if the employer establishes NRA 60 for paramedics?

- If an employer establishes NRA 60, **coverage will apply to all members of the class set out in the by-law** (including those who do not wish to convert, and those who may not benefit from converting to NRA 60).

What happens to a member's record if the employer decides to establish NRA 60?

- OMERS will reduce the credited service on the record (*service adjustment*) and send the member a cost to buy the service adjustment (*conversion cost*). The credited service is reduced because the member is now entitled to retire with a normal retirement pension five years earlier than if he or she had an NRA of 65.

Can a cost for the proposed class of members be received before a by-law is formalized?

- Upon request, OMERS can provide a total group conversion cost for the proposed class of members.

Does a member have to buy the service adjustment?

- No, this is optional. A member can buy none, some, or all of the service adjustment--but having more credited service on record entitles the member to a larger benefit.

How long does a member have to buy the service adjustment?

- The initial cost is valid for **6 months**. After the expiry, an updated costing can be requested--which could be higher or lower. The purchase must be completed while still an active member of the Plan.

Can the conversion cost decrease to zero?

- Eventually, yes. Initially, the cost will increase as the member approaches the age they become eligible for an unreduced NRA 60 pension. Typically, it will decrease and reduce to zero around the age of eligibility for an unreduced NRA 65 pension.

If a member buys the service adjustment now, can a refund be completed later?

- No, there is no refund option, even if the member continues to work to a point where the cost would have been reduced to below what the member paid for the service adjustment, or reduces to zero. Buying the service adjustment protects the benefit should anything unexpected (i.e. termination of employment or death) arise before the conversion cost starts to decrease.

Will a member be able to retire earlier if they convert to NRA 60?

- Yes, but individual circumstances might still mean a reduction to someone's benefit if they retire before age 60. A member may or may not have enough service to qualify for an unreduced pension.