



Municipal Retirees Organization Ontario

**PROTECTING THE PENSIONS AND ENHANCING THE QUALITY OF LIFE
FOR ALL OMERS PENSIONERS**

SUBMISSION

To

Standing Committee on Finance and Economic Affairs

2012/13 ONTARIO BUDGET and BILL 55, the Budget Measures Bill

Chair and Honourable Members:

On behalf of the Municipal Retirees Organization Ontario (MROO), working on behalf of all 118,000 OMERS pensioners, I would like to thank you for this opportunity to comment briefly on the proposed 2012/13 Ontario budget and specifically on Bill 55.

Health matters

Our organization recognizes the considerable straitjacket in which the Government of Ontario finds itself since the precipitous downturn in the economy of Western nations since 2008. We also acknowledge the contentions of the Drummond Commission that, due to runaway globalization, economic growth in Ontario is unlikely to rebound as it has in the past.

Against this backdrop, we are prepared to address the proposed minimal increases to health funding less harshly than we otherwise might.

Municipal Retirees Organization Ontario is very encouraged by the initiatives proposed in the budget to strengthen home care and community support services, chronic care programs, and the coordination of care for individual seniors. We do not minimize the difficult transition which these commitments will require; however, not only will these initiatives provide better care, they will ultimately provide better care at less expense.

Many commentators have sounded the alarm that, until these initiatives are fully in place, other aspects of the health care system will be seriously underfunded. The uncoordinated and sometimes inhumane rush to push seniors and those with chronic conditions out of hospital cannot be ignored. Home care and community support services cannot erase the need for long-term care facilities, and inadequate funding for long-term care facilities is already critical.

We share these concerns.

At the same time, the long journey toward adequate home care/community support services, chronic care programs and proper care coordination begins with a single step. That step is finally being taken.

Matters affecting Pensions and Retirement Income

The budget proposes that high-income seniors will pay a sliding-scale share of their Ontario Drug Benefit costs out of their income above \$100,000. Again, some commentators have suggested this is the “camel’s hoof” into the sacred tent of universal health care coverage. However, we note both that it affects a small proportion of Ontario’s seniors and that the government has also taken other important measures to reduce the cost of pharmaceuticals.

Municipal Retirees Ontario appreciates Schedules 50 and 51 to Bill 55. These schedules at long last recognize that retirees – far from being “former members” of a pension plan – are a central and active class of pension plan member. Retirees can and should play an important role in pension plan governance, as our organization does for the OMERS plan.

We also appreciate Schedule 53, which strengthens the authority of the Superintendent of Financial Services to require disclosure of pension information to plan members, including retired members. While OMERS is a best-practice model of disclosure and communication to retirees, many retired members of private-sector pension plans are far less fortunate.

The budget proposes to consolidate the management of small public-sector pension plans, since solid evidence shows that large plans can make more diversified investments and obtain better returns. A consultation officer has already been appointed to seek input from stakeholders. Municipal Retirees Organization Ontario expects to have input through this channel.

Suffice it here to say that we support this direction in principle, with certain provisos:

- The concept of a new Ontario pension management organization simply for small funds has no allure whatsoever
- Management of small funds by one or more of the existing large Ontario public-sector plans makes sense, provided that OMERS has a fair opportunity through this process to expand its funds under management
- Professor Harry Arthurs made the recommendation more broadly that all small pension funds, including those in the private sector, should be encouraged to consolidate their management, probably by contracting with existing large plans - one of which would be OMERS. In light of the unremitting attacks on traditional defined-benefit pension plans, we encourage the government to review Professor Arthurs' thoughts on this matter.

The budget reiterates the Ontario Government's commitment to an expansion of the Canada Pension Plan and continues to question the efficacy of the federal government's Pooled Registered Pension Plan concept as a solution for inadequate retirement incomes. Municipal Retirees Ontario has consistently taken the position that, in a world where 60% of Canadians have no workplace pension other than the CPP, the expansion of the CPP is the only sure-fire way to preserve a dignified retirement for our children and grandchildren.

Thank you again for the opportunity to comment.

William Harford, President,

Municipal Retirees Organization Ontario

mroo@istar.ca

905-623-8440

Municipal Retirees Organization Ontario

Protecting the Pensions and Enhancing the Quality of Life for all OMERS Pensioners

Our Purpose

The Municipal Retirees Organization Ontario (MROO) was created as a not-for-profit corporation in 1977. All recipients of an Ontario Municipal Employees Retirement System (OMERS) pension are eligible to join. MROO has more than 14,000 members, all across Ontario. We are an independent, non-partisan organization formed to voice the interests of all OMERS retirees to OMERS and to governments at all levels, and to provide such other services as will improve the lot of our members.

Our Membership

Our members include retirees from union, non-union, and management backgrounds in municipalities, police forces, fire departments, libraries, hydro commissions, school boards, health units, and other employers in the OMERS pension plan. Our Board consists of nine directors, all OMERS pensioners, one from each of nine zones across the province.

MROO is the largest OMERS retiree organization, and the only one with membership open to retirees from all walks of local government life.

Our Programs and Priorities

For 27 years MROO has sponsored health, dental, life, home and auto insurance plans designed by and for OMERS retirees. We offer scholarships to members' grandchildren as they enter second year of university or community college. We communicate to our members via printed newsletters three times yearly, and welcome over 1200 members to annual meetings in each zone.

Our current priorities focus on

- The governance and viability of the OMERS pension plan
- The adequacy and security of retirement income for Ontarians
- Public policies and programs that enable Ontario seniors to live independently in dignity as long as they can feasibly do so

MROO has a credible record of responsible advocacy and service to our members, and has direct communication with more than 14,000 pensioners across Ontario.