

Robert Poirier  
Special Advisor  
OMERS Governance Review  
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**BY EMAIL**

July 17, 2025

Dear Mr. Poirier,

Thank you for the opportunity to meet with you to share our perspective and concerns. We wish you success in completing the mandate you have been given by the Government of Ontario.

**CIPPs perspective on the challenges facing OMERS**

The Civic Institute of Professional Personnel (CIPP) is the bargaining agent for professionals working for the City of Ottawa and Ottawa Community Housing. Our members include, engineers, Public Health Nurses, planners, paramedics, IT professionals, and financial administrators among others.

Since their pension is a critically important component of their compensation package, CIPP members care deeply about OMERS. They depend on these deferred wages for their well-earned retirement.

Unfortunately, OMERS and their pension feels beyond our member's control. Their pension is not part of the collective agreement that they bargain for and OMERS has increasingly acted as an adversary rather than an organization that they have a stake in and whose sole purpose is to support them in their retirement.

In 2019, CIPP wrote to OMERS to oppose the proposed governance changes that "would drastically reduce the accountability of the appointees on the SC Board to their constituent bodies and make joint control of the plan effectively meaningless."

At that time, we added that "(d)espite the crucial importance of these changes, they are being rushed to a vote without disclosing the details of the proposed changes to stakeholders or providing an opportunity for meaningful consultation... (T)his represents the second time in as many years that OMERS has instigated a governance crisis, and it is clear that these proposals are an attempt to achieve by stealth what OMERS members fiercely opposed only one year ago. To us, this is further proof that joint control and accountability of the plan needs to be strengthened not eroded."

We suggested further that "just because CIPP is not represented on the (Sponsors Corporation) Board does not mean that its members have second-class status in OMERS. They have the right to be heard on issues regarding their pension plan."

In March 2020 we urged OMERS not to implement Shared Risk Indexing (SRI) and opposed the decision to push ahead with changes to the plan that would eliminate the original and longstanding guarantee of inflation protection for retirees. And after our members as well as the overwhelming

majority of OMERS members were ignored, we called on the Sponsors Corporation (SC) Board to act responsibly and respect OMERS members by placing guardrails around the implementation of SRI.

After hearing more deep concern and a growing lack of confidence in OMERS from our members in the fall of 2021, we joined five other stakeholder and sponsor organizations representing more than 50% of plan members in calling for an independent review of OMERS investment strategies and returns.

In 2020 and 2021, these representations by CIPP members and others were systematically ignored.

Then in 2023, hundreds of our members wrote to Ottawa's Mayor Mark Sutcliffe to ask him to stand with them in opposing proposed measures at OMERS that would negatively impact their hard-earned retirement security.

### **Performance and results are linked to governance**

CIPP has always been clear about the underlying relationship between governance and accountability at OMERS and the pension plans' performance and results. Whether it is investment performance, service to members, executive compensation, or shared risk indexing, the important questions to be posed are how and why are these decisions being made? And who benefits?

From CIPP's perspective, the ongoing mutation of OMERS' intended governance model is the fundamental problem. The effective abandonment of the key principles and components of the Jointly Sponsored Pension Plan (JSPP) model is putting our members' retirement at risk. Our members' interests are best protected in an environment where bargaining agent representatives who are accountable to their organizations and their memberships are in a position to bring those interests to the table and advocate and bargain to achieve results on their behalf.

CIPP believes that there is a deepening democratic deficit at OMERS, and it is time to reverse course. Ironically, rather than being a source of concern, it appears to be a point of pride for OMERS management and leadership that the SC Board is not effectively representing the interests of sponsors. It is our general impression that recent changes to the governance model at OMERS have been used to create a highly protected, and excessively remunerated "safe space" for corporate leadership where their accountability is limited by a very particular and overly corporate interpretation of the bicameral model for a JSPP.

### **What does this mean for OMERS governance going forward?**

CIPP does not believe that the solution lies in changing the composition of the SC but rather that OMERS should return to its prior, less corporate and more representative and therefore more democratic, approach to governance.

Changing the formula for representation at the SC Board table is, at best, a distraction from the problem and, at worst, risks making a bad situation worse.

A far too broad corporate definition of fiduciary responsibility has been applied to the SC Board, and it has broken the chain of accountability between OMERS members and their representatives on the SC. This is undermining the credibility of the SC and of OMERS as a whole even among stakeholders such as CIPP that are not directly represented on that Board. Worse still, it has removed the essential checks and balances that the governance model was originally designed to deliver.

While OMERS has, in recent years, invested in stakeholder relations, this approach was clearly designed to fit with governance practices that were detaching OMERS leadership from the members.

CIPP members don't benefit from stakeholder relations that are used as a means of control or even to "divide and conquer" stakeholders and limit debate and discussion. The problem is not simply that OMERS does not communicate enough, but also how they communicate. And this problematic approach to communication – information sharing and consultation – has become part of an organizational culture that is, in turn, rooted in weak and unaccountable governance practices.

Instead, we believe that CIPP and all OMERS stakeholders would benefit greatly from a governance practice that provides for and supports a broader space for stakeholders and sponsors representing members to share information and engage with each other, to reinforce their ability to advocate on behalf of and represent their members and their interests.

CIPP believes that the way forward for OMERS governance is to return to the practices that were designed for the bicameral Jointly Sponsored Pension Plan (JSPP) model. This respects union members' fundamental right to have their interests represented and advocated for **and** has been proven to deliver better results – at other JSPPs and in the past at OMERS.

No legislative changes are required to reinstate this bargaining model at the OMERS SC Board with adjustments to ensure that all stakeholders – not only sponsors – are treated appropriately. Given the challenge that OMERS faces to transform its organizational culture and practices, some form of reporting and evaluation mechanism to ensure that the necessary change is taking place is advisable.

Once again, thank you for meeting with us and thank you for your contribution to this important process.

Sincerely,



Peter Bleyer  
Executive Director  
Civic Institute of Professional Personnel (CIPP)