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**THE REGION: Public-sector pension funds overflowing with \$12-billion surplus**

# Taxpayers get break from pension surplus

**Extra money headed to provincial coffers**

BY RICK VANDERLINDE  
STAFF WRITER

York Region's public-sector employers are tapping into an unexpected revenue source — their employees' overflowing pension funds.

And taxpayers, as well as public-sector workers, will benefit.

Three pension funds, used by

municipal workers, hospital employees and teachers, are bursting with a combined surplus of \$12 billion.

Some of that extra money will end up in the coffers of the province, as well as Ontario's hospitals and municipalities.

It's the \$30-billion municipal pension plan — the Ontario Municipal Employees System — that will have the most direct impact on taxpayers.

A one-year, \$900-million break on pension contributions means employ-

ers who pay into OMERS will receive more take-home pay.

But it also means the Region of York and its nine municipalities will receive much-needed cash.

In the case of Newmarket, the municipality will gain about \$200,000, while its 214 employees, who pay into the fund will see their pay increase by at least \$40 a week.

Although the \$200,000 represents a small percentage of the town's \$50-million budget, it's money the town will put to good use.

"I don't think council will have any difficulty finding a use for it," deputy treasurer Allan Evelyn said.

With about 2,000 employees, including the police department, the Region of York is expected to see a windfall of nearly \$2 million.

CUPE member Doug Sheppard, a regional employee, said municipal pension surpluses in the past were used to create early retirement packages.

But this time, the program decided to help existing employees and their public-sector employees.

The Hospitals of Ontario Pension Plan, with assets of \$14 billion, announced it would do the same last Thursday, by giving hospitals and employees a \$600-million break over the next three years.

York County Hospital president Dan Carriere said the news is "almost too good to be true."

"This will be a big plus for us," he said. "It's huge."

Carriere estimates the Newmarket hospital will save more than \$1 million on pension contributions for its 1,200 employees.

Municipal employees and health workers aren't the only public-sector employees to see their pension plans blossom this year.

And hospital staff who pay into the fund will gain the equivalent of a 2 to 3-per-cent pay hike.

Carriere said the money — about \$300,000 this year — could be used to offset the hospital's 5.8-per-cent deficit, or be put toward new programs.

The only fear is the province will treat the money as new and adjust its funding.

"But I've heard that won't happen," he said. "They won't be jumping on this as a new source of revenue."

York County received more good news the next day, when the Health Ministry issued a \$1.9-million cheque to handle growth.

Municipal employees and health workers aren't the only public-sector employees to see their pension plans blossom this year.

The \$55-billion Ontario Teachers Pension Plan, the single biggest employee plan in Canada, agreed last April to apply a \$10-billion surplus toward a generous new early retirement package for up to 18,000 teachers.

It also saves the provincial government money by allowing school boards to hire younger teachers, who are paid less than their older, more experienced colleagues.

## Information line phone number

The telephone number of the Town of Markham's 24-hour information service is 415-7500.

The new service will let residents call for information about upcoming committee and council meetings as well as events at Markham Theatre, the Frederick Horsman Varley Art Gallery, and Markham Museum.

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