

SUBJECT: Council Remuneration
TO: Committee of the Whole
FROM: Human Resources
N/A

Report Number: HRS-02-25
Wards Affected: not applicable
Date to Committee: January 13, 2025
Date to Council: January 28, 2025

Recommendation

That Council vote to decide whether or not to amend Mayor and Council remuneration to provide a payment-in-lieu to a Mayor or Members of Council who are 71 years of age and older, equal to the amount that the City contributes to OMERS for a Mayor or Members of Council who are 70 years of age and under as outlined in human resources report HRS-02-25; and

That if Council decides to amend Mayor and Council remuneration to provide a payment-in-lieu of the City's OMERS contribution for a Mayor or Members of Council who are 71 years of age and older, that Council identify the effective date of the change to Mayor and Council remuneration.

Executive Summary

Purpose of report:

This Report is a follow-up to Report HR-09-24, and provides information related to OMERS remuneration for Mayor and Council members in order for Council to make an informed decision.

Key findings:

December 10, 2024 - Council voted to repeal By-law No. 129-2006, a by-law requiring that the Mayor and Members of Council remuneration be determined in accordance with Council resolutions accepting recommendations of the Remuneration Committee, in

order to permit Council to consider amending OMERS-related remuneration for Mayor and Council members that are 71 years of age or older.

Implications:

- On a move forward basis, any payments-in-lieu of OMERS employer contributions, paid directly to members aged 71 or older, would not be higher than approved budgeted amounts for Mayor and Council members, however if an effective date is selected prior to 2025, then any retro payments would be funded from the tax stabilization reserve.

Recommendation Report

Background

The City of Burlington is unable to make employer contributions to OMERS for Mayor and Council members over the age of 71, nor can these members continue to make employee contributions to OMERS as they are required by the Income Tax Act to start collecting their pension by December 1st of the year in which they reach age 71.

OMERS was not considered by Human Resources as part of the council remuneration age-related benefits review in 2022.

Compensation (including the eligibility for and availability of benefits plans), is determined by vote of the Council, in accordance with the Municipal Act. City staff do not determine Council compensation.

Analysis

Pay-in-lieu of OMERS considerations:

- Mayor and Council who meet the age eligibility requirements must be enrolled in OMERS as soon as they are sworn in. (Appendix A - By-Law Number 4337)
- Eligible Mayor and Council members do not have the option to opt out of OMERS, they must stay enrolled while they remain an elected official and pay contributions.
- Once a member turns 71, all OMERS employer and employee contributions must stop and the member must start to collect their pension.
- As per the Municipal Act, Mayor and Council are responsible for approving their remuneration, inclusive of benefits.
- Annually Halton Region informs the City's Human Resources department the amount to pay Mayor and Council for the Region-specific portion of their salary.
- Each term, Mayor and Council decide the City's portion of their salary, based on the recommendations made by the Council Remuneration Review Working Group.
- Below is a table showing regular Council member annual OMERS contributions:

2024 OMERS Contributions for Council members under 65:

| Total Employer Contributions | Total Council Member Contributions |
|------------------------------|------------------------------------|
| \$14,335.42 | \$14,335.42 |
| | |

- Pay-in-lieu of the employer OMERS contribution to Council members, over the age of 71, would result in a higher gross salary as pay-in-lieu is considered taxable income and processed accordingly. These members would also have a higher net salary because they are unable to contribute the employee portion to OMERS (i.e.: \$14,335.42). Additionally, they would be receiving their pensions from OMERS. The table below shows an example of the amount that could be considered for pay-in-lieu of OMERS employer contributions, exclusive to the City:

*2024 OMERS Employer Contributions:

| Total OMERS Employer Contribution | *City of Burlington portion for pay-in-lieu consideration | Halton Region portion |
|-----------------------------------|---|-----------------------|
| \$14,335.42 | \$7,875.98 (less EHT) | \$6,459.44 |

Important: Only the City of Burlington portion of the OMERS-employer contributions less applicable taxes, could be considered for a pay-in-lieu remuneration option.

Recommendation Details

Mayor and Council to vote to determine whether or not to pay Mayor and Council members, over the age of 71, a payment in-lieu of the OMERS employer contribution amount, exclusive to the City of Burlington portion, less applicable taxes.

Key Dates & Milestones

If Council decides to amend OMERS-related remuneration for members over the age of 71, an effective date for this change would also need to be determined.

Implications

- Any payments-in-lieu of OMERS contributions, paid directly to members aged 71 or older, would not be higher than what is budgeted by the City for Mayor and Council members.
- If an OMERS pay-in-lieu remuneration amendment is approved on a move forward basis, then the funding would come from the regular Mayor and Council operational budgets for OMERS. If an effective date is selected prior to 2025, then any retro payments would be funded from the tax stabilization reserve.
- Making payments-in-lieu of OMERS-employer contributions to members 71 years of age and older is not a normative practice for municipalities.

References

- [Report HR-09-24](#)
 - [Report F-17-22](#)
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Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
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Appendices:

Appendix A - By-Law Number 4337, a by-law to authorize participation by the municipality in OMERS in respect of its councillors.

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Commissioner, the Chief Financial Officer, and the Commissioner of Legal Services and Legislative Services/City Solicitor.