

# Pension

## CONNECTION

## Your OPTrust pension to increase by 1.4% in 2011

**Starting January 2011, your OPTrust pension will increase by 1.4%. The annual increase applies to all OPTrust pensioners, survivor pensions and to the deferred pensions of former and divested OPTrust members.**

Every January, OPTrust pensions are adjusted for the increase in the cost of living, as measured by the Consumer Price Index (CPI), and reported by Statistics Canada. The result is protection for the buying power of your pension – and security for the future.

The CPI used by OPTrust reflects the cost of a weighted basket of over 600 goods and services that are typically purchased by Canadian consumers every month. These

weights ensure that a 10% price increase in rent, for example, would have a greater impact on the index than a 10% increase in the price of milk.

### How your annual adjustment is calculated

OPTrust's annual adjustment is calculated using the average CPI for the two 12 month periods ending the preceding September.

Average CPI for October 2009 to September 2010 = **115.8**

Average CPI for October 2008 to September 2009 = **114.2**

2011 OPTrust  
Inflation Adjustment  
**1.4%**



### Consumer Price Index

The Consumer Price Index (CPI) is a measure of price movements, issued by Statistics Canada. The CPI is calculated by comparing the retail prices of a representative “shopping basket” of goods and services

at two different points in time. This “shopping basket” includes a range of goods and services including food, fuel, transportation, home energy and shelter. In the 12 month period to September 2010, prices increased in seven of the eight major components of CPI with the exception of clothing and footwear. For more information on the Consumer Price Index, visit the Statistics Canada website at [www.statcan.gc.ca](http://www.statcan.gc.ca).

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The maximum increase in any single year is 8%. Any increase above this level is carried forward, and applied in the next year when the adjustment is less than 8%.

You may have noticed that the annual inflation rate reported by Statistics Canada every year differs slightly from your OPTrust pension increase. Statistics Canada reports the CPI changes monthly, while your OPTrust pension increase is calculated using an average of the monthly changes for the full year. The Ontario Pension Board and the Ontario Teachers' Pension Plan use the same calculation.

### Lifetime protection

The inflation protection feature is designed to protect your pension during your lifetime. For example, Angela retired in December 2000 with a pension of \$22,084. In 2011, Angela's annual OPTrust is \$26,991 – a 22% increase since she retired.

Since OPTrust's inception, inflation adjustments have averaged 1.8%. To find out how much your own pension will increase in 2011, view your *Pensioner Information Change Statement* available through *Online Services* or in print in late January, 2011.

### Did you retire in 2010?

For OPTrust pensioners who retired in 2010, your inflation adjustment is pro-rated for the length of time you received a pension. For example, let's say John retired in June 2010, his pro-rated adjustment is calculated by the number of months he received a pension, divided by 12, times the 2011 increase.

$$6 \div 12 \times 1.4\% = 0.7\%$$

In January 2011, John's pension will increase by 0.7% to reflect the cost of living for six months. In the following years, the full CPI will be applied to John's OPTrust pension. ○

### Inflation Protection Overview

Year	Inflation Adjustment	Annual Pension
1995	0.6%	\$20,000
1996	1.6%	\$20,320
1997	1.6%	\$20,645
1998	1.9%	\$21,037
1999	0.9%	\$21,227
2000	1.5%	\$21,545
2001	2.5%	\$22,084
2002	3.0%	\$22,746
2003	1.6%	\$23,110
2004	3.3%	\$23,873
2005	1.7%	\$24,279
2006	2.2%	\$24,813
2007	2.3%	\$25,384
2008	1.8%	\$25,840
2009	2.5%	\$26,486
2010	0.5%	\$26,618
2011	1.4%	\$26,991

Using a \$20,000 pension as a starting point, this chart tracks the inflation protection increases since OPTrust's inception in 1995. The "annual pension" amounts do not reflect CPP integration which goes into effect when a pensioner turns 65.

## Celebrating our **25,000<sup>th</sup>** pensioner!

Congratulations to **Shantha Dissanayake** who became OPTrust's 25,000<sup>th</sup> pensioner earlier this year. OPTrust's pensioner population has grown by an average of 5.75% per year during the last 10 years. Today, over 26,000 retirees count on an OPTrust pension in retirement.

Shantha Dissanayake receives a Cadillac Fairview gift certificate. ○

# Membership gives OPTrust high ratings in survey

In September 2010, OPTrust conducted a telephone survey with a random sample of 400 pensioners and members to gather their feedback on our communications program, service delivery, satisfaction with OPTrust and a general understanding of the pension plan.



The survey showed that pensioners and members gave OPTrust high ratings in delivering service and communications to meet their individual needs.

## Some of the research findings include:

- Pensioners rated OPTrust's communications program **8.6/10**. Members rated the program **8.1/10**.
- Satisfaction with our phone and e-mail services is high at **8.9/10** and **8.8/10**, respectively. What's more, **98%** of pensioners reported that when contacting OPTrust by phone their issue was resolved generally with the first phone call.
- With pensioners and members increasingly turning to the OPTrust website for information and pension transactions, we found that a third of pensioners and two-thirds of members visit our website regularly – this has more than doubled over the last seven years. Pensioners gave the website an **8.6/10** rating.
- **77%** of pensioners agree that OPTrust communicates well – whether it's changes to your pension plan, annual investment results or your retirement options.
- OPTrust looked at readership statistics of the *Pension Connection* and our annual highlights report included in the newsletter every spring. Pensioners said that the newsletter helps them feel connected to the pension plan.
- In surveying pensioners' awareness of OPTrust's key materials **80%** of pensioners are aware of *Pension Connection* and **70%** are familiar with our booklet *Your Pension during Retirement*.
- Six out of 10 pensioners said it is very important to provide the annual highlights report each year, with a strong interest in the Plan's investment performance from year to year.
- More than half of pensioners believe that OPTrust is friendly and approachable.
- Lastly, our research shows that you have confidence in your pension plan to provide you with a secure pension in retirement.

Going forward, OPTrust will continue to look at opportunities to deliver the high level of service and communications you've come to expect from us. At the same time, we'll enhance our wide-range of communication materials and expand our electronic communications to give you relevant and timely information when you need it. ○

## Coming soon: Your Pensioner Information Change Statement

Every January, OPTrust mails an updated *Pensioner Information Change Statement* (PICS) to each of our more than 26,000 pensioners. This year, your statement will be mailed by January 26, 2011.

Your January PICS will show how the 1.4% inflation increase for 2011 will affect your monthly pension payment from OPTrust.

In addition, your PICS provides detailed information about your pension including your:

- federal and provincial TD1 personal tax credit amounts
- spousal information on record
- basic life insurance amount, if applicable
- monthly income tax deductions.

## Download your online PICS

You can also check your PICS each month through OPTrust's secure *Online Services* – it is available every pay date. To view your PICS, sign in to your secure account or register by visiting our website at [www.optrust.com](http://www.optrust.com).



# Reminder: 2009 Great-West Life claims

The deadline for submitting any 2009 Great-West Life (GWL) claim forms is coming up fast. If you have any 2009 claims that you have not sent already, they must be received by GWL on or before **December 31, 2010**. This deadline applies to all dental, medical, vision, hearing and prescription drug claims for the 2009 calendar year.

Send your claims to:  
**Great-West Life Health and Dental Claims**  
P.O. Box 4076, Station A  
Toronto, ON M5W 3A3

**Important:** Please do not send your claim to OPTrust because we cannot guarantee it will arrive at GWL before the deadline.



The forms are available from Great-West Life at **1-800-874-5899** or **416-440-0406** or **www.greatwestlife.com**.

You can also view your claim submissions online by using GroupNet, GWL's online service for members. If you have any questions, please contact GWL. ○

## You Asked...

**Question:** How do I change or update my banking information?

**Answer:** To ensure your change is made without delay, we recommend you update your banking information online by registering for OPTrust's secure *Online Services*. You may also provide us with a void cheque for your new financial institution or bank account. To protect your privacy, we cannot accept bank changes over the phone or by e-mail.



**Question:** I'm moving to Arizona next year. Can my OPTrust pension be deposited to a U.S. bank account?

**Answer:** Yes. OPTrust offers direct deposit to U.S. bank accounts, too. Once you open your new account you can update your banking information through your secure *Online Services* account or by providing us with a void cheque with your new banking information.



**Question:** When are the 2010 T4A tax slips mailed?

**Answer:** Every year we mail the pensioner tax slips during the second week of February. Pensioners also have the option to view and print their T4A tax slip online through our secure *Online Services*.



**Question:** Why is the amount on my T4A tax slip different from the amount I receive in the bank?

**Answer:** The T4A income reported is your gross income – the amount before deductions. It represents your taxable income. The amount you receive each month in your bank account is your net income, or the amount of pension payable to you after deductions. Deductions from your gross pension amount may include items such as income tax, premiums for Great-West Life, supplementary life insurance, or family support payments. **Note:** *Deductions for GO Transit pensioners are slightly different.*



# Facts about... pension income splitting

**P**ension income splitting may be a way to earn a tax savings depending on your eligibility. It was introduced by the federal government in 2007 to allow eligible spouses and common-law partners to equalize their income by allocating up to 50% of their pension income on their income tax return.

## Pension income splitting is something you may want to consider if:

- you or your spouse is in a higher tax bracket
- your spouse is not fully using the pension credit amount
- the spouse transferring the pension income amount is affected by social benefits repayment or a reduced age credit amount.



## Do you qualify to split your pension income?

You and your spouse or common-law partner can split your eligible pension income if:

- you are married or in a common-law relationship
- you are both residents in Canada on December 31st of the tax year
- you received pension income in the year that qualifies for the pension income amount.

Eligible pension income can only be split between you and your spouse or common-law partner.

## What is eligible pension income?

Eligible pension income is generally the total of the following amounts:

- the taxable part of life annuity payments from a superannuation or pension fund or plan; and
- if they are received as a result of the death of a spouse or common-law partner, or if the pensioner is age 65 or older at the end of the year:
  - annuity and registered retirement income fund (including life income fund) payments; and
  - registered retirement savings plan annuity payments.

**Note:** Old Age Security or Canada Pension Plan benefits are not eligible for income splitting.

## How do you split your pension income?

You and your spouse or common-law partner must complete a Joint Election to Split Pension Income Form T1032 and submit it with your 2010 income tax return to the Canada Revenue Agency (CRA). The form is available on their website.

## Only one joint election can be made for a tax year.

Between you and your spouse or common-law partner, if both have eligible pension income, you will have to decide which one of you will split his or her pension income.

If you are interested in splitting your pension income, you may wish to speak to a financial advisor or tax consultant.

For more information, visit the Canada Revenue Agency website at [www.cra.arc.gc.ca](http://www.cra.arc.gc.ca).



# New Chair and Vice-Chair

**OPTrust's Board of Trustees has named Maurice Gabay as its new Chair and Scott Campbell as the Vice-Chair.**



**Maurice Gabay, Chair**



**Scott Campbell, Vice-Chair**

**Maurice Gabay**, who recently served as Vice-Chair, was re-appointed to the Board in 2008 having previously served as Trustee from 2005 to 2007. He is a senior member of OPSEU's staff, serving as the union's accountant. Gabay replaces Tony Ross who served as the Board's Chair since 2008 and Vice-Chair from 2006 to 2008 during his 10 years as a Trustee.

**Scott Campbell** joined the Board of Trustees in 2009. With a career spanning 30 years in the Ontario Public Service (OPS), Campbell was the first Corporate Chief Information Officer (CIO) for the Government of Ontario. He runs his own information technology firm.

As sponsors, the Government of Ontario and the Ontario Public Service Employees Union (OPSEU) each appoint five Trustees to the OPTrust Board. One Government appointee and one OPSEU appointee fill the positions of Chair and Vice-Chair, with the roles alternating between Government and OPSEU appointees every two years. ○

## Your 2011 pension pay dates

**Mark your calendars. Your OPTrust pension will be paid on the following dates in 2011:**

- Wednesday, January 26
- Thursday, February 24
- Friday, March 25
- Tuesday, April 26
- Thursday, May 26
- Friday, June 24
- Tuesday, July 26
- Friday, August 26
- Monday, September 26
- Wednesday, October 26
- Friday, November 25\*\*
- Monday, December 19

\*\* Retirees with a U.S. bank account may experience a delay due to the Thanksgiving statutory holiday which falls on the pay date.



### NEW RETIREES

New retirees receive their first pension payment in the month **following** their retirement. So, if you retired on December 31st, you can expect your first payment as an OPTrust pensioner on January 26th. ○

# Retiree profile: Barbara Kelly

**A**t age 70, Barbara Kelly has no plans of slowing down. Retired for 15 years Kelly says that retirement has given her the flexibility to volunteer and give back in different communities, whether it's northern Ontario or in the South Pacific where she currently resides.

After retiring from the provincial government, Kelly first volunteered as an outpost nurse at a nursing station in Deer Lake, Ontario, a First Nations community in Northern Ontario for a couple of years.

She and her husband Patrick then switched gears and opened a bed and breakfast in Collingwood before settling near London, Ontario to be closer to their grandchildren.

When an opportunity came up through their church to volunteer abroad, Kelly and her husband were excited to relocate to Samoa in the South Pacific. They work as healthcare service providers teaching preventative health practices in the community and providing nursing services to other volunteers working throughout the islands.

In 2009, a tsunami hit the island destroying homes and beach front properties prompting Kelly and her husband to pitch in and help rebuild. Once their mission in Samoa is over, Kelly and her husband would like to continue their adventure and volunteer in another developing country.

*"We would not be able to live abroad and volunteer without my OPTrust pension which gives us added security. We are just as busy now as when we were working, but we love every minute of this adventure," says Kelly. Her advice to other retirees is to "enjoy life to the fullest." ○*



## Plan ahead for your 2010 taxes

OPTrust will mail your T4A tax slip in February 2011. If you want to get a head start on filing your taxes register for OPTrust's secure *Online Services*. You can then download your T4A weeks in advance of the printed version being mailed.

To register for OPTrust's secure *Online Services* you'll need your OPTrust ID. Then visit our website at [www.optrust.com](http://www.optrust.com). When your T4A is available online, we will send you an e-mail notice.



# 2011 government benefit rates

Like most OPTrust pensioners, you may qualify for government benefits in retirement.

## Canada Pension Plan

The Canada Pension Plan (CPP) pension is a monthly benefit paid to people who have contributed to CPP during their working years. The maximum monthly CPP retirement pension payment at age 65 in 2011 is \$960.00.

## Old Age Security

For the first quarter in 2011 (January to March), the maximum monthly Old Age Security (OAS) pension is \$524.23. OAS benefits are paid monthly to Canadians 65 and older. The payment is indexed quarterly.

For more information or to apply for your government benefits visit the Service Canada website at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or by phone at 1-800-277-9914. ○

## Moving? Keep us in the loop!

If you are planning to move soon, don't forget to give OPTrust your new mailing address, phone number, e-mail and banking information. That way we can continue to send you important information about your OPTrust pension.

### You can update your new information by:

- signing-in to your secure *Online Services* account to make the change or
- completing a *Personal Information Change Request* form and returning it to OPTrust. ○

## Pension CONNECTION

*Pension Connection* is a newsletter for pensioners of the OPSEU Pension Trust. Its goal is to provide useful and timely information about the OPSEU Pension Plan.

If there is any conflict between statements in this newsletter and the legal documents of the OPSEU Pension Plan, the legal documents will prevail. Please direct any questions about your personal benefits under the Plan to OPTrust. You should contact OPTrust before making any pension-related decisions.

If you have any questions or comments, please contact us.

## How to Reach Us

### OPSEU Pension Trust

1 Adelaide Street East, Suite 1200  
Toronto, ON M5C 3A7

### Member and Pensioner Services

Tel: 416-681-6100 in Toronto  
1-800-637-0024 toll-free in Canada  
Fax: 416-681-6175

[www.optrust.com](http://www.optrust.com) | [email@optrust.com](mailto:email@optrust.com)



OPSEU Pension Trust    Fiducie du régime de retraite du SEFPO

Return undeliverable Canadian addresses to:

**OPSEU Pension Trust**  
1 Adelaide Street East  
Suite 1200  
Toronto, ON M5C 3A7

