

GOOD *to* KNOW

QUICK FACTS
ON TEMPORARY
PART-TIME WORK
ARRANGEMENTS

June 2022



Temporary Part-time Work Arrangements

Effective February 1, 2022, members of the OPSEU Pension Plan will earn full pension service if they enter into an arrangement with their employer to temporarily reduce their regular working hours. Members will also be able to buy back periods when they worked on a temporary part-time work arrangement in the past.

This will support members who participate in flexible working arrangements, such as job-sharing, so they can maximize their pension.

What is a temporary part-time work arrangement?

A temporary part-time work arrangement is a period of reduced work hours that meets all of the following criteria:

- You have switched from full-time hours to part-time hours or from your regular hours to reduced hours.
- The part-time work arrangement is temporary, not permanent, and has a start date and an anticipated end date.
- You and your employer have agreed to the terms of the temporary part-time work arrangement, including its duration.
- The conditions in the federal *Income Tax Act* are met. These include:
 - The 36-month minimum employment rule – you may only accrue full-time pension service for a period of reduced work hours if you have been employed with your employer for at least 36 months before the start of the arrangement. Please note that due to the COVID-19 pandemic, the federal government waived this requirement for arrangements that began in 2020 or 2021.
 - The five-year cumulative limit – the amount of pension service you can accrue during an unpaid leave and/or a period of reduced work hours with your employer is limited to a maximum of five years with an additional three years for pregnancy/parental leaves.

Temporary layoffs, workplace suspensions, periods of disability and permanent changes in work hours do not qualify as temporary part-time work arrangements.

Paying pensions today, preserving pensions for tomorrow.



Temporary part-time work arrangements that begin on or after February 1, 2022

Contributing during a temporary part-time work arrangement

If you enter into a temporary part-time work arrangement on or after February 1, 2022, you and your employer must complete the *Temporary part-time work arrangement contribution/buyback application (OPTrust 1030)* form.

If you elect to continue making pension contributions based on your regular work hours your employer will match your contributions and you will earn full pension service during the arrangement. If you elect to contribute only on the reduced hours you work, you will not earn full pension service during the arrangement, but you can apply to buy back the pension service for the hours you did not work after the arrangement ends.

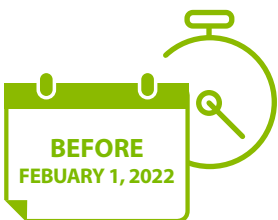
Please note that if you and your employer do not complete the OPTrust 1030 form and submit it to OPTrust, you and your employer will be required to make pension contributions based on your regular work hours. You must make an election in writing if you wish to make contributions on your reduced hours only.

Buying back pension service after a temporary part-time work arrangement

If you would like to request a buyback quote from OPTrust when your temporary part-time work arrangement ends, you and your employer must complete the OPTrust 1030 form and submit it to OPTrust. If you apply for a buyback:

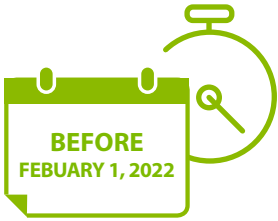
- **Within 24 months** of the end of the temporary part-time work arrangement, the cost will be based on the contribution rate during the arrangement and your salary rate when you apply. Your employer will match your contributions.
- **More than 24 months** after the temporary part-time work arrangement ends, the cost will be calculated on an actuarial basis and can be significantly higher. You are responsible for paying the full cost of an actuarial buyback, and your employer does not contribute.

If your temporary part-time work arrangement started before February 1, 2022, but ended or will end after February 1, 2022, these buyback rules will also apply to you.



24-month buyback window for temporary part-time work arrangements that occurred before February 1, 2022

If you were on a temporary part-time work arrangement with your employer that occurred before February 1, 2022, a special 24-month buyback window is available between February 1, 2022 and January 31, 2024 that will allow you to buy back pension service for the hours you did not work.



Applying within the 24-month window

If you apply to buy back pension service before February 1, 2024, the cost will be based on the contribution rate during the arrangement and your salary rate when you apply. Your employer will match your contributions.

Applying after the 24-month window closes

If you apply to buy back pension service after January 31, 2024, the cost will be calculated on an actuarial basis and can be significantly higher. You are responsible for paying the full cost of an actuarial buyback and your employer does not contribute.

Payment options for your buyback may include payroll deductions through your employer, online banking payments, a lump sum transfer from an RRSP or LIRA or any combination of these. If the cost is greater than \$500, you can arrange to finance your buyback with OPTrust for a period of up to 10 years, and interest charges will apply.



How to apply

1. Visit our website to obtain a copy of the *Temporary part-time work arrangement contribution/buyback application (OPTrust 1030)* form.
2. Fill out the member section in part 1 of the OPTrust 1030 form and then submit to your employer to complete part 2.
3. Ask your employer to submit the completed form to OPTrust. OPTrust will contact you with further details and payment options.



For more information please contact OPTrust

This information is a summary of certain benefits offered under the primary schedule of the OPSEU Pension Plan and is not applicable to OPTrust Select. All information is current as of the date of publication.

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