

# GOOD to KNOW

QUICK FACTS  
ON SURVIVOR  
BENEFITS AFTER  
RETIREMENT  
APRIL 2023



## Survivor Benefits After Retirement

The OPSEU Pension Plan provides valuable benefits for your survivors should you die after starting your pension. As a member, it is important that you keep your spousal information and beneficiary designations up to date with OPTrust so we can pay any survivor benefits in accordance with your wishes.

### Order in which survivor benefits are payable

For members who die after retirement, survivor benefits are payable in the following order:

1. Your spouse (if eligible)
2. Your eligible children
3. Your designated beneficiary(s), or
4. Your estate.

### Benefits to your spouse

Under pension law, your spouse at retirement is automatically entitled to survivor benefits when you die, regardless of any beneficiary you may designate, unless your spouse has waived their right to survivor benefits.

For pension purposes, a spouse is someone who you are married to or have been living with in a common-law relationship for at least three years, or a shorter period if you are in a relationship of some permanence and are the parents of a child. For your spouse to qualify for survivor benefits, you must not be living separate and apart when your pension starts.

If you do not have a spouse when your pension starts, or if your spouse at retirement dies, you may have the option to provide a new spouse with a lifetime survivor pension if you have no eligible children.

### Benefits to your eligible children

Survivor benefits are payable to your eligible children if you die without a spouse. Survivor benefits may also be payable to your eligible children after your spouse dies. An eligible child is:

- dependent on you or your spouse and under the age of 18, or is 18 or older and is in continuous full-time attendance at a secondary school or post-secondary institution for up to five years immediately following secondary school, or
- dependent on you or your spouse for financial support by reason of a severe and prolonged mental or physical disability on the date of your death and continuing thereafter until the earlier of the date the child dies or is no longer disabled.

### Benefits to your designated beneficiary(s)

If you die without a spouse or eligible children, any survivor benefits would be payable to the person(s) you designate as your beneficiary. If you name more than one beneficiary, survivor benefits will be divided equally among them.

A beneficiary can be any individual or any organization you wish to name to receive survivor benefits.

*Paying pensions today, preserving pensions for tomorrow.*



### Benefits to your estate

If you die without a spouse or eligible children and you do not have a beneficiary, any survivor benefits would be payable to your estate.



### What will my survivors receive?

#### Survivor pension for your spouse

If you have a spouse when your pension starts, after your death they are entitled to receive a survivor pension equal to 60% of your pension, payable for their lifetime.

You may have the option to increase the survivor pension for your spouse at retirement to an amount equal to 65%, 70% or 75% of your pension. In that case, we calculate the cost and permanently reduce your pension accordingly to pay for the increased survivor pension. Once your pension begins, your election to provide an increased survivor pension cannot be changed or cancelled, even if your spouse dies before you.

Your spouse remains entitled to a survivor pension even if your relationship ends after retirement unless your spouse makes arrangements to waive the survivor pension.

#### Post-retirement spouse

If you do not have a spouse when your pension starts, or if your spouse at retirement subsequently dies, you may have the option to provide a new spouse with a lifetime survivor pension (of 50%, 55%, 60%, 65%, 70% or 75% of your pension) by taking a permanent reduction to your pension to pay for the survivor pension.

If you are interested in providing a new spouse with a lifetime survivor pension, you should apply to OPTrust within 90 days of them meeting the definition of spouse, by submitting an Application for [Post-Retirement Spouse Survivor Pension \(OPTrust 1016R\) form](#) to OPTrust. If you submit an application after 90 days you will also need to include a [Certificate of Health \(OPTrust 1011\) form](#) completed by your physician certifying you are in good health.

The option to provide a survivor pension for a new spouse is not available to members who have separated from the spouse they had at retirement unless that spouse waives the survivor pension, or to members who have eligible children.

#### Survivor pension for your eligible children

If you don't have a spouse but you have an eligible child, a survivor pension equal to 60% of your pension is payable for as long as they are eligible. If you have more than one eligible child, the 60% survivor pension is split equally among them for as long as they qualify.

If your spouse is receiving a survivor pension and they are survived by your eligible child, the survivor pension will continue to be paid to them for as long as they are eligible. If you have more than one eligible child, the survivor pension is split equally among them for as long as they qualify. Income tax limits may apply.

#### Residual balance

Upon your death or the death of your survivors, whichever occurs later, a residual balance may be payable if the total of your contributions plus interest at your retirement date exceeds the total payments paid to you and your survivors. This residual balance is payable as a lump sum cash payment, less withholding tax, to your designated beneficiary(s), or to your estate if you do not have a beneficiary. After receiving your pension for a few years, the residual balance is usually exhausted.



## How do I update my information?

It is important to review and keep your spousal information and beneficiaries up to date with OPTrust to ensure that survivor benefits are paid according to your wishes. There are two ways to do this:

1. Log into your [Online Services](#) account and choose “My Spouse and My Beneficiaries” in the main menu and update your information.
2. If you do not have access to an Online Services account, you may submit a completed [Retiree Spousal Information and Beneficiary Designation \(OPTrust 1015R\) form](#) to OPTrust.

If you have a dependent child with a severe and prolonged disability who may be eligible for survivor benefits, please submit a completed [Disabled Child Information \(OPTrust 1065\) form](#) to notify OPTrust.

**NOTE:** Any beneficiary designations you make will revoke any previous designations you have made. We encourage you to designate beneficiaries using your Online Services account or OPTrust’s Spousal Information and Beneficiary Designation form so we can pay benefits directly to your beneficiaries without any unnecessary delays but if you choose to designate a beneficiary in a Will, please provide a copy to OPTrust.



## 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.

### How to Reach Us

#### OPTrust

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#### Member Experience

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