

GOOD to KNOW

QUICK FACTS
ON SURVIVOR
BENEFITS
BEFORE
RETIREMENT
JUNE 2021



Survivor Benefits Before Retirement

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

Order in which survivor benefits are payable

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

1. Your spouse
2. Your eligible children (for pension service before 1987)
3. Your designated beneficiary(s), or
4. Your estate.

Benefits to your spouse

Under pension law, your spouse 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 pre-retirement survivor benefits, you must not be living separate and apart at the time of your death.

If you and your common-law spouse do not have a child together, you must be living together continuously for three years before they qualify for a survivor benefit. If you want to ensure that your common-law spouse receives a survivor benefit in the event you die during this three-year period, you may designate them as a beneficiary. Once they meet the definition of spouse, it is a good idea to update your beneficiaries.

Benefits to your eligible child

Generally, for your children to receive any survivor benefits you would need to designate them as your beneficiaries. This applies to all pension service after 1986.

If you have pension service in the OPSEU Pension Plan before 1987 and you don't have a spouse, your eligible children may be entitled to a survivor pension as long as they remain eligible. This situation is now very rare.

An “eligible child” is dependent on you or your spouse and under the age of 18, or, if over the age of 17, is in continuous full-time attendance at a secondary school or post-secondary institution for up to five years following secondary school.

Benefits to your designated beneficiary(s)

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

What will my survivors receive?

Lump sum value of your pension

If you die before retirement, a lump sum amount equal to the value of your pension is payable. Your spouse is first in line for this payment, and they will have the option to receive this amount in the form of an immediate or future lifetime pension, or as a lump sum payment that can be transferred to an RRSP on a tax-sheltered basis or paid in cash less withholding tax.

If you do not have a spouse at the time of your death or your spouse has waived their entitlement to the survivor benefit, the lump sum amount is paid in cash, less withholding tax, to your designated beneficiary(s), or to your estate if you do not have a beneficiary.

Members with service before 1987

For any pension service you have before 1987, a 60% survivor pension is payable to your spouse or, if you don't have a spouse, then to any eligible children.

If you do not have a spouse or eligible children, a refund of your contributions before 1987 is payable to your beneficiary(s), or to your estate if you do not have a beneficiary.



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.

If you want your child(ren) or certain individuals to receive any survivor benefits in the event of your death, you may list them as beneficiaries using your [Online Services](#) account. If you do not have access to an Online Services account, you can name beneficiaries on the [Member Spousal Information and Beneficiary Designation](#) (OPTrust 1015) form.

NOTE: Any beneficiary designations you make in a Will may revoke and replace any beneficiary designations you made using your Online Services account or that you made on an OPTrust form that was signed and dated before you completed the Will, and vice versa. If you designate beneficiaries for your pension from OPTrust 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
1 Adelaide Street East, Suite 1200
Toronto, ON M5C 3A7

Member Experience
Tel: 416-681-6100 in Toronto
1-800-637-0024 toll-free in Canada

optrust.com | email@optrust.com

