

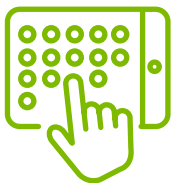
GOOD to KNOW

QUICK FACTS
ON COST OF
LIVING
ADJUSTMENTS FOR
YOUR PENSION
NOVEMBER 2023

Cost of Living Adjustment for Your Pension

Starting January 2024, your pension will **increase by 4.8%**. The annual cost of living adjustment (COLA) is applied to all pensioners, survivor pensions and to the deferred pensions of former and divested members.

Every January, pensions are adjusted for the increase in the cost of living, as measured by the Consumer Price Index (CPI), reported by Statistics Canada. This helps to protect your pension against the impact of inflation and to ensure it does not lose value over time.

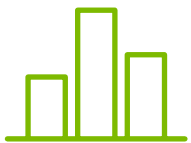


How Your Annual Adjustment is Calculated

OPTrust's annual COLA is calculated based on the change in the average monthly CPI between October and September for the previous two years. For example, the **2024 increase** was calculated as follows:

October 2022 to September 2023	<i>minus</i>	October 2021 to September 2022	=	$\frac{155.9 - 148.8}{148.8}$	=	4.8%
		October 2021 to September 2022		148.8		

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%.



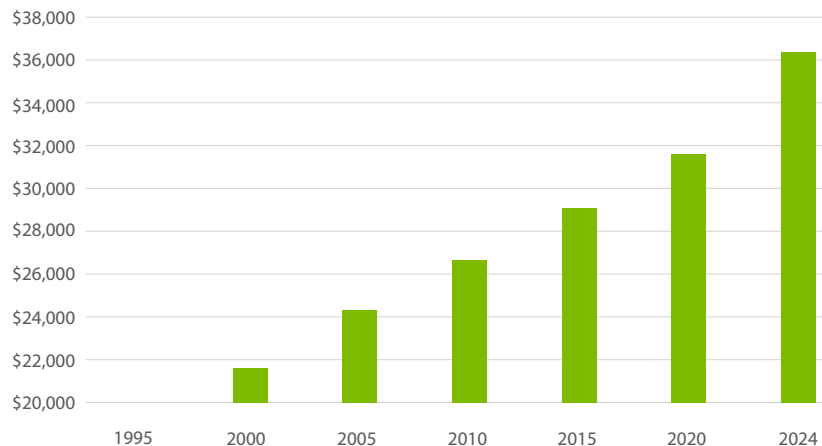
Consumer Price Index

The Consumer Price Index (CPI) is a measure produced by Statistics Canada that reflects the cost of a weighted basket of goods and services that are typically purchased by Canadian consumers every month. The CPI is widely used as an indicator of the change in the general level of consumer prices and the rate of inflation.

For more information on the Consumer Price Index, visit the Statistics Canada website at [statcan.gc.ca](https://www.statcan.gc.ca)



Lifetime Protection



Using a **\$20,000** pension as a starting point, this chart tracks the COLA since OPTrust's inception in 1995.

The COLA feature is designed to protect the purchasing power of your pension during your lifetime. For example, a pensioner who started receiving their pension in January 1995, with an annual pension of \$20,000 will receive \$36,332 from OPTrust in 2024 - an 82% increase over a 29-year period.

Since the Plan's inception, COLA has averaged 2.1% per year.

To find out how much your pension will increase in 2024, view your Pensioner Information Change Statement available through secure Online Services in early January.



Increase Pro-rated for New Pensioners

If you retired in 2023, your COLA is pro-rated for the length of time you received a pension. For example, if you retired in June 2023, your pro-rated COLA is calculated by the number of months you received a pension, divided by 12, times the 2024 increase.

$$6 \div 12 \times 4.8\% = 2.4\%$$

In January 2024, your pension would increase by 2.4% to reflect the cost of living for six months. In following years the full COLA will be applied to your pension and will not be pro-rated.



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

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