

Fact Sheet

Your pension beneficiaries



WHY IS IT IMPORTANT TO IDENTIFY YOUR BENEFICIARIES?

Your OPTrust pension provides benefits for your survivors. If you identify who you want to receive those benefits, OPTrust can administer payment of your survivor's benefits according to your wishes.

Usually, your surviving spouse will automatically receive survivor benefits when you die. But you may not have a surviving spouse or your spouse may have waived entitlement to survivor benefits. Benefit payment varies depending on whether you die while employed or after your pension starts. This fact sheet explains who is eligible to receive your survivor benefits and what they will receive.

SURVIVOR BENEFITS

BENEFITS TO YOUR SURVIVING SPOUSE

To receive survivor benefits after your death, your spouse must meet the Plan's eligibility criteria. See page 4 for the definition of eligible spouse.

If you die before retirement and you have an eligible spouse, your spouse automatically receives survivor benefits. These are usually the full value of the pension benefit you were entitled to receive. This can usually be taken as a pension* or a lump sum payment.

If you die after retirement and you have an eligible spouse, your spouse automatically receives a survivor pension based on 60% of the pension you were receiving.*

For divested and deferred members: to be eligible for survivor benefits your spouse must be your spouse at the time of your divestment or termination from the OPSEU Pension Plan and at the time your pension starts. If you acquire a spouse after your divestment or during the deferred period, pension law requires you to provide a survivor pension to that spouse when you retire, by having your pension reduced to pay for the benefit. Contact OPTrust for a calculation of the reduction if this situation applies to you. Please note that your spouse can waive the right to survivor benefits.

INCREASING THE SURVIVOR PENSION

The 60% survivor pension is provided to your surviving spouse at no cost to you. However, you may choose to increase the survivor pension. In that case, we calculate the cost and reduce your pension accordingly. You must apply using the [*Application for Increased Survivor Pension*](#) form before you retire. If you apply at least two years

IN THIS FACT SHEET

- Benefits to your surviving spouse
- Increasing the survivor pension
- Benefits for children or other beneficiaries
- Other beneficiaries
- No spouse or beneficiaries named
- Frequently asked questions
- How survivor benefits are paid
- Definitions

* Like your own pension, your spouse's survivor pension is reduced when the bridge pension ends, on what would have been your 65th birthday.

before your pension begins, no medical information is necessary. If you apply within two years of your retirement, OPTrust requires a [Certificate of Health](#) form and OPTrust must approve your application. **Please note that once your pension begins, if your spouse dies before you do, you cannot cancel the survivor pension and you will continue to receive a reduced pension.**

BENEFITS FOR CHILDREN OR OTHER BENEFICIARIES

Benefits are payable to eligible children in some instances. For details on how survivor benefits are paid to your beneficiaries, see the chart on page 3. If you want your children to receive any survivor benefits, list them as beneficiaries on the [Pension Beneficiaries](#) form or in “Manage My Beneficiaries” in *Online Services*.

If your eligible children are under 18, you may wish to establish a guardian of property. Please see the fact sheet [Survivor Benefits and Minor Children](#) available on our website.

Benefits are payable to eligible children or other beneficiaries only if you do not have a surviving spouse or your spouse has waived the survivor benefit.

OTHER BENEFICIARIES

A beneficiary can be any individual or any organization you wish to name to receive benefits. Remember that any survivor benefits payable will be divided equally among all the listed beneficiaries.

WHAT HAPPENS IF I DON'T NAME A SPOUSE OR ANY BENEFICIARIES?

We pay survivor benefits to your estate when you die if you do not have an eligible spouse, eligible children and have not listed a beneficiary.

FREQUENTLY ASKED QUESTIONS

Why should I fill out the [Pension Beneficiaries](#) form or complete the “Manage My Beneficiaries” section of *Online Services*?

When the form or the information in *Online Services* has been completed accurately, it becomes a legal document. This will ensure that your survivor benefits are paid to the people you have identified.

Should I list my spouse as a beneficiary?

Yes, name your spouse as your spouse but not “other beneficiary” because pension law dictates that your spouse automatically receives survivor benefits. An “other beneficiary” will receive survivor benefits only if you do not have an eligible spouse or if your eligible spouse has waived the survivor benefit.

Important: If your spouse is listed as a beneficiary and then you and your spouse separate or divorce, he or she may be entitled to survivor benefits as a beneficiary if you have not updated your beneficiary information and do not have a new spouse.

Should I list my children as beneficiaries, in case my spouse dies and I want them to receive survivor benefits?

Yes, list your children as beneficiaries. If you have not named anyone in this category, the survivor benefit will be paid to your estate.

Can I name a trustee to receive survivor benefits for my children if they are minors?

The Plan provides some survivor benefits specifically to “eligible children.” These survivor benefits become “the property” of the eligible children. A trustee cannot be named for eligible children’s property. According to provincial law, if your children are minors and a guardian of property has not been established, the survivor benefits may be paid into Court. Please see our fact sheet [Survivor Benefits and Minor Children](#) for more information.

If I fill out this form and then have another child what should I do?

You will need to update your beneficiary information either in “Manage My Beneficiaries” in *Online Services* or by completing a new [Pension Beneficiaries](#) form. **Important:** If you complete the paper form make sure you name all your children, including your new one. If you only list the new child, you are telling us that you only have one child who is eligible to receive survivor benefits.

Should I tell OPTrust if I get separated or divorced?

Yes. Send us a copy of your separation agreement, minutes of settlement or court order and update your pension beneficiary information online or using the [Pension Beneficiaries](#) form.

What happens if you have my old spousal information on file and I separate from my spouse?

If you have not updated your spousal information, your former spouse may be entitled to survivor benefits if he or she meets the eligibility requirements under the Plan (see the definition of spouse). If your spouse does not meet the eligibility requirements, we would pay survivor benefits to your other named beneficiaries.

If I was divorced when I retired but then get married during retirement will my new spouse get a survivor pension?

Since your new spouse does not meet the eligibility requirements (i.e. was living with you when you ended your membership in the Plan and when your pension began), he or she does not qualify for the automatic spousal survivor pension. You can choose to provide a

60% survivor pension, but your pension will be reduced to cover the cost. You can request an estimate from OPTrust.

What if my beneficiary dies?

Unless you update your beneficiaries either on the [Pension Beneficiaries](#) form or “Manage My Beneficiaries” in [Online Services](#), the survivor benefit will be paid to your estate.

I have a will. Why should I fill out these forms too?

Your will cannot appoint the eligible recipients entitled to survivor benefits under the Plan. Beneficiaries can only be named using the [Pension Beneficiaries](#) form or “Manage My Beneficiaries” in [Online Services](#). If you do not name a beneficiary, survivor benefits will be paid to your estate.

What happens if my survivor benefits are paid to my estate?

Survivor benefits become assets of your estate. According to provincial law, when money is paid into an estate, these assets are used to pay any estate creditors and fees, including probate fees. After creditors and fees are paid, the remaining assets are paid to the beneficiaries named in the will; in the absence of a will the estate is settled according to provincial law.

HOW YOUR SURVIVOR BENEFITS ARE PAID

Member

PENSION SERVICE UP TO OR BEFORE DECEMBER 31, 1986

ELIGIBLE SPOUSE GETS:
immediate 60% pension

if no eligible spouse
ELIGIBLE CHILDREN* GET:
60% immediate pension

if no eligible children
OTHER BENEFICIARIES GET:**
any lump sum refunds

if no other beneficiaries
ESTATE GETS:
any lump sum refunds

PENSION SERVICE AFTER DECEMBER 31, 1986

ELIGIBLE SPOUSE GETS:
commuted value of deceased member's deferred pension (choice of lump sum, immediate or deferred pension)

if no eligible spouse
OTHER BENEFICIARIES GET:
commuted value of deferred pension (as a lump sum)

if no other beneficiaries
ESTATE GETS:
commuted value of deferred pension (as a lump sum)

Retired Member

ELIGIBLE SPOUSE GETS:
60% of pension

if no eligible spouse
ELIGIBLE CHILDREN* GET:
60% of pension

if no eligible children
OTHER BENEFICIARIES GET:
lump-sum residual balance (if any)

if no other beneficiaries
ESTATE GETS:
lump-sum residual balance (if any)

* If you want your children to receive this benefit, you must identify them as other beneficiaries.

** Adult children who do not qualify as eligible children can be named as beneficiaries.

DEFINITIONS

ELIGIBLE SPOUSE:

- is a person of the same or opposite sex, with whom you are married
or
- are living together in a conjugal, common-law relationship
 - (a) continuously for a period of not less than three years, **or**
 - (b) in a relationship of some permanence, and are the natural or adoptive parents of a child.

In addition to the above definition, you and your spouse must meet the following conditions:

- **For members:** you and your spouse must NOT be living separate and apart when you end your membership in the Plan and at the time of your death.
- **For pensioners:** you and your spouse must NOT be living separate and apart when you end your membership in the Plan and when you start receiving your pension.

ELIGIBLE CHILD:

- is under the age of 18 or if over the age of 18, is in continuous full-time attendance at a secondary school or post secondary institution for up to five years following secondary school.
- If you have pension service in the Plan for service before 1987 and have no spouse at the time of death, your eligible children are automatically entitled to a survivor pension for that period of service before 1987.

COMMUTED VALUE:

- is the current value of your pension. It is an estimated amount of money that would have to be invested today to provide a future benefit equal to the pension you have earned to date.

GUARDIAN OF PROPERTY:

- is a person appointed by court order who has charge of and is responsible for the care and management of the property of a minor child.

TRUSTEE:

- is the person or organization named in a trust agreement as a trustee to both receive and administer any survivor benefits paid to a minor child in the event of your death.



Naming your beneficiaries ensures that survivor benefits are paid to your survivors rather than to your estate.

To identify or update your beneficiaries, click the “Manage My Beneficiaries” link in OPTrust’s secure Online Services site or complete the [Pension Beneficiaries form](#).

To access Online Services or download the form go to optrust.com.

FOR MORE INFORMATION PLEASE CONTACT OPTRUST

This **Fact Sheet** is intended as a summary description of the OPSEU Pension Plan. The Plan text contains numerous provisions not described here that may apply to you. In the event of any conflict between this Fact Sheet and the OPSEU Pension Plan text, the Plan text will govern.



HOW TO REACH US

OPSEU Pension Trust

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Member Services

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