



Employer Update

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Return-to-Work Arrangements Relating to WSIB & LTIP Periods

PURPOSE OF UPDATE:

- to clarify the pension contribution rules pertaining to return-to-work arrangements during a member's recovery from illness, injury or disability
- summarize, in chart form, the pension contribution rules for periods of absence relating to approved claims under either:
 - the Workplace Safety and Insurance Board (WSIB), or
 - the employer's Long Term Income Protection (LTIP) plan.

For more detailed information regarding the pension contribution rules for these absence periods, please see the employer manual on the OPTrust website.

RETURN-TO-WORK ARRANGEMENTS

An employee is considered to be participating in a return-to-work arrangement when:

- he or she has been absent from work on an approved claim under the WSIB or the employer's LTIP plan, and
- is resuming employment on a gradual basis or at reduced work hours during his or her recovery from injury, illness or disability.

The pension contribution rules differ for each return-to-work arrangement. There are three categories:

1. rehabilitative employment
2. temporary job accommodations, and
3. permanent job accommodations.

Periods of Rehabilitative Employment (LTIP)

"Rehabilitative employment" applies only to periods when the member is receiving full or partial disability benefits under the employer's Long Term Income Protection (LTIP) plan. Periods of "rehabilitative employment" have no impact on the member's pension because they are considered to be part of the LTIP disability benefit period.

Pension contributions and the accrual of credit continue to be based on the member's regular, pre-disability employment status and do not take into account the member's actual earnings nor the actual hours worked during the period of rehabilitative employment.



Temporary Job Accommodations (WSIB)

“Temporary job accommodations” refer to arrangements where the reduction in the member’s hours is of a temporary or finite duration. They are considered to be part of the member’s approved WSIB leave period.

Impact on pension

For pension purposes, temporary job accommodations are invisible and have no impact on the member’s pension. The calculations for pension contributions and the amount of pension credit that can be accrued continue to be based on the member’s regular, pre-injury or pre-illness employment and do not take into account the member’s actual earnings, nor the actual hours worked during the temporary job accommodation.

However, the actual accrual of pension credit occurs only:

- where contributions are mandatory (i.e. during the employer paid benefit phase), or
- where the member has elected to contribute during, or
- after the period of the WSIB leave of absence without pay (i.e. during the WSIB Paid Benefit phase).

If the employer determines that the reduced hours of work will be permanent and no longer approves the member’s WSIB leave of absence, then the return-to-work arrangement changes from a temporary job accommodation to a permanent job accommodation at the time of that determination.

Permanent Job Accommodations

Permanent job accommodations occur when the reduction in the member’s hours is of a long-term, permanent or indefinite duration, and when there is no pre-determined or foreseeable end date.

Typically, permanent job accommodations refer to arrangements where the member’s return to work occurs after the claim or leave period has ended and the member is no longer qualified for, or in receipt of, benefits from either the WSIB or the employer’s LTIP plan. However, permanent job accommodations also include arrangements where the member continues to receive a long-term or permanent award under WSIB.

Impact on pension

For pension purposes, permanent job accommodations are considered to be regular part-time employment.

Pension contributions are mandatory and are based on the member’s actual (i.e. scheduled) part-time earnings. Pension credit accrues at the ratio of the actual scheduled hours worked to the member’s regular, full-time employment.

There is no opportunity for the member to purchase the difference between the scheduled hours worked and the regular full-time hours of the member’s position.

The following charts summarize the pension contribution rules for all absence periods relating to approved WSIB and LTIP claims, including return-to-work arrangements. The employer manual on the OPTrust website has been changed to reflect this information.



CHART 1: LTIP

| TIMELINE | LEAVE TYPE (for pension purposes) | PENSION CONTRIBUTION RULES |
|---|---|-----------------------------|
| Phase 1: Qualification Period | Short Term Sick = regular employment | See chart 3 column 1 |
| | Illness leave of absence < 1 month | See chart 3 column 1 |
| | Illness leave of absence > 1 month | See chart 3 column 2 |
| Phase 2: Disability Benefit Period (including Rehabilitative Employment periods) | LTIP | See chart 3 column 3 |
| Permanent Job Accommodation | N/A | See chart 3 column 4 |

CHART 2: WSIB

| TIMELINE | LEAVE TYPE (for pension purposes) | PENSION CONTRIBUTION RULES |
|--|--------------------------------------|-----------------------------|
| Phase 1: ER Paid Benefit Period | Regular Employment | See chart 3 column 1 |
| Phase 2: WSIB Paid Benefit Period | WSIB leave of absence < 1 month | See chart 3 column 1 |
| Phase 2A: Member is not eligible for LTIP <i>including</i> Temporary Job Accommodations | WSIB leave of absence > 1 month | See chart 3 column 2 |
| Phase 2B: Member is eligible to receive LTIP <i>including</i> Temporary Job Accommodations or Rehabilitative Employment periods | LTIP | See chart 3 column 3 |
| Permanent Job Accommodation | N/A | See chart 3 column 4 |



CHART 3: PENSION CONTRIBUTION RULES

| COLUMN | ① | ② | ③ | ④ |
|---------------------------------------|---|--|--|--|
| LEAVE TYPE | Leave of absence with pay & LOA w/out pay < 1 month | Leave of absence w/out pay > 1 month | Disability Benefit Period | Permanent Job Accommodation |
| | <ul style="list-style-type: none"> • Short Term Sick (STS) • WSIB – ER Paid Benefit • WSIB Paid Benefit < 1 month (<i>including</i> Temporary Job Accommodations) • Illness < 1 month | <ul style="list-style-type: none"> • WSIB Paid Benefit > 1 month (<i>including</i> Temporary Job Accommodations) • Illness > 1 month • Special > 1 month | <ul style="list-style-type: none"> • LTIP (<i>including</i> Rehabilitative Employment) • WSIB Paid Benefit + Eligible for LTIP (<i>including</i> Temporary Job Accommodations / Rehabilitative Employment) | N/A (Member has resumed regular employment in a reduced capacity) |
| CONTRIBUTIONS | Mandatory | Optional | Mandatory | Mandatory |
| SALARY BASE | Regular, pre-injury or pre-disability salary rate | Regular, pre-injury or pre-disability salary rate, plus escalation where leave spans calendar year | Regular, pre-injury or pre-disability salary rate, plus escalation for each subsequent calendar year | Current employment salary rate |
| CREDIT ACCRUAL RATE | Same as member's pre-injury or pre-disability employment (i.e. ratio of regular hours to full time standard for position) | Same as member's pre-injury or pre-disability employment (i.e. ratio of regular hours to full time standard for position) | Same as member's pre-injury or pre-disability employment (i.e. ratio of regular hours to full time standard for position) | As per current part-time employment (i.e. ratio of current hours to full time standard for position) |
| WHO PAYS MEMBER CONTRIBUTIONS? | Member | Member special/educational leave of absence = 2 x member rate | Employer | Member |
| FREQUENCY | Biweekly payroll | Member pays OPTrust directly during or after leave of absence. For matched LOAs employer pays quarterly or biweekly, depending on member's payment election | Quarterly | Biweekly payroll |
| DISCLOSURE | <p><i>At beginning of leave of absence:</i> Advise member that pension contributions are mandatory and will be deducted from member's salary during or after the leave of absence, as applicable.</p> | <p><i>At beginning of leave of absence:</i></p> <ol style="list-style-type: none"> 1) advise member that pension contributions are optional. 2) provide and assist member in completing 1025 form <p><i>At end of leave of absence:</i> Advise member of 24 month application deadline to buyback and to contact OPTrust for details</p> | <p><i>At beginning of disability period:</i></p> <ol style="list-style-type: none"> 1) advise member that ER will pay member contributions for entire disability period 2) advise member of 24-month application deadline to buyback any leave of absence w/out pay prior to disability period, and to contact OPTrust for details | <p><i>Upon return to employment:</i></p> <ol style="list-style-type: none"> 1) advise member that pension contributions and credit are based on current (i.e. part-time) employment. 2) advise member that s/he cannot purchase credit for the difference between current hours and the full time standard |



The information in this *Employer Update* complements the employer's information sheet *Pension Contributions and WSIB Related Leaves of Absence* which was produced by Benefits and Pension Policy, Human Resources Strategies and Policy Division, Cabinet Office, for HR Practitioners and SSB Pay/Benefits Staff, on November 10, 2004.

OPSEU Pension Trust **EmployerUpdate**

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