

Employer

UPDATE

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Employment Standards Act (ESA) Leaves

On October 29, 2014, the *Employment Standards Amendment Act (Leaves to Help Families), 2014* came into effect. The act, which amended the *Employment Standards Act 2000*, created three new job protected leaves: family caregiver leave, critically ill child care leave and crime-related child death or disappearance leave.

Please note that contributions to the pension plan are mandatory during these types of leaves of absence unless the member opts out in writing **prior** to the start of the leave period. The election is made using the form *Application to Contribute During an Unpaid Leave of Absence* (OPTrust 1025). Eligible employees have the option to buy back those periods of service. Contributions are mandatory for all leaves of absence that are less than one month.



PREGNANCY AND PARENTAL LEAVE – REMINDER

If a member chooses to contribute to his or her pension, the *Employment Standards Act* requires that the employer contribute during the entire period of the leave or 365 days, whichever is less. The employer is responsible for remitting both shares of the contributions for the period of the leave of absence covered by the Supplementary Unemployment Benefit (SUB) allowance.

OPTrust will send a costing directly to the member for the parental portion of the leave of absence as long as the *Application to Contribute During an Unpaid Leave of Absence* form is submitted before or during the leave. If the form is not submitted, we will treat the entire period of the leave as missed mandatory contributions and we will bill the employer for the missing member and employer contributions.

Grievances and Changes to Contributions

If a member has a successful grievance, we do not need the details of the grievance. All we need is the new salary rate or service which has an impact on the pension. When we receive contributions as a result of a grievance, those contributions must correspond to a change to the member's service or salary rate. OPTrust requires the employer to confirm the member's new salary rate and/or additional service. If the grievance resulted in a payout that does not affect the member's salary or service, please do not send that money to OPTrust. It cannot be applied to pension contributions. We will require any contributions not corresponding to a change to a salary rate or member's service to be reversed by the employer.

LUMP SUM PAYMENTS

On occasion, an employer may be required to make a lump sum payment to an employee (Plan member), that is subject to a current service pension contributions deduction. For example, when an employee receives a retroactive salary increase, OPTrust would receive a lump-sum payment of the pension contributions withheld from the payment.

Similarly, when a termination of employment has been replaced with a paid re-instatement of employment, OPTrust would receive a lump sum payment for the pension contributions withheld from the payment.

In both instances, in order to reconcile the payment, OPTrust requires the new salary rates and their effective dates. OPTrust will ensure that the proper amount of pension contributions has been remitted and post salary rates for the calculation of the member's pension.

Membership Eligibility: What You Need to Know

Please note: this section does not apply to divested grandfathered employers. Post 2012 Receiving or Authorized Employers should refer to their participation agreement which sets out the classes of employees eligible to join the OPSEU Pension Plan.

Membership in the OPSEU Pension Plan is mandatory for all OPSEU-represented, permanent employees, including full-time, regular part-time and probationary employees.

Most other OPSEU-represented employees have the option to join.

OPTrust requires the new salary rate and effective date of a grievance or lump sum payment if either has an impact on the member's pension.

Important: Eligible employees for whom membership is optional, must be informed of their option to join the Plan. OPTrust is willing to work with employers to obtain monthly lists of new eligible non-members so that we can inform them of their right to participate in the Plan. This is a requirement of the *Pension Benefits Act*.

Otherwise, OPTrust asks that employers provide eligible non-member employees with a copy of the brochure *An Investment in Your Future* and refer them to the [Join the Plan](#) section of the OPTrust website (optrust.com). Our Member Services staff are also available to provide additional information or answer questions about the Plan. OPTrust will follow up with employers periodically to ensure that all eligible employees are being advised of their right to join the pension plan.

You can order the brochure *An Investment in Your Future* from our [website](#).

OPTrust Delivers 12% Return in 2014

OPTrust reported 2014 investment results of 12.0%, net of external management fees, significantly outperforming its benchmark return of 6.2%. Our net assets grew to \$17.5 billion.

Net investment income for 2014 was \$1.8 billion, and after collecting contributions of \$515 million and paying \$798 million in benefits, the Plan's net assets increased to \$17.5 billion at year-end (\$16.0 billion as at December 31, 2013). On average, 76 cents of every pension dollar paid by the Plan is generated by investment returns with the other 24 cents being funded by member and employer contributions.

OPTrust's investment return in 2014 reinforced its sustained, stable funding position. The Plan continued to be fully funded during a year in which it took meaningful steps to support its long-term funding health by further strengthening its mortality and economic assumptions.

The Plan's 2014 funding target was 6.15% and over its 20-year history, the Plan's investment portfolio has realized an average annual return of 8.4% net of internal and external investment expense, exceeding its 7.11% funding target for the same period.

FOR MORE INFORMATION SEE [THE EMPLOYER MANUAL](#)

This Employer Update is intended to provide participating employers with news and information about the OPSEU Pension Plan. It does not create any rights to benefits not provided for in the actual terms of the Plan. In the event of any conflict or omission, the legal documents of the OPSEU Pension Plan will govern in all cases. Members who have questions about their pension benefits should contact OPTrust directly.



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