

# OPTions

A NEWSLETTER  
FOR MEMBERS  
OF THE OPSEU  
PENSION PLAN

April 2020

No 66

## OPTrust releases 2019 Funded Status Report

### RETIREMENT BY DESIGN

“At OPTrust, retirement by design really means two things. The first is the way in which we invest for the long term and in the best interests of our members. The second thing we mean is how we increase availability of defined benefit pensions through the launch of OPTrust Select which was designed for the broader public and nonprofit sector.”

**Peter Lindley**

President and Chief Executive Officer

The **2019 Funded Status Report** is available [here](#).



OPTrust remains **fully funded** for the 11th consecutive year



**5.10%** nominal discount rate



**9.2/10** average member satisfaction score



**8.2%** 10-year average net investment return (2009-2019)



**CEM Benchmarking** reported OPTrust investments perform in line with peers, with less risk to funded status and at a lower cost after adjusting for asset mix



**Received A+** for our strategy and governance approach to responsible investing from the Principles for Responsible Investment (PRI)



Over **96,000** members

Hundreds of new members enrolled in **OPTrust Select**

Accelerated progress on gender **diversity**



Proudly serving our members for 25 years.

# Your annual statement: see how your pension is growing



Although you can view your pension information at any time online, once a year OPTrust sends you an Annual Pension Statement. The statement provides a snapshot of the pension benefit earned as of December 31, 2019.

Your statement gives you the following information:

- the pension you have earned to date (as of December 31, 2019)
- the pension you would be eligible for if you work until age 65, and
- if applicable, the pension you would be eligible for if you qualify for an unreduced pension and retire early (before age 65).

Members qualify for an unreduced pension when their age and service total at least 90, or if they are at least 60 years old and have 20 or more years of pension service.

The statement also shows how your pension is calculated, with a formula using your average annual salary (the average of your highest 60 sequential months) and your pension service.

Be sure to check that the personal information we have about you is correct. Let us know if your beneficiary, spousal or contact information needs to be updated.

The contributions you've made to the Plan also appear. These contributions are not used to calculate your pension, which is based on the formula and is paid for largely by investment returns.

One of the great things about defined benefit pensions like the one offered by OPTrust is that you have a very good idea in advance of what your future pension will be. Other retirement savings arrangements, such as RRSPs, can't accurately predict what your post-retirement income will be.

More information on what's in your statement can be found on our website's [Annual Pension Statement page](#).

If you are an active member of the OPSEU Pension Plan, you can see your 2019 annual statement now by logging on to Online Services. You can register for Online Services on our website. You will need your OPTrust ID, date of birth, postal code and Employee ID. If you have any recent correspondence from us, your OPTrust ID will be included in it. Paper copies will be mailed by mid-April.

**2019 Annual Pension Statement**  
Member Experience: 1 800 637-9024 or 416 681-6100 | optrust.com

AS OF DECEMBER 31, 2019

Welcome to your Annual Pension Statement. This statement provides you with a snapshot of your pension as of December 31, 2019. It includes information on your pension service, your pension estimate, and your pension benefits. For more information on what's in your statement, visit our website's [Annual Pension Statement page](#).

**Your Personal Information**

OPTrust ID: 111 111 111  
Date of Birth: 23 JUN 1967  
Plan Membership Date: 20 JUN 1999  
Valid: Yes  
Statement Printing Date: 18 MAR 2020

**A Snapshot of Your Pension Benefits**

**Pension Estimates as of December 31, 2019**

With no further service in the Plan you are eligible on 17-MAR-2020 for an Annual Pension of Age 65 of \$23,937.36.

If you continue to work and contribute to the Plan, you are eligible for early retirement on 17-MAR-2025 for a 60% PPO of \$43,575.48.

If you retire before age 65, in addition to your lifetime pension you will also receive a 10-year bridge pension from OPTrust. The CPP bridge benefit is a temporary pension payable until age 65, the normal age at which a combined CPP pension is payable.

**Average Annual Salary**

AS OF 31-DEC-2019  
\$62,188.44

**Pension Service**

2019 Pension Service: 1.00 years  
2019 Buyback & Transfer: 24.42 years  
Total Pension Service: 25.42 years as of 31-DEC-2019

**OPTrust Pension Formula:** How your lifetime pension is calculated

Member: \$62,188.44 (your average annual salary)  
Years: 25.42 (your pension service in the Plan)  
= \$32,885.00  
Rate: 66.88% (Reduction for CPP bridge)  
= \$23,937.36

**Spouse and Beneficiary Information**

**WILLIAM SMITH**  
According to our records you have designated the following beneficiary(ies):  
LUCIA PEREZ-SMITH

**Contributions and Interest**

2019 Contributions: \$1,000.00  
2019 Interest on 2019 Contributions: \$48.50  
Total Contributions: \$1,048.50  
Total Interest on 2019 Contributions: \$48.50

Go Green! Did you know you can make the switch to receive your Annual Pension Statement electronically using OPTrust's secure Online Services? To sign in to register, visit our website at [optrust.com](#). Online Services is fast and easy way to access your pension information, anytime, anywhere.

For more information on your statement, see reverse side or log in to your Online Services account.



## OPTrust Select: a strong response

A top priority for OPTrust in the past two years has been the effort to increase availability of defined benefit pensions through the launch of OPTrust Select, a pension benefit designed for the broader public and nonprofit sectors in Ontario.

The nonprofit sector provides a range of essential services including disability supports, settlement services and care for seniors. Recommended by the Ontario Nonprofit Network, OPTrust Select was created specifically to meet the needs of employers and staff in this sector. It is a pension benefit with affordable contribution rates, designed to provide people in the sector with a modest stream of secure, reliable retirement income for life that will supplement the income they receive from government sources and other retirement savings.

The existence of OPTrust Select means that more members will contribute to, and collect a benefit from, the OPSEU Pension Plan. This is advantageous to the Plan, as the allocation of risks and operational costs over a larger membership base increases sustainability for all over the long term.

As of February 2020, membership in OPTrust Select had expanded to 32 organizations with approximately 1,250 employees who are eligible to join the plan. About 800 members were actually enrolled. And interest continues to grow: 1,020 organizations across the province have inquired about OPTrust Select, and many organizations have started the application process.



## New real estate investment in downtown Toronto

OPTrust is one of a group of co-investors involved in a long-term, downtown Toronto office leasing transaction at 65 King East.

The development includes over 18,000 square feet of private outdoor terraces, 196 bike stalls and 10,675 square feet of retail space, while incorporating smart building technologies and sustainability features.

Google has leased all 18 of the office floors in the building and will occupy 400,000 square feet of space.

**“At OPTrust, our focus is the security and stability of our members’ retirements and we invest and manage our portfolio in alignment with those long-term interests,”** said Rob Douglas, Managing Director of Real Estate Investments. “As one of the world’s leading technology companies, Google is also focused on the future, and we are thrilled to have reached a long-term commitment on their new Toronto headquarters.”

Google’s tenancy is a consolidation and relocation of offices in the Greater Toronto Area, with occupancy expected in 2021.

# 25 years of OPTrust

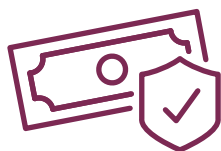


This year marks OPTrust's 25th anniversary as a world-class pension fund, committed to providing excellent service to more than 96,000 members and retirees who count on us for retirement security.

The organization has grown significantly over the last 25 years. Net assets have reached almost \$22 billion in a diversified portfolio with offices in three countries, and we are leaders in sustainable investing. We remain fully funded and continue to exceed members' service expectations.

The fully funded status is the most important measure of a plan's stability. Our focus remains on the challenges we face and how they could impact the funded status. We need to be aware of the risk profiles of our investments, as taking too much risk today means jeopardizing the ability to pay pensions in the future. We invest with these challenges in mind and in such a way to ensure pensions will be paid to tomorrow's members, as well as today's members.

An anniversary is a time for looking back at where we've been, and forward to where we're going. It's an opportunity to reinforce our commitment to our members and look to the future with pride.



## Paying pensions in difficult times

As Canada and the world take measures to slow down and contain the spread of COVID-19, we at OPTrust are doing all we can to ensure that we are being responsible to our members, our team and our community.

We have successfully moved to remote work for everyone on our team. While we are no longer processing paper mail, we are continuing key transactions such as putting pensions into pay and making termination payments. Our office hours have been reduced to from 9 a.m. to 5 p.m. We can be contacted through Online Services, or by phone or email.

We continuously plan, prepare and test to ensure we will be able to pay pensions under situations outside of regular business operations. We will continue to make accurate, timely pension payments during this time.

Investing at OPTrust is done with a thoughtful, prudent approach – a Member-Driven Investing strategy that keeps Plan sustainability top-of-mind. This approach allows us to weather tough times effectively.



### **OPTions is a newsletter for members of the OPSEU Pension Plan.**

Some information in this newsletter is intended to summarize 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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