

OPTions

OPTrust joins institutional investors on climate change action

CEOs from the world's leading institutional investors – representing more than \$12 trillion in assets – including OPTrust have signed an open letter to the G7 Finance Ministers urging them to support the inclusion of a long-term emissions reduction goal in an international climate agreement which is expected to be signed in Paris this December.

The letter outlines the significant systemic risk posed by climate change and states that “with the right market signals from policy makers, investment in low-carbon and climate resilient opportunities can flow and climate impacts and resulting economic damages can be mitigated.”

This is the first time a global coalition of investors has called for a long-term emissions reduction goal to be included in the Paris agreement.

Read the full letter at optrust.com.

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SPECIAL PULLOUT SECTION

20 Years of Delivering the Promise

Report to Members 2014

Want to know how your pension plan remained fully funded? Interested in how OPTrust is delivering sustainable pension security for the long term? Looking for the latest on OPTrust's investment performance?

Just turn to the special pullout section inside this newsletter to read the *Report to Members 2014*. There you'll find key statistics on the financial performance of the OPSEU Pension Plan and news on how we serve you and our 86,000 other members and retirees.

More information on OPTrust's strategy and performance is available in our online report at optrustannualreport.com.



Celebrating 20 years of excellence

OPTrust has come a long way in 20 years. In just two decades, the Plan and the organization that supports it have grown from modest beginnings to become one of Canada's top public sector pension plans. OPTrust at 20 is a sophisticated global investor, a leader in service excellence and one of a select group of pension plans that is fully funded.

1995



Operations start on January 1, 1995 following an agreement by the Ontario Government and OPSEU to establish a separate, jointly sponsored pension plan for OPSEU-represented employees

2001



OPTrust launches its first Client Satisfaction Survey to take feedback from members

Investment division established allowing OPTrust to build its internal investment capabilities

1998



OPTrust launches www.optrust.com

OPTrust leads the pension industry in offering same-sex partner survivors benefits

2003



OPTrust launches *Online Services* – our secure member website

OPTrust achieves 18.1% annual growth in its first three years bringing the Plan's assets to \$7.7 billion by the end of 1997



1997

The Plan reaches \$10B in assets



OPTrust launches 'Direct Contact' bringing pension education sessions to our members at locations across the province

2000

Plan reaches a major milestone when it becomes fully funded for the first time — 27 years ahead of schedule



2002

Real Estate Group established to grow the Fund's real estate portfolio

OPTrust has 20,000 pensioners



2004

As you can see, we've had major achievements in the last 20 years. And we've never lost sight of our primary goal – to pay pensions today and preserve them for tomorrow. In other words, our 86,000 members can count on us for a predictable, steady stream of retirement income for the rest of their lives. □

2006



Private Markets investment program (private equity and infrastructure) launched



OPTrust becomes signatory to the United Nations Principles for Responsible Investment

2010



OPTrust opens a Private Markets investment office in London, England

Sponsors negotiate new funding framework agreement that freezes contributions for five years while maintaining stability of the Plan

Global economic crisis results in \$2.4B loss



2008

2012

Plan once again fully funded – eliminating \$818 million deficit resulting from 2008's economic crisis

2013



OPTrust is the only Canadian pension plan shortlisted for a global award to recognize excellence in responsible investment reporting

OPTrust becomes the first Canadian pension plan to open an office in Australia (Sydney)



OPTRUST 2015 YEARS

OPTrust celebrates its 20th anniversary with more than 86,000 members and retirees and \$17.5 billion in net assets

OPTrust achieves our strongest overall satisfaction rating to date from our members and retirees (8.9 out of 10)



2014

OPTrust's pension estimator continues to gain popularity among members. The use of the online tool more than doubled at the end of 2014 with 38,081 estimates generated up from 16,735 in 2013.

GO ONLINE TODAY
Take a look at the big picture at optrust.com and get started with your retirement plans. Simply sign in or register for OPTrust's Online Services.

See the big picture with OPTrust's pension estimator

OPTrust's pension estimator lets you see the big picture of your pension income with a range of possible retirement dates. This popular online tool makes planning for retirement that much easier.

Ready to generate an estimate? Sign in to your *Online Services* account and go to "My Pension Estimates" from your secure home page. The estimator will automatically generate your earliest unreduced retirement date, and the annual pension amount you will receive before and at age 65.

Once you click "Get more details" you'll see the big picture with your personalized pension information.

PENSION ESTIMATE DETAILS EXPLAINED

Your online pension estimate provides a detailed breakdown of how your pension is calculated, when you can retire and what you will receive at retirement. The estimator shows your current data unlike your *Annual Pension Statement*, which reports your pension information at December 31 for the previous calendar year.

The screenshot shows the 'Pension Estimate Details' page for a member named Jane Doe. It includes a navigation bar with 'Print this page', 'Previous Page', 'My Pension Estimate', 'Get More Retirement Dates', and 'Go to homepage'. The page is divided into several sections:

- 1 Pension Estimate Summary:** A table showing pension amounts before and after age 65.

Category	Annual gross pension	Monthly gross pension
Pension before age 65	\$ 40,642.62	\$ 3,386.89
Pension after age 65	\$ 29,086.22	\$ 2,423.85
- 2 How Your OPTrust Pension is Calculated:** A table showing the calculation of the pension before age 65.

Category	Annual gross pension	Monthly gross pension
Pension before age 65	\$ 40,642.62	\$ 3,386.89
- 3 Average 5-Year Salary:** A table showing the calculation of the pension after age 65, including a reduction for CPP integration.

Category	Annual gross pension	Monthly gross pension
Pension after age 65	\$ 29,086.22	\$ 2,423.85
- 4 More Options:** A table showing the average 5-year salary for various years used.

Years used	% of year at salary rate	Salary rate
2041	0.92	\$61,735.60
2040	1.00	\$61,735.60
2039	1.00	\$61,735.60
2038	1.00	\$61,735.60
2037	1.00	\$61,735.60
2036	0.08	\$61,735.60
- 5 Get More Retirement Dates:** A link to view various retirement dates and pension amounts.

1 Pension Estimate Summary

The summary highlights your annual and monthly gross pension amount before and at age 65. If you retire before age 65, OPTrust pays a lifetime retirement pension plus a "CPP bridge" pension. The CPP bridge ends at age 65 when your pension is made up of two pieces, the pension from OPTrust and the pension from the Canada Pension Plan.

2 How Your OPTrust Pension is Calculated

The calculation shows your five-year average annual salary and your years of pension service. These figures are calculated using OPTrust's pension formula which includes your pension service and average five-year salary.

3 Average 5-Year Salary

Your OPTrust pension is calculated using the average of your highest consecutive five-year average annual salary rates during your membership. The statement projects that your plan membership will continue to retirement and estimates your average five-year salary to that point.

4 More Options

Provides a link to use OPTrust's retirement income calculator and add other sources of income such as personal savings, Canada Pension Plan and Old Age Security benefits.

5 Get More Retirement Dates

You can also select 'Get More Retirement Dates' at any time from the choices at the top of page to view various dates and pension amounts between ages 55 and 65. □

OPTrust achieves Centre of Excellence objective

OPTrust's Member Services department recently completed its Centre of Excellence project – a two-year initiative focused on enhancing the way it operates through education, innovation and service.

At its core, the Centre of Excellence project has helped to transform the way we provide service to our members. As a result, our service approach has evolved from a focus on transactions to one that is centered on providing our members with a superior customer experience.

As part of this project, our Member Services team identified a number of ways to serve you better. The result? A more streamlined service model that resulted in:

- improvements in how we communicate with you – for example, we added videos and tools to our website so that you can easily get the information you need when you need it
- a move towards counselling members to help you understand the value of your pension and shift from reactive to proactive communications tailored to individual needs
- a greater focus on staff training and development initiatives to ensure that our staff is equipped with a deep understanding of how to anticipate and assess your needs before they arise.

While we have always focused on delivering strong customer service, our Centre of Excellence approach takes it to the next level. We want you to feel that you are valued and respected at all times. Ultimately, our goal is to make your pension plan one of the best service delivery organizations you deal with. □

“It's clear our members value the new streamlined model and our personalized approach to customer service. In 2014, we delivered our highest client satisfaction scores to date – an overall score of 8.9 out of 10.”

— Audrey Forbes, Vice President,
Member Services



HUGH O'REILLY ADDRESSES C.D. HOWE INSTITUTE

In March, Hugh O'Reilly, President and CEO of OPTrust was the keynote speaker at the C.D. Howe Institute Roundtable. Mr. O'Reilly's speech titled *Pensions as Problem Solvers: The Future of Retirement in Ontario* outlined the organization's position on the Ontario Retirement Pension Plan. It also explained how public sector pension plans such as OPTrust can support the province as it moves to redefine the retirement income system.

C.D. Howe Institute roundtable sessions are off-the-record events which encourage business leaders, policy makers and scholars to have frank discussions about thought-provoking issues.

OPTrust posted Mr. O'Reilly's remarks with the permission of the organizers. The full speech is available at optrust.com. □

YOU asked...

Question: Can I use my RRSP to buy back pension service?

Answer: Yes. You can transfer funds from your RRSP account to buy back pension service. You will need to complete OPTrust's RRSP Direct Transfer form for the payment. The form is used to transfer funds from a registered retirement savings account to the OPSEU Pension Plan. It is available on our website under "Buying Back Pension Service" in the member section.

Question: I have 20 years of pension service. If I decide to leave my job at age 55 do I have the option to collect an unreduced pension when I turn 60 or do I have to wait until age 65?

Answer: You can start your pension at age 60 but your pension will be reduced by 5% for each year you are under age 65, i.e. a 25% reduction. Although you have 20 years of pension service, if you leave your job at age 55 you will not qualify for the 60/20 unreduced retirement option. This is because you are not yet age 60 at termination and you don't qualify for another unreduced retirement option such as factor 90.

Question: How is my best five-year average annual salary calculated on my *Annual Pension Statement*?

Answer: Your OPTrust pension is calculated using your highest consecutive five-year annual salary rates during your membership. The best average annual salary as of December 31, 2014 is shown on your statement. For a complete breakdown of your best five-year average annual salary sign-in to your secure *Online Services* account. See page 4 for more information about OPTrust's pension estimator.

Question: My 21-year old daughter is graduating university soon, does this mean she can no longer be my pension beneficiary?

Answer: Once your daughter has graduated she is no longer considered an 'eligible child' under the Plan. However, you can name your daughter as a pension beneficiary for your survivor benefits. Sign in to your secure *Online Services* account to update your beneficiary information or complete OPTrust's *Pension Beneficiaries* form. Our online video *Plan ahead for your survivors* gives you an overview on designating a beneficiary. The video is available online at optrust.com under "Planning for your survivors" in the member section.

Question: I'm planning to retire in December 2015. What information is required to start my pension?

Answer: Now is a good time – approximately six months – to start the process of retiring. Waiting only a few weeks before your retirement date could cause delays in your first pension payment. You will need to inform your human resources office. They will have the necessary forms that must be completed to start the process.

OPTrust requires a VOID cheque, updated beneficiary information, your employer's retirement forms, and proof of your marital status.

Question: Where can I find out what OPTrust invests in?

Answer: A list of OPTrust's significant investments for each of the Fund's asset classes is available online at optrust.com > **Investments**. You can also download our full annual report for a detailed description of the Plan's investment performance during 2014. □

Facts about...Your retirement options

Like all OPTrust members, you are contributing to a secure retirement with a steady stream of income you can count at the end of your career. As a member of a defined benefit plan you will receive a pension payable for your lifetime and it will grow with inflation for you and your survivors.

While you are building your pension and planning for the future, understanding your retirement options and when to start your OPTrust pension may help you with your financial goals.

Depending on your years of pension service, you may qualify for early retirement with an unreduced pension, normal retirement or a reduced pension, under the Plan’s current provisions.

Learn more about your retirement options in OPTrust’s booklet *Your Pension and Planning Your Retirement* online at optrust.com. □

NORMAL RETIREMENT	EARLY RETIREMENT		
AGE 65	FACTOR 90	60/20	AGE 55+
The normal retirement age in the OPSEU Pension Plan is age 65. This means you can start to receive your OPTrust pension when you reach age 65 regardless of how many years of pension service you have in the OPSEU Pension Plan.	Allows you to retire early if your age plus pension service total at least 90 years. For example if you are age 57 with 33 years of pension service you can apply to start your pension from OPTrust.	Allows you to retire early if you are at least 60 years old, and have 20 or more years of pension service in the Plan. You do not need to retire at age 60. For example, you can wait until 61 and have 22 years of pension service in the Plan.	You are eligible for early retirement with a reduced pension if you are at least 55 years old when you end your membership in the Plan. With this option your pension is reduced by 5% for each full and partial year you are under age 65.
PENSION TYPE			
Unreduced	Unreduced	Unreduced	Reduced

Follow us on

Want to stay up-to-date with OPTrust and learn about our latest news, investments or jobs? Follow us on LinkedIn and get information about your pension plan every week. From our investment performance to our approach to responsible investing and more you have access to a range of news and events on our LinkedIn page.

Simply go to LinkedIn and search for OPTrust. If you are a LinkedIn member, click the “Follow” button and you will be notified any time new information is posted to our page. We encourage our members to share OPTrust’s news articles, comment on and “Like” our posts because this is your pension plan. □

OPTrust shortlisted for Responsible Investment Reporting Award

OPTrust has been shortlisted for the third consecutive year, for a global award recognizing excellence in responsible investment reporting.

The RI Reporting Awards showcase excellence in responsible investment and environmental, social and governance (ESG) reporting encouraging best practice and transparency. Of the more than 1,000 global fund reports analysed, 16 are on the shortlist – eight in the large funds group and eight in the medium and small fund group. OPTrust is the only Canadian plan nominated in the medium and small fund group. Responsible Investor (RI), a dedicated news service on reporting responsible investment, ESG and sustainable finance for institutional investors globally, administers the RI awards.

“At OPTrust, we recognize that environmental, social and governance factors can affect investment

risk and return. This nomination for excellence in reporting our responsible investing efforts reinforces the value of our approach to transparency and open communication with our stakeholders as well as the wider investment community,” said OPTrust President and CEO Hugh O’Reilly.

As a signatory to the UN-supported Principles for Responsible Investment, and our commitment to promoting sound corporate governance, OPTrust is committed to reporting to our members, sponsors and other key stakeholders on our responsible investing program.

OPTrust has expanded the Fund’s reporting on our RI activities in our online *Responsible Investing Report* released in December 2014. The report highlights our strategy for investing responsibly for long-term sustainability. □

OPTions is a newsletter for members of the OPSEU Pension Trust. Its goal is to provide useful and timely information about the OPSEU Pension Plan.

If there is any conflict between statements in this newsletter and the legal documents of the OPSEU Pension Plan, the legal documents will prevail. Please direct any questions about your personal benefits under the Plan to OPTrust. You should contact OPTrust before making any pension-related decisions.

If you have any questions or comments, please contact us.

HOW TO REACH US

OPSEU Pension Trust

1 Adelaide Street East, Suite 1200
Toronto, ON M5C 3A7

Member Services

Tel: 416 681-6100 in Toronto
1 800 637-0024 toll-free in Canada
Fax: 416 681-6175

optrust.com | email@optrust.com



OPSEU Pension Trust Fiducie du régime de
retraite du SEFPO

Return undeliverable Canadian addresses to:

OPSEU Pension Trust
1 Adelaide Street East, Suite 1200
Toronto, ON M5C 3A7

