

OPTions

A NEWSLETTER
FOR MEMBERS
OF THE OPSEU
PENSION PLAN
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No 69



Celebrating 100 years of pensions

Did you know that Canadian pensions will soon be celebrating their 100th anniversary?

The Government of Canada's first old age pension was introduced in 1927. The maximum payment was \$20 per month, and it was restricted to those whose income was less than \$365 per year. In addition, recipients had to be British subjects over the age of 70 who had lived in Canada for 20 years.

Eligibility expanded in 1952 to include a federally funded pension for everyone over the age of 70 – Old Age Security was the first pension to be offered without a means test. The contributory Canada and Quebec Pension Plans were established in 1966, and by the end of the 1960s, Canada's current retirement income system was in place. In Ontario, this included pensions for teachers, nurses, municipal employees and public sector workers. Today, the Canadian retirement income system rates highly for its equity, benefits and affordability around the globe.

100,000 members and growing

OPTrust welcomed the **100,000th member** to the Plan in October.

Since the Plan's inception in 1995, membership has increased by more than 40 per cent from just under 70,000. Today, the Plan delivers retirement security to retirees in over 300 communities across Ontario and 40 countries worldwide, and remits more than \$1 billion in annual pension payments.

The Member Experience team at OPTrust are strong believers in the value of the defined benefit pension model. The team strives to provide exceptional service along with a secure, predictable benefit to 100,000 members and their families.

Recent growth in membership can in part be attributed to the growth of OPTrust Select, the defined benefit offering for organizations in Ontario's nonprofit, charitable and broader public sectors. OPTrust Select began welcoming members in 2019 and has now enrolled 50 organizations, with more than 1,700 members. These organizations provide a range of critically important services including healthcare, community support and senior services.

The fact that OPTrust Select has continued to grow significantly throughout the COVID-19 pandemic speaks to a desire for retirement security for more Ontarians.



Safeguard your retirement: **get the facts before you act**

November was Financial Literacy Month in Canada, and OPTrust marked the occasion by producing a video in collaboration with other large Canadian defined benefit plans from across the country.

The video underscores the importance of getting all the facts when making decisions that can impact an individual's financial future in retirement. While each of the plans represent a different membership, they are united in their commitment to providing their members with key pension facts so that they can make informed decisions about their financial security.

If you haven't seen the video, called *What's Important*, it can be viewed [here](#).



Ready, set, **retire!**

If you've started thinking about your retirement, you may have noticed that there is a lot to think about. Have a look at our recently updated [Retirement Checklist](#) to help yourself get organized, and keep surprises to a minimum.



Pension information sessions

Another great way to keep on top of your retirement planning is to attend one of our webinars. Find out how to get retirement ready, and about the Government of Ontario's insured benefits and health coverage plans. Check them out [here](#).



Plan for your loved ones: **keep your beneficiary designation up to date**

Your pension provides benefits for your survivors. Keeping us up to date on who you want to receive those benefits is important, as it means we can administer payment of these benefits according to your wishes.

Usually, your surviving spouse will receive your survivor benefit, if they meet the criteria. In the absence of a spouse, your designated beneficiary would receive a payment. Out of date or inaccurate information about your beneficiaries can lead to a payment being made to your estate, which may not be in keeping with your wishes.

Find out more about beneficiaries [here](#).



In the news: innovation, resilience and climate change

The OPTrust Investment team continues its development of innovative strategies to address resilience, risk management and climate change. In these two articles, members of our Investment team discuss current issues of interest.

[Portfolios of the future](#) (from top1000 funds)

[OPTrust's innovation journey](#) (from Institutional Connect)



Make your carbon footprint smaller with Online Services

Take advantage of our secure Online Services and make your carbon footprint a bit smaller. You'll have access to your pension records anywhere, any time – and you'll be able to review your Annual Pension Statement, which comes out in the spring, sooner. You can update your personal information, contact us using Secure Messaging and change your communications preferences to receive material electronically. OPTrust's website and related resources provide a wealth of information about the Plan, and various ways to communicate with us.

[Check it out!](#)





Pensions to increase **by 2.4%**

The pensions of **OPTrust retirees will increase by 2.4 per cent**, starting January 1, 2022. The adjustment is a valuable feature of the Plan that helps pensions keep pace with inflation. As an example, a retiree who started getting a \$20,000 pension in January 1995 would receive \$32,613 from OPTrust in 2022. This is a 63% increase over a 27-year period.

The inflation rate is measured by the Consumer Price Index (CPI), reported by Statistics Canada, which OPTrust and other pension plans adopt to set the adjustment. The CPI reflects the cost of a weighted basket of about 600 goods and services that are typically purchased by Canadian consumers every month. The CPI is widely used as an indicator of the change in the general level of consumer prices and the rate of inflation. The goods and services are divided into eight major components:

- Food
- Shelter
- Household operations, furnishings and equipment
- Clothing and footwear
- Transportation
- Health and personal care
- Recreation, education and reading
- Alcoholic beverages, tobacco products and recreational cannabis



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.

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