

# Pension

## CONNECTION

### *Pensioner Information Change Statement* – a snapshot of your pension

**W**ondering how your OPTrust pension has grown in retirement? Want to see your monthly pension payment amount? Your *Pensioner Information Change Statement* (PICS) is a good place to start.

Your PICS is a great tool to give you a snapshot of your OPTrust pension regardless of when you retired. It provides valuable information about your benefit including your:

- total monthly gross and net pension payment amounts\*
- pension growth since retirement\*

- total pension paid to date
- monthly insured benefit premium rates, if applicable
- tax deductions
- maximum quarterly re-employment earnings.

Each January, we mail you a PICS showing the annual cost-of-living increase in your pension. We also send a statement if there is any other change to your pension (e.g. changes to benefit premiums or income tax rates).

> *PICS...* continued on page 2

### Inside: 2008 Annual Highlights

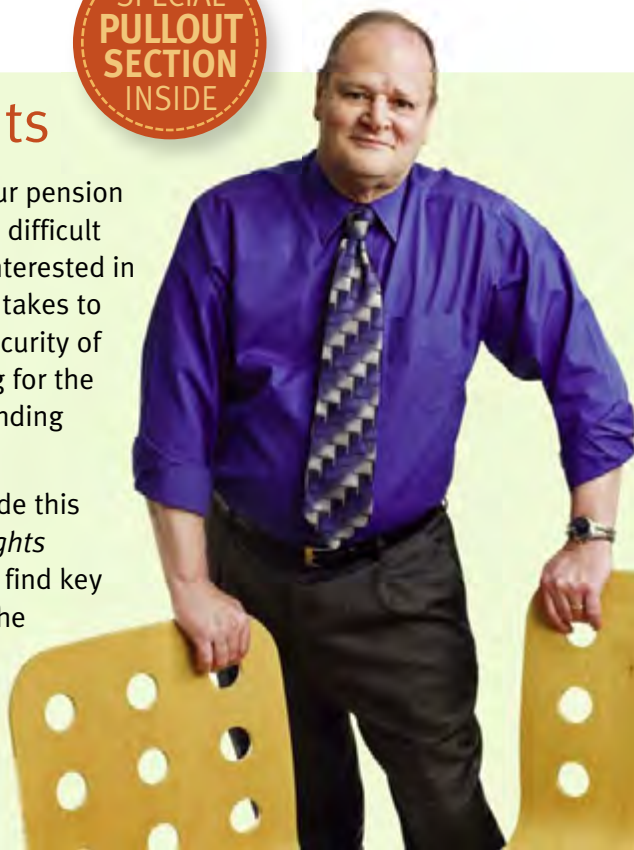


Want to know how your pension plan responded to the difficult challenges in 2008? Interested in the approach OPTrust takes to build the long-term security of your pension? Looking for the latest on the Plan's funding status?

Just turn to the special pullout section inside this newsletter to read the *2008 Annual Highlights Report to OPTrust Pensioners*. There you'll find key statistics on the financial performance of the OPSEU Pension Plan and news on how we serve you and our 82,000 other retirees and active members.

### In this issue

- 2 *New Proxy Voting Guidelines* online
- 3 Your insured benefits improvements
- 3 *Pension Connection* gets a makeover
- 4 Plan sponsors appoint new Trustees
- 5 Your new insured benefits premium rates
- 5 Parlez-vous français?
- 6 Retiree Profile: Jennifer Black
- 6 Did you know?
- 7 You asked...
- 7 Volunteer opportunities
- 8 Marriage breakdown rules set to change
- 8 Moving? Keep us in the loop!



< **Ron Goss** is one of the OPTrust retirees profiled in the online version of our annual highlights report.

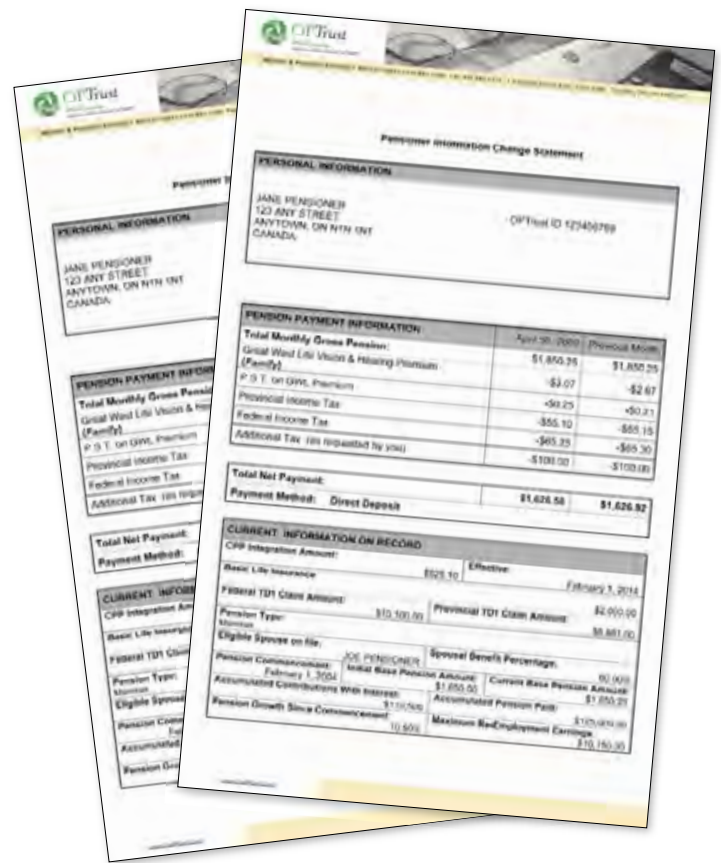
> PICS... continued from page 1

## Check your monthly PICS online

Retirees with an *Online Services* account can check their statements each month. When you sign-in or register for secure *Online Services* you have access to your monthly statement at your convenience.

To view your online PICS every month, simply sign in to your secure *Online Services* account and click on the link *Your Pension Statements*. ○

*\*Due to the conversion of our pension payroll system in 2002 the information for these two sections is only available for pensioners who retired after January 2002.*



## New Proxy Voting Guidelines online

Ever wondered how OPTrust votes its shares in the companies we invest in? Want to know our voting standards on issues such as climate change or executive compensation? Our new *Proxy Voting Guidelines* answers these and other questions.

As part of our efforts to promote good corporate governance, OPTrust actively exercises our voting

rights as a shareholder in over 1,000 companies around the world. In order to meet the pension promise to our members and retirees, OPTrust prefers to invest in well governed companies with strong management structures and practices in place. The Plan's shares are voted according to our detailed *Proxy Voting Guidelines*.

The guidelines were updated in February 2009 and address key governance issues such as the nature of boards of directors, compensation of executives, protection from takeovers, labour rights, and shareholder rights. They also address a range of social and environmental concerns.

To learn more about OPTrust's approach to proxy voting visit our website at [www.optrust.com](http://www.optrust.com) to download the guidelines under the "Investment" section. If you have any questions or comments about the guidelines or for information on a specific vote, please contact OPTrust at [proxyvotes@optrust.com](mailto:proxyvotes@optrust.com). ○



**"OPTrust is committed to responsible investing and voting our proxies is key to this strategy. Not only does it help ensure strong, long-term investment performance but it helps align our investments with the interests of our membership."**

— Katharine Preston, Manager for OPTrust's Proxy Voting and Environmental, Social and Governance program.

# Your insured benefits improvements

**O**PSEU and the Government of Ontario have ratified a new collective agreement for active Ontario Public Service employees. The negotiated agreement includes a number of improvements to insured benefits coverage for eligible OPTrust retirees.

If you qualify for insured benefits in retirement, you can expect the following improvements to your coverage:

## Effective January 1, 2009

- The dental plan deductible was reduced to \$50 from \$100 for single or family coverage per calendar year. If you submitted a dental claim to Great-West Life for services after January 1, 2009, you will receive a \$50 reimbursement. **You do not need to re-submit your claims.**

## Effective April 1, 2009

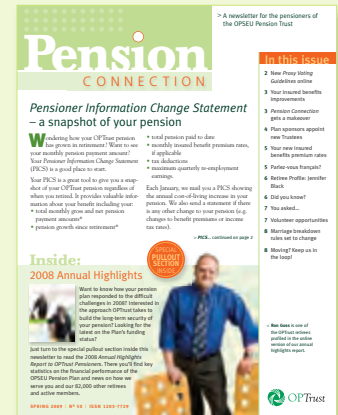
- Coverage includes 100% of the cost of one routine eye exam every 24 months over and above the \$340 maximum payable under the vision care plan. Your 24-month claim period starts after the first submission of an eye exam after April 1, 2009 and will be separate from your 24-month vision care claim period for glasses, contact lenses and corrective laser eye surgery.
- Additional drug coverage: vaccinations or immunizations prescribed by a physician and administered by a qualified health care practitioner will be reimbursed at 90% if they are not covered by a provincial health plan (e.g. OHIP).
- The dental plan will cover pit and fissure sealants for retirees' dependent children aged 6 to 18 years.

## Effective January 1, 2010\*

- The dental plan will pay 50% of eligible major dental services and the maximum benefit will increase from \$1,200 to \$2,000 per year for you and your eligible dependants.
- 100% of premiums for vision care and hearing aid coverage will be paid by the Government of Ontario.

*\*The Government of Ontario will provide additional information on these improvements in fall 2009, which will be included in a future issue of Pension Connection.*

Your insured benefits coverage is provided by the Government of Ontario and administered by Great-West Life. For more information, please contact Great-West Life at **1-800-874-5899** or **www.greatwestlife.com**. ○



## Pension Connection gets a makeover

If you think the *Pension Connection* newsletter looks fresh and different, you are right! After eight years, we are pleased to present you with a new design. In focus groups held in late 2008, retirees and members provided feedback that helped reshape the look of your newsletter.

You will also notice that your 2008 *Annual Highlights Report to OPTrust Pensioners* is incorporated into this issue (see the special section to read more). That's because retirees and members said they wanted to receive the Plan's financial highlights and newsletter content in one package.

Combining your highlights report with *Pension Connection* helps the environment and saves costs by not printing an envelope for this mailing.

# Plan sponsors appoint new Trustees

## **OPSEU named Maureen Whyte to the OPTrust Board of Trustees in January 2009.**

An activist and OPSEU member since 2003, Whyte is the vice-president of OPSEU Local 333 in Oshawa. She has also served as union steward and local secretary.

Whyte started her career with the Ontario Public Service (OPS) over two decades ago before working for several years as a financial planner in the banking sector. She returned to the



**Maureen Whyte**

“Protecting members’ and retirees’ interests and benefits is very important to me. I am concerned about pension security due to emerging trends and issues in this area. I look forward to this tremendous opportunity to serve on the Board.”

OPS in 2003 and now works as a Claims Assessor within the Ministry of Health and Long-Term Care.

Whyte teaches part-time at Durham College in Oshawa.

She replaced OPSEU Trustee Ruth Galinis who served on the Board for three years and ended her term in December 2008.

## **The Government of Ontario appointed Scott Campbell to the OPTrust Board of Trustees in April 2009.**

With a career spanning 30 years in the Ontario Public Service (OPS), Campbell was the first Corporate Chief Information Officer (CIO) for the Government of Ontario – a position he held until retiring in 2001.

Over the last eight years, he has worked as the CIO with the Government of British Columbia, Ontario’s first Chief e-Health Strategist, Interim CIO for the Canadian Partnership Against Cancer,



**Scott Campbell**

“It is a privilege to be a part of the OPTrust Board. I look forward to working with my fellow Trustees, OPTrust management and staff to ensure that the short and long term needs of the members and pensioners are met.”

and Interim CIO of the Ontario Agency for Health Protection and Promotion.

Campbell runs his own information technology consulting company and provides strategic advice to change large complex organizations.

He serves as Chair of the Board of Directors of the Trillium Health Centre. He is also a member of the Editorial Advisory Board of *CIO Government Review* and the TELUS Toronto Community Board.

## **In May 2009, OPSEU appointed Jim Petersen to the Board of Trustees.**

Petersen was born in the United States and moved to Canada in 1968. He obtained a Ph.D. in History of Science and Technology at the University of Toronto. Petersen taught at the University of Winnipeg, and worked for the Manitoba Department of Colleges and Universities in Flin Flon. He later moved to Hamilton, Ontario where he worked as a Systems Officer in the



**Jim Petersen**

“The recent economic crisis has convinced me that pensioners should take a very active interest in how their pensions are being run,” says Petersen who retired in 2000.

Ministry of Education. As an OPSEU member, Petersen was actively involved in the union.

He replaces David Rapaport who served two separate terms on the Board from 2001 to 2004 and 2008 to 2009.

# 2008

## Annual Highlights Report to OPTrust Pensioners



### Meeting Challenges | Building Security

At the OPSEU Pension Trust (OPTrust), we are here to serve you. With invested assets of \$11 billion, we manage one of Canada's largest pension funds and administer the OPSEU Pension Plan, a defined benefit plan with more than 82,000 members and retirees.

#### Our mandate includes three key objectives:

- Generating the investment returns needed to support the Plan's pension promise
- Delivering the finest service and communications to our members and pensioners
- Ensuring that you have a real voice in your pension plan through joint trusteeship

#### 2008 highlights

- Our funding valuation for 2005-2007 identified gains of \$841 million, eliminating the Plan's previous deficit and increasing the contribution rate stabilization funds to \$938 million at year-end.
- The Plan experienced an investment loss of 16.2%, compared to our weighted benchmark return of -16.8% in a year of sharp declines for stock markets worldwide.
- OPTrust adopted a comprehensive funding policy to ensure the long-term security of your pension and help keep members' and employers' contribution rates stable.



## FUNDING HIGHLIGHTS

At December 31 (\$ millions)	Funding valuation	
	2008 (forecast)	2007
Net assets available for benefits	\$ 10,987	\$ 13,601
Actuarial smoothing adjustment	2,355	(643)
Actuarial value of net assets	13,342	12,958
Current cost of future pensions	12,715	12,080
Rate stabilization funds	938	408
Unallocated surplus (deficit)	(311)	470
Total surplus	\$ 627	\$ 878

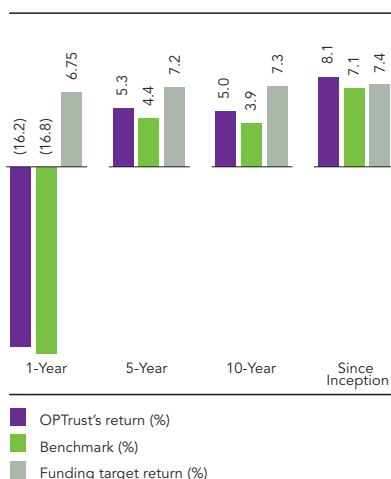
## UNDERSTANDING THE NUMBERS

OPTrust's funding valuations determine if the Plan has a surplus or deficit by comparing its assets to the projected cost of members' and retirees' pensions. The results are used to set member and employer contribution rates.

At the end of 2008, the Plan had an "actuarial smoothing adjustment" of \$2.4 billion. This represents deferred investment losses that will reduce the total surplus over the next four years. Without smoothing, the Plan was in a net deficit position at year-end.

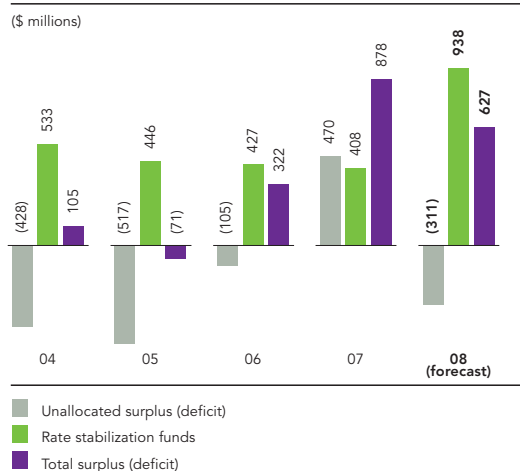
In 2008, the \$470 million unallocated surplus identified in the 2007 funding valuation was added to the Plan's rate stabilization funds. The stabilization funds can be used to help manage the impact of the Plan's deferred losses.

### Investment Performance



OPTrust's 2008 investment loss reflects the sharp drop in stock markets during the second half of the year. The Plan has generated an 8.1% average annual return since its inception in 1995, outperforming both our benchmark and the Plan's funding target return.

### Funding Surplus (Deficit)



In 2008, the Plan had an estimated unallocated deficit of \$311 million, which reduced the total surplus to \$627 million at year-end. Another \$2.4 billion in deferred losses will be recognized over 2009-2012. As a result, the Plan's next funding valuation is expected to identify a deficit.

For more information on OPTrust's investment and financial results for 2008, please see our full annual report available at [www.optrust.com](http://www.optrust.com).

## IN THIS REPORT

**3** Message from the Chair and Vice-Chair

**4** Investment Strategy and Performance

**5** Pension Funding

**6** Member and Pensioner Services

**8** Board of Trustees

# Message from the Chair and Vice-Chair

The past year has been one of significant challenges for the OPSEU Pension Plan, our sponsors and the members and pensioners we serve.

## Meeting challenges

Like most major institutional investors, OPTrust experienced investment losses in 2008 in a year of sharp declines for global stock markets. The Plan's return for the year was -16.2%, compared to -16.8% for our weighted benchmark. Over the long term, the Plan has achieved an 8.1% average annual return since OPTrust's launch in 1995.

Our negative returns in 2008 left the Plan with \$2.4 billion in deferred investment losses at year-end. These losses will be recognized over the next four years. As a result, we expect the Plan's next funding valuation to identify a deficit.

Fortunately, the Plan started the year with a surplus, based on past investment gains. As sponsors, OPSEU and the Government of Ontario have prudently set this surplus aside in separate rate stabilization funds.

These funds – which reached \$938 million at year-end – can be used to help manage the impact of future funding deficits. As a result, it may be possible to limit or avoid an immediate contribution rate increase for active members and employers when OPTrust files the Plan's next funding valuation.

## 2008 HIGHLIGHTS

- Diversification partly offset the impact of the sharp drop in global stock market returns.
- Actuarial smoothing helped cushion the short-term impact of our negative investment returns, deferring losses of \$2.4 billion for recognition in 2009-2012.
- The Plan's next funding valuation is expected to identify a deficit. The Plan's stabilization funds can be used to help reduce the impact on members' and employers' contribution rates.

## Building security

While the past year produced significant challenges for the Plan, your OPTrust pension remains an important source of financial security for your future.

As an OPTrust pensioner, you are part of a "defined benefit" pension plan. This means the value of your pension is not affected by volatile investment returns. Instead, your pension is based on the Plan's pension formula and is adjusted each year to keep pace with inflation.

This pension entitlement is supported by an \$11 billion investment fund and the contributions paid by more than 48,000 active members and their employers in Ontario's public sector.

In 2008, there were many ways we worked to build the long-term security of your pension.

- We continued to implement a multi-year investment diversification strategy. This helped limit our losses in 2008 and puts us in a strong position for growth over the long term.
- We reduced our investment risk by transferring 10% of the Fund's assets out of public equities and into a short-term money market portfolio.
- We adopted a comprehensive funding policy to help manage the risk of funding deficits, keep contribution rates stable and ensure the Plan can meet our pension obligations decades into the future.
- We provided information and services to help you understand your pension and plan for your future.

## Looking ahead

Going forward, our deferred losses will present a significant funding challenge over the next several years. OPTrust's staff and Trustees will continue to closely monitor the Plan's funded status and identify options for managing the impact of these losses.

We will also review the Plan's long-term asset mix targets in 2009 and continue implementing our diversification strategy. This will strengthen our ability to meet the Plan's funding requirements while keeping risk at an appropriate level.

Together with our fellow Trustees, the Plan's sponsors and OPTrust's management and staff, we look forward to building on the Plan's record of success and responding to the challenges and opportunities ahead.



Tony Ross  
Chair

Doug Paolini  
Vice-Chair

# Investment Strategy and Performance

## 2008 HIGHLIGHTS

- OPtrust's investment portfolio lost 16.2% in 2008, reflecting the steep drop in global stock markets.
- Strong returns from fixed income, real estate and infrastructure investments helped offset sharply negative public equity returns.
- A tactical reallocation of 10% of the Plan's assets from stocks to money-market investments helped reduce the Fund's volatility.

OPTrust's investment program is designed to meet one overriding objective: generating the investment returns needed to provide our members and retirees with a secure lifetime pension.

### Long-term objective

To meet that goal, our investment portfolio needs to achieve our funding target return of 6.75% over the long term.

At the same time, we expect the Plan's investment results to vary from year to year in response to changing market conditions. So, we also compare our returns to benchmarks that track the performance of the markets we invest in and are weighted to reflect the Plan's asset mix.

Over our 14 years of operation, OPtrust has posted an average return of 8.1%, outperforming both the Plan's funding target and our benchmark for the same period.

### Impact of the market crisis<sup>1</sup>

In 2008, the global financial crisis produced steep losses for most major pension funds, including OPtrust.

Over the year, the Plan experienced an investment loss of 16.2%, slightly better than the -16.8% return for our weighted benchmark. While substantial, this loss compares favorably to the 30% to 40% drop in major stock market indices. The difference reflects the value of our long-term diversification strategy.

In 2008, our Canadian equity portfolio lost 30.1%, while our global equities lost 37.4% in Canadian-dollar terms. These losses were partly offset by strong positive returns from other asset classes.

The Plan's fixed income investments generated a return of 7.5% over the year. Our growing real estate and infrastructure portfolios produced returns of 9.4% and 12.1%, respectively. Our private equity portfolio also performed well compared to public equities, posting a return of -2.1% for the year.

### Diversification

These results show the importance of diversification. By investing in an appropriate mix of assets and markets we aim to manage investment risk, reduce volatility and meet the Plan's target return over the long term.

For the past several years, OPtrust has been gradually reducing the Plan's weighting to public equities. At the same time, we have been building significant real estate, infrastructure and private equity portfolios. When our diversification strategy is fully implemented, these portfolios will account for 10%, 15% and 10% of the Fund, respectively.

### Managing investment risk

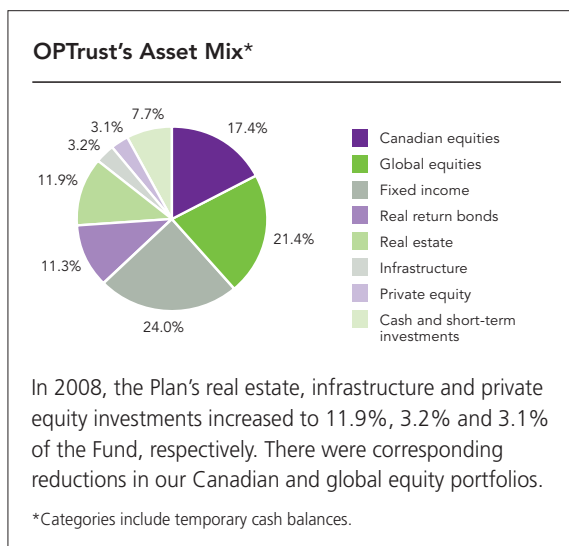
OPTrust has a robust program for managing investment risk. This includes closely monitoring each portfolio's performance and ensuring our investment managers' compliance with OPtrust's policies.

As the market crisis deepened in the fall of 2008, we moved 10% of the Plan's assets – valued at nearly \$1 billion – from public equities into more stable money-market investments. While this reduced our risk exposure, the Fund's overall volatility remains high compared to historical levels.

Our conservative approach to credit risk meant that the Plan held no "toxic" sub-prime mortgage assets. Our exposure to non-bank asset-backed commercial paper is also negligible.

With the challenging investment outlook for 2009, our goal is to preserve the Fund's capital and achieve the best possible risk-adjusted returns over the long term.

We will continue to apply our diversified investment strategy and closely monitor the Fund's performance and risk exposure.



<sup>1</sup> For more information on OPtrust's investment strategy and performance for 2008, please see our full annual report available at [www.optrust.com](http://www.optrust.com).



# Pension Funding

## 2008 HIGHLIGHTS

- Gains from the Plan's 2007 funding valuation were used to eliminate the Plan's previous deficit and increase the rate stabilization funds to \$938 million at year-end.
- The Plan entered a net deficit position due to investment losses of \$2.4 billion. Actuarial smoothing is used to spread the impact of these losses evenly over a five-year period.
- The Plan's next funding valuation is expected to identify a deficit. In this case, the stabilization funds can be used to help reduce or avoid a contribution rate increase.

Like all registered pension plans in Ontario, OPTrust must file a funding valuation with the provincial regulator at least once every three years. These valuations compare the Plan's assets to the projected cost of members' and retirees' future pensions to determine if the Plan has a funding surplus or a deficit.

Because the Plan is jointly sponsored, OPTrust's membership and the Government of Ontario have an equal share in any funding surplus. They also share the responsibility for making up any deficit, through increased member and employer contributions.

### 2007 valuation

In 2008, OPTrust filed the Plan's funding valuation for the three years ending December 31, 2007. This valuation identified net gains of \$841 million, largely due to strong investment returns between 2003 and 2006.

Of these gains, \$371 million were used to pay down the balance of the Plan's funding deficit from the 2004 valuation. In their role as sponsors, OPSEU and the Government of Ontario added the remaining \$470 million to the Plan's separate member and employer rate stabilization funds.

### Stabilization funds

By the end of 2008, the stabilization funds reached a total of \$938 million. If a future valuation identifies a deficit, these funds can be used to offset the contribution increases that would otherwise be required.

This approach has worked well in the past. Between 2003 and 2007, the stabilization funds allowed OPTrust to manage a deficit of more than \$400 million without raising contribution rates above the Plan's normal rate.

### Funding outlook

OPTrust uses a technique called "actuarial smoothing" to spread each year's investment gains or losses over a five-year period. At the end of 2008, the Plan had \$2.4 billion in deferred losses, which will be recognized between 2009 and 2012.

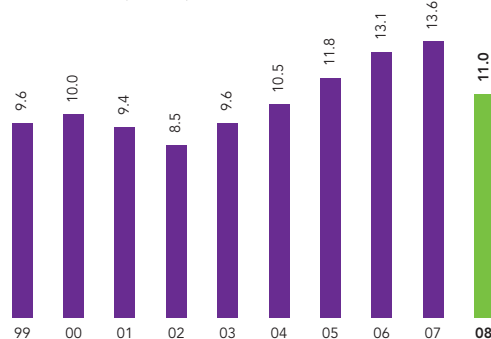
We therefore expect our next funding valuation to identify a deficit. The size of the shortfall will depend on a number of factors, including the timing of the valuation and how quickly investment markets recover.

When the next funding valuation is filed, the sponsors may use the stabilization funds to cover some or all of the required deficit payments.

OPTrust will continue to monitor the Plan's funding situation closely and explore options for managing our deferred losses. In the meantime, you can count on the continued security of your OPTrust pension.

### Net Assets Available for Benefits

At December 31 (\$ billions)



The Plan's net assets fell to \$11 billion in 2008, down from \$13.6 billion the year before. The decline in net assets is the result of a \$2.4 billion investment loss and benefit payments and expenses that exceeded contributions by \$179 million.

## Member and Pensioner Services

In 2008, OPTrust met ambitious targets for delivering prompt, friendly and efficient service while responding to members' and pensioners' changing needs.

### Service standards

Our staff processed 63,761 individual transactions – from enrolments, pension transfers and buybacks to pension estimates, terminations and retirements – up 9% from 2007. At the same time, we:

- completed 85% of cases on time, even though one in five is delayed for reasons outside OPTrust's control
- reduced the number of cases overdue by more than 30 days to 5%, down from 7% in 2007
- received more than 49,000 calls from our members and pensioners, answering 98% with an average response time of just 11 seconds.

### Proactive services

We delivered a range of proactive services to help members and retirees maximize their pensions and plan for the future. In 2008, we:

- sent information about CPP integration and your OPTrust pension to more than 1,000 retirees who were nearing their 65<sup>th</sup> birthdays

### 2008 HIGHLIGHTS

- OPTrust completed almost 64,000 individual transactions, a 9% increase over 2007.
- Growing demand for online services and communications resulted in a 12% increase in visits to our website.
- Since 2004, we have reduced administration costs by 20% per member while maintaining our high quality of service.

- made more than 1,500 follow-up telephone calls to members and pensioners who had received information about a major pension transaction
- mailed pension estimates to almost 9,000 members aged 55 or older
- sent e-mail and printed notices to more than 7,200 contract employees reminding them about their option to join the Plan; more than 1,500 enrolled over the year.



### Patty Preston

OPTrust Retiree  
Sir James Whitney School for the Deaf  
Ministry of Community and Social Services

"I'm still young, so I wasn't ready to stop working entirely. My pension allows me to work less, and to choose work that's interesting and enjoyable. I have a lot more personal time, too. I garden and go to the gym, and my husband and I have a really active life. Paying into the pension plan was a great investment."

## MEMBERSHIP SNAPSHOT

At December 31	2008	2007
Active members	47,850	47,717
Former members with entitlements in the Plan	1,782	1,375
Pensioners		
Current	23,686	22,756
Deferred	8,806	8,741
Total members and pensioners	82,124	80,589

The number of current OPTrust pensioners rose to 23,686 in 2008, up 930 from the previous year. The steady growth of our pensioner population reflects the gradual maturing of the Plan. OPTrust's active membership increased by 133, to 47,850 at year-end.

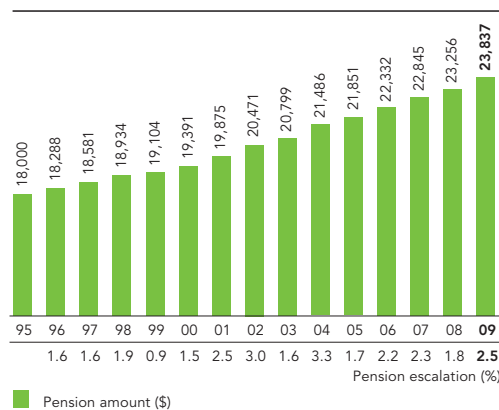
### Responding to your needs

OPTrust also responded to members' and retirees' increasing demand for online service and communications. Over the year our public website received almost 280,000 visits, up 12% from 2007. At the same time, more than 5,400 new users signed up for our secure *Online Services* site.

Meanwhile, OPTrust members and pensioners continued to give us high marks for the quality of service we provide. Over the year, survey responses from almost 900 individuals who completed a pension transaction showed an overall satisfaction rating of 8.4 out of 10, maintaining our consistently high ratings of the past four years.

In 2009, we will continue providing quality services while exploring cost-effective options for meeting your changing needs.

### Inflation Protection for Pensioners



Your OPTrust pension is adjusted annually for inflation to protect your purchasing power. In January 2009, payments to pensioners rose by 2.5%, reflecting changes in Canada's Consumer Price Index. A retired member who received a typical annual pension of \$18,000 in 1995 will receive \$23,837 in 2009 – an increase of 32% over 14 years.

### Woodman Yeung

OPTrust Retiree  
Centre for Addiction and Mental Health

"I used OPTrust's website to learn about the retirement process. I also attended an OPTrust seminar, which was really helpful. My pension is enough to cover my living expenses, so I have time for other things. I've been working with another OPTrust retiree, providing computer support for an agency that helps the homeless. But I've recently become a grandfather, so I'm planning to retire again and take care of my grandson."

For more member and pensioner profiles, visit the online version of this report or our full annual report at [www.optrust.com](http://www.optrust.com).



## OPTRUST'S BOARD OF TRUSTEES

The OPSEU Pension Trust was established to give plan members and the Government of Ontario an equal voice in the OPSEU Pension Plan through joint trusteeship. As sponsors, the Ontario Public Service Employees Union (OPSEU) and the Government of Ontario each appoint five Trustees to the OPTrust Board. Together, the Trustees oversee all aspects of the Plan's operations in the interests of our more than 82,000 members and retirees.

### Members of the Board of Trustees at December 31, 2008

#### Tony Ross, Chair\*

Former Vice-Chair (retired)  
Merrill Lynch Canada

#### Doug Paolini, Vice-Chair\*\*

Bilingual Employer Specialist  
Office of the Employer Advisor  
Ministry of Labour

#### Michael Beswick\*

Senior Vice-President, Pensions (retired)  
Ontario Municipal Employees  
Retirement System

#### Alicia Czekierda\*\*

Secretary, Robarts/Amethyst Schools  
Ministry of Education

#### Maurice Gabay\*\*

Accountant  
Ontario Public Service Employees  
Union (OPSEU)

#### Ruth Galinis\*\*

Retired OPSEU local representative  
Ministry of Culture and Ministry of  
Tourism and Recreation

#### Richard Johnston\*

Former administrator and counsellor  
Trent University  
Former President, Centennial College

#### Mahmood Nanji\*

Assistant Deputy Minister  
Strategic Asset Management Division  
Ministry of Public Infrastructure Renewal

#### David Rapaport\*\*

Project Coordinator  
Ministry of Education

\* Appointed by the Government of Ontario

\*\* Appointed by OPSEU

## HOW TO REACH US

### OPSEU Pension Trust

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Toronto, ON M5C 3A7

### Member and Pensioner Services

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

www.optrust.com  
email@optrust.com

This report summarizes certain provisions of the OPSEU Pension Plan. Please note that this report 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 requirements of the OPSEU Pension Plan will govern in all cases.

*Ce rapport est aussi disponible en français.*

ISSN 1204-0458



### Anita Porter

OPTrust Member  
Communications and Information Branch  
Ministry of Health and Long-Term Care

"I'm in the middle of my career, so I'm starting to think about my retirement. OPTrust does a good job keeping me up to date about my pension and helping me plan ahead. It's hard to find the money to put into an RRSP, so my pension is important to me. It means I'll have a secure income when I'm ready to retire. And it's a big plus that my employer contributes, too."



## GET THE BIG PICTURE

OPTrust's full annual report is available online at [www.optrust.com](http://www.optrust.com). A list of OPTrust's significant investments is also available on the OPTrust site. To order a printed copy of the annual report, please contact us.



# Your new insured benefits premium rates

**O**PTrust retirees who are eligible for insured benefits may have noticed a small increase in their monthly premium rates in April.

Effective April 1, 2009, insured benefit premium rates for vision care and hearing aid coverage increased. The new rates are shown on your April 2009 *Pensioner Information Change Statement*.

## Your new monthly rates: April 1, 2009

SINGLE COVERAGE		FAMILY COVERAGE	
Retiree	Ontario Government	Retiree	Ontario Government
\$1.63	\$143.11	\$3.32	\$260.14
GO Transit Retiree	Ontario Government	GO Transit Retiree	Ontario Government
\$1.83	\$70.24	\$4.21	\$162.16

## Who qualifies for coverage?

You, your eligible spouse and your eligible dependent children qualify for insured benefits, if you are receiving a pension based on **at least 10 years** of:

- credit in the OPSEU Pension Plan or the Public Service Pension Plan, or
- continuous employment and have some credit in the OPSEU Pension Plan for at least some part of each of those 10 years.

Your eligibility for coverage is based on service and credit in the OPSEU Pension Plan while you were an active member, but your insured benefits are provided separately by the Government of Ontario and administered by Great-West Life.

## Parlez-vous français?

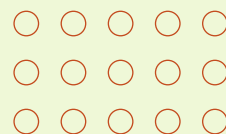
La FRRS offre à ses retraités francophones la version française imprimée et électronique du bulletin *Pension Connection (La filière des pensions)*. Si vous préférez recevoir votre bulletin de la FRRS en français, envoyez-nous un courriel à **communications@optrust.com** ou contactez nos Services aux participants et aux pensionnés au **416-681-6100** ou au **1-800-637-0024** (sans frais au Canada).

Pour la première fois, nous avons traduit nos faits saillants financiers annuels en français pour vous donner un aperçu détaillé du rendement de votre régime de pension en 2008. Si vous vous inscrivez à la version française de votre bulletin, vous recevrez aussi le *Rapport annuel sur les faits saillants de 2008 présenté aux pensionnés de la FRRS*, qui est compris dans ce numéro (voir la section spéciale). ○



## Insured benefits coverage

If you are eligible for insured benefits at retirement, your coverage includes: dental, supplementary health and hospital, and basic life insurance. The Government of Ontario pays for these premiums. For vision care and hearing aid coverage, retirees pay a small premium (see chart). ○



# Retiree Profile: Jennifer Black

Since leaving a 29-year career in administrative services at the Ministry of Safety and Correctional Services, Jennifer Black has spent her retirement “clowning” around with children. That’s because she runs a children’s development theatre company in Goderich, Ontario working with young kids, some with special needs.



drama. She has been involved in community theatre throughout her life, but with a steady source of retirement income, she now volunteers full-time.

“Children are truly an inspiration to me. They keep me young and make me laugh. My program gives children who are not interested in sports or have health problems a creative alternative.” Many of the children in Jennifer’s program have since appeared in theatre productions and attended professional drama schools.

She also serves on the board of a local senior citizens’ centre where the proceeds from the theatre group productions are donated. Jennifer, who was born in England, has just started research for a children’s book she plans to write about children who grew up in Europe during World War II.

*Do you have a retirement story to share? Want to share your tips for an active retirement with other pensioners? Contact OPTrust at [communications@optrust.com](mailto:communications@optrust.com) and let us know what you’re doing in retirement. We may feature you in a future issue of Pension Connection.*

Retired for five years, Jennifer has turned her passion for theatre and love for children into a program designed to boost their imagination through creative activities such as pantomime, improvisation and

“My OPTrust pension is important to me. I’m happy that I worked long enough to earn a secure pension that I can count on in retirement.”

## Did you know?

Like many retirees, you are likely eligible for Canada Pension Plan (CPP) and Old Age Security (OAS) benefits either now or in the future. You can start to receive CPP benefits as early as age 60. However, your CPP benefits are reduced by 6% for every year you are under age 65 when you start to receive CPP. OAS pension benefits start at age 65. The following chart shows the 2009 rates for each benefit.

For more information or to apply for your government benefits, visit the Service Canada website at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or contact by phone at 1-800-277-9914. ○

### 2009 RATES

CANADA PENSION PLAN		OLD AGE SECURITY*	
Average Monthly Benefit	Maximum Monthly Benefit	Average Monthly Benefit	Maximum Monthly Benefit
\$501.82	\$908.75	\$489.57	\$516.96

\*The OAS rates are reviewed in January, April, July and October to reflect increases in the cost-of-living as measured by the Consumer Price Index. The figures listed here are for April – June 2009.

# You asked...

**Question:** I noticed that my pension was paid on April 24th, but in March it was paid on March 26th. Why are the dates different?

**Answer:** OPTrust pensions are normally paid on the 26th of every month, except when the 26th falls on a weekend or a holiday. Since April 26th was on a Sunday this year, your pension was paid on the previous Friday. To find out when you will receive your OPTrust pension for the remainder of the year, visit the “Pensioner” section of our website to view the online pension payment calendar.



OPTrust pensions are normally paid on the 26th of every month.



**Question:** With the Ontario Public Service collective agreement ratified, are there any changes to insured benefits coverage for retirees?

**Answer:** Yes. The new collective agreement includes benefit improvements for eligible retirees. See page 3 for more information.

**Question:** I turned 65 earlier this year and started to collect my Canada Pension Plan benefits. Why was my OPTrust pension reduced?

**Answer:** When you were an active plan member, your contributions to OPTrust were integrated with the Canada Pension Plan (CPP). This means you paid lower contributions to OPTrust for the part of your earnings that are also covered by CPP. These reduced contributions are taken into account when your OPTrust pension is calculated starting at age 65.

Your OPTrust pension is designed to provide you with a combined pension income – from both OPTrust and CPP – that equals approximately 2% of your average salary multiplied by your years of credited service. Since you retired before age 65, OPTrust paid the full 2% pension. Now that you’ve reached age 65, your 2% pension is made up of two pieces, your OPTrust pension and CPP.



**Question:** Can I view a monthly record of my pension payments online?

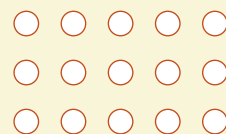
**Answer:** Yes. All OPTrust retirees can access their monthly *Pensioner Information Change Statement* (PICS) when registered for OPTrust’s secure *Online Services* site. OPTrust mails the printed versions every January to announce the annual inflation adjustment rate and any time there is a change to your pension amount (e.g. insured benefit premiums or tax changes).



## Volunteer opportunities

Like many OPTrust retirees, you probably have more free time to take up a new hobby, work part-time or volunteer in your community.

So, if you are looking for opportunities or resources in your area, check out [www.seniorsinfo.ca](http://www.seniorsinfo.ca), a Government of Canada website designed for retirees. You can learn about volunteer opportunities across Canada along with other important retirement information such as health and wellness, community services and more.



# Marriage breakdown rules set to change

The Government of Ontario is proposing new legislation to clarify how and when pensions are divided when a marriage breaks down. The changes are designed to reduce some of the strain of family court proceedings by saving court time and the cost of hiring experts.

The proposed legislation would allow for a simple way for separating couples to find out the value of the pension benefits to which they are entitled and allows pension plans to pay out the non-member spouse's share.<sup>1</sup>

The proposed changes follow the general direction of advice provided by the Law Commission of Ontario. The Commission consulted widely with pension plan administrators on the best ways to divide pensions when marriages break down.

OPTrust plans to update its fact sheet on this topic in the near future. Until then, if you are involved in a marriage breakdown and you need information please contact us. ○

<sup>1</sup> Ontario Ministry of the Attorney General website ([www.attorneygeneral.jus.gov.on.ca](http://www.attorneygeneral.jus.gov.on.ca))

## Moving? Keep us in the loop!

If you are planning to move soon, don't forget to give OPTrust your new mailing address, phone number and banking information. That way we can continue to send you important information about your OPTrust pension.

### You can update your new information by:

- signing-in to your secure *Online Services* account to make the change or
- completing a *Personal Information Change Request* form and returning it to OPTrust. ○



**Pension Connection** is a newsletter for pensioners 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 and Pensioner Services

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

[www.optrust.com](http://www.optrust.com) | [email@optrust.com](mailto:email@optrust.com)



OPSEU Pension Trust      Fiducie du régime de retraite du SEFPO

Return undeliverable Canadian addresses to:  
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