

# Pension

## CONNECTION

## What happens to your OPTrust pension at age 65?

One of the most common questions we receive from OPTrust pensioners and active members is why their pensions change when they reach age 65.

If you retire before age 65, OPTrust pays the entire 2% pension, which includes a temporary benefit (see chart on page 2).

This *temporary* benefit helps level your pension income until age 65 when you can collect an unreduced Canada Pension Plan (CPP) retirement pension. Starting at age 65, your OPTrust pension will be reduced to reflect the fact that you are now eligible for CPP. So after age 65, your 2% pension

will be made up of an OPTrust portion plus a CPP portion.

When you reach age 65, your temporary OPTrust benefit ends because you are now eligible to collect a CPP retirement pension.

### OPTrust and the Canada Pension Plan

The Canada Pension Plan provides retirement benefits to individuals who have contributed to it during their employment. The pension is designed to replace about 25% of the earnings on

> **What happens...** continued on page 2

## Online tool helps estimate your age 65 pension

Want to know how your OPTrust pension changes when you start your CPP pension? Wondering whether you should start CPP at age 65 or earlier? OPTrust's online retirement planning calculator will help you estimate your retirement income when deciding whether to take CPP early or at age 65.

You can use OPTrust's online retirement income calculator to compare a range of possibilities. You can find out how:

- integration with CPP changes your OPTrust pension at age 65
- taking CPP early will affect your total retirement income, before and after age 65
- OAS payments at age 65 could add to your total retirement income.

To use the retirement income calculator, visit the OPTrust website at [www.optrust.com](http://www.optrust.com) click the "Pensioners" button. From there, click the "Retirement Planning Tools" button. You will need to enter the current date as your "Projected Retirement Date." ○



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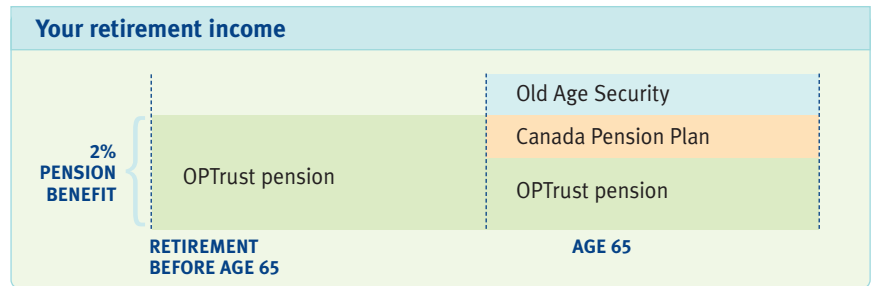
which you contributed to CPP during your career. Your OPTrust pension is designed to provide you with a combined pension income – from both OPTrust and CPP – that equals approximately 2% of your average annual salary multiplied by your years of credit in the OPSEU Pension Plan during your membership.

While you were an active plan member, you made reduced contributions to OPTrust because you were also contributing to CPP. This contribution “integration” is taken into account in the way your OPTrust pension is calculated starting at age 65 (see chart above).

OPTrust will provide you with a statement six months before you turn age 65 to show your lifetime pension amount from the Plan.

### Old Age Security

In addition to CPP, you may be entitled to a monthly retirement benefit from Old Age Security (OAS). It is payable monthly and indexed quarterly. Your OPTrust pension is not adjusted due to OAS payments.

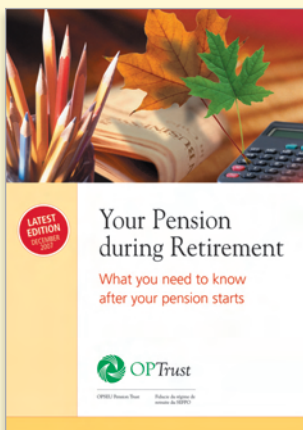


OAS payments are separate from OPTrust and CPP payments. OAS starts at age 65 and cannot be taken any earlier. In the second quarter of 2010, the maximum OAS monthly basic benefit payment is \$516.96.

### Want more information?

For more detailed information on your OPTrust pension and the Canada Pension Plan, read our booklet *Your Pension during Retirement* available online or in print.

The CPP benefit calculation can be complex. As well, CPP benefits and contributions change over time. For information on your CPP benefits, we suggest you contact the Canada Pension Plan directly at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) and click “Seniors” or toll-free at 1-800-277-9914 (within Canada and the United States). ○



## Retirement booklet answers your questions

Whether you're a new pensioner or you've been retired for more than a decade, you may still have questions about your OPTrust pension. A good place to start is our booklet *Your Pension during Retirement*, which is designed specifically for OPTrust pensioners.

The booklet covers what you need to know after your OPTrust pension starts, including:

- how and when your pension is paid
- changes to your pension at age 65
- working after your pension begins
- inflation protection
- survivor benefits.

*Your Pension during Retirement* is available online with other resources and tools. Printed copies are available by contacting OPTrust. ○

# Facts about...Protecting your privacy

**A**t OPTrust, safeguarding your personal information is always a priority. We've introduced several measures to protect your personal information on record. For example over the last seven years, OPTrust has:

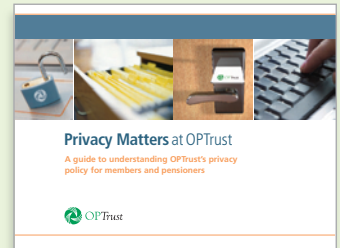
- designated a Privacy Co-ordinator as the contact person at OPTrust to deal with privacy issues
- implemented a privacy policy that outlines OPTrust's procedures in protecting your personal information
- continued to provide comprehensive training to staff about privacy practices at OPTrust
- adopted procedures to respond to your queries about privacy at OPTrust
- replaced the use of your Social Insurance Number (SIN) with a unique OPTrust ID number for all communications with you
- implemented encrypted web-based technology to protect your personal pension information through secure *Online Services*.

When you communicate with OPTrust – whether online, over the phone, by mail or in person – our top priority is to ensure that your personal information is always protected.

## Six ways to protect your privacy

Here are some quick reminders to help us protect your personal information.

- 1] When you visit OPTrust in person, bring two pieces of identification, including one with a photo (e.g. driver's licence, health card, passport, etc.).
- 2] Do not share your secure *Online Services* password or verification questions and answers with anyone.
- 3] When communicating with OPTrust electronically – send your message through your secure *Online Services* account or the Contact Us section on our website. Both options use encrypted technology unlike regular e-mail.
- 4] Use your OPTrust ID number when communicating with OPTrust.
- 5] Keep your personalized pension information, such as your *Pensioner Information Change Statement* in a safe place along with other important financial documents.
- 6] Inform OPTrust of your new home address if you move, that way we can continue to provide you with important information about your pension.



OPTrust recognizes the value in protecting your personal information and has created a privacy policy to deliver on that commitment.

You can read our privacy policy online at [www.optrust.com](http://www.optrust.com). Simply click the “Privacy” link at the bottom of the home page and download our booklet *Privacy Matters at OPTrust*. ○



# Easier way to name your beneficiaries

**O**PTrust has made it easier for you to name your beneficiaries – either online or using a paper form. The new streamlined approach means that you can list or update your beneficiaries more quickly than ever before.

## Secure Online Services

When you log in to your secure *Online Services* account, you can now name or update your beneficiary information in three simple steps. From your *Online Services* home page click “Manage my beneficiaries.”

## Manage my beneficiaries

- Existing beneficiaries – view the beneficiary information we have on record and make any necessary changes.
- Add new or edit – you can include additional names or organizations or make changes to your existing beneficiaries.
- Review and confirm – you can review your updated information and submit your records to OPTrust.

## Easier Online Services registrations

OPTrust listened to members and pensioners like you and made it easier to register for secure *Online Services*.

Look out for an e-mail or letter coming soon with the easy to follow registration instructions. To protect your privacy, we did not include the instructions in this issue of *Pension Connection*. Of course, if you want to register now for *Online Services*, please contact OPTrust. ○

**Pension Beneficiaries**  
Please read the explanations on the reverse

OPTrust Pension Trust 1 Adelaide Street East, Suite 1200, Toronto, Ontario M5C 3A7  
Telephone: 416-681-6100 Toll-free: 1-800-637-0024 Fax: 416-681-6175

Save paper and update your beneficiary records immediately using secure Online Services at [www.optrust.com](http://www.optrust.com)

**PERSONAL INFORMATION**

Last Name First Name and Initials Date of Birth (mm/dd/yyyy) Social Insurance Number  
 E-mail Address Home Telephone Number Business Telephone Number  
 Home Address: Number and Street Apt. No.  
 City/Town Province Postal Code

Marital Status:  Single  Married  Common-law  Separated/Divorced  Widowed

**BENEFICIARY INFORMATION**  
When you die, OPTrust provides death benefits in the following order  
**First:** your spouse  
**Second:** your other beneficiaries

**1. SPOUSE**

Last Name First Name and Initials Social Insurance Number Date of Birth (mm/dd/yyyy)

**2. OTHER BENEFICIARIES**

[1] Last Name First Name and Initials Date of Birth (mm/dd/yyyy)  
 Relationship to You  
 [2] Last Name First Name and Initials Date of Birth (mm/dd/yyyy)  
 Relationship to You  
 [3] Last Name First Name and Initials Date of Birth (mm/dd/yyyy)  
 Relationship to You

**DECLARATION**  
I understand the above designation will cancel and replace any previous beneficiaries I may have named for my pension benefits, either by paper form or online.

Signature Date Signed (mm/dd/yyyy)  
 OPTrust 1015-0110 Keep a copy of this form for your records.

## Pension Beneficiaries form

With the new form, you simply name your spouse (if applicable), your other beneficiaries and return it to OPTrust.

Any change to your beneficiary information – by paper form – will cancel and replace any previous designation.

To find out how your survivor benefits are paid, download OPTrust’s fact sheet *Your pension beneficiaries* available at [www.optrust.com](http://www.optrust.com). The fact sheet includes questions and answers along with a detailed description of who may receive your survivor benefits. ○



# View your pension information with *Online Services*

Want to view your *Pensioner Information Change Statement* every month? Need to make changes to your banking information? With OPTrust's secure *Online Services*, you have a range of services at your fingertips.

## What you can do online

With OPTrust's secure *Online Services* you can:

- view your most current *Pensioner Information Change Statement*
- update your banking and TD1 information
- view your insured benefits coverage
- view a copy of your current T4A
- update your beneficiary information
- update your e-mail and mailing addresses.



You can also send questions to OPTrust and receive answers about your personal pension information in a secure (encrypted) area with the secure messaging feature.




# Receive your pension sooner and safer

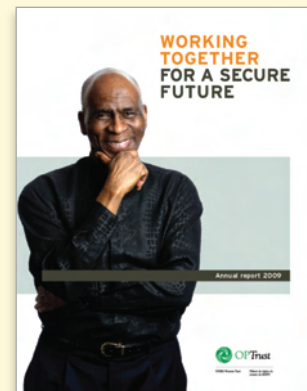
**A**t OPTrust our top priority is to ensure your pension is paid every month. That's why we offer a safe and secure way to receive your monthly pension through direct deposit. More than 98% of OPTrust pensioners receive their pension payments through direct deposit and you can too.

When you sign up for direct deposit your pension is paid to your bank account every month. With direct deposit:

- your cheque will not be stolen or lost
- you receive your pension immediately in your bank account
- there are no delays receiving your cheque due to mail interruptions
- there is no need to deposit your cheque at the bank in person.

If you live in the U.S., you can have your pension deposited directly to a U.S. bank account.

To sign up, simply complete a *Personal Information Change Request* form available from OPTrust and return it to OPTrust along with a VOID cheque. Alternatively, you can sign up for direct deposit through our secure *Online Services* site at [www.optrust.com](http://www.optrust.com). 



## Coming in June...

### *OPTrust's Annual Highlights Report for 2009*

Want to know how the OPSEU Pension Plan's investments performed in 2009? Interested in an update on the Plan's funding outlook? The answers will be coming to your home or e-mail inbox this June, in our *2009 Annual Highlights Report to OPTrust Pensioners*.

As in past years, the highlights report will be sent as a special supplement to your *Pension Connection* newsletter. Our full annual report, including the Plan's audited financial statements, will also be available in June.

Want to know when both reports are available online? Simply go to [www.optrust.com](http://www.optrust.com) and register or login to our secure *Online Services*. Then click on "Communicate with OPTrust" and follow the links to set your communications preferences and start receiving your newsletter and news alerts online.



# Reminder: 2010 insured benefits improvements

In 2009, OPTrust announced a number of improvements to your insured benefits in the *Pension Connection*. The improvements to your coverage occurred when OPSEU and the Government of Ontario ratified a new collective agreement last year. While some changes took effect in 2009, there are improvements to your coverage in 2010 as well.

## Effective January 1, 2010:

- The dental plan pays 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.
- The Government of Ontario pays 100% of premiums for vision care and hearing aid plan coverage. You no longer pay monthly premiums for this coverage. Your January 2010 *Pension Information Change Statement* reflects the change.

Your coverage includes dental, supplementary health and hospital, vision care and hearing aid plan, and basic life insurance.

Your insured benefits are provided by the Government of Ontario, not OPTrust. For questions about your insured benefits coverage or claim submissions, please contact Great-West Life directly at 1-800-957-9777 or [www.greatwestlife.com](http://www.greatwestlife.com).

## Updating your insured benefits information

Need to update your insured benefits coverage, change your mailing address or confirm your dependants for your

drug card? Simply complete the *Great-West Life Insured Benefits Change* form and return it to OPTrust. The form is available on our website.

## GO Transit retirees: Your 2010 insured benefits premium rates

Effective April 1, 2010 there was a decrease in the rate the Government of Ontario pays for supplementary health and hospital coverage while the premium for dental coverage increased. The premiums for vision care and hearing aid plan coverage for GO Transit retirees remain the same.

## Rate change effective April 1, 2010

SINGLE COVERAGE		FAMILY COVERAGE	
Retiree	Ontario Government	Retiree	Ontario Government
NIL	\$133.88	NIL	\$243.73
GO Transit Retiree	Ontario Government	GO Transit Retiree	Ontario Government
\$1.83	\$67.19	\$4.21	\$153.20



## You asked...

**Question:** I have not yet registered for *Online Services*. How secure is the site?

**Answer:** The information you provide through *Online Services* is safe and secure. Behind the scenes, *Online Services* is a protected environment that meets the highest Internet security standards.



**Question:** Will my surviving spouse receive my pension when I die?

**Answer:** Yes. If your spouse is eligible, he or she is entitled to a survivor pension. To be eligible, you and your spouse must NOT be living separate and apart when you ended your membership in the Plan and when you started receiving your pension.

Generally, a survivor pension is 60% of your OPTrust pension; unless you opted to increase the benefit to a maximum of 75% before you retired. You can read our fact sheet *Your pension beneficiaries* to learn more about how survivor benefits are paid. The fact sheet is available online or by contacting OPTrust.



**Question:** Both my January and April 2010 *Pensioner Information Change Statements* show no deductions for my vision care and hearing aid plan coverage. What happened to my premiums?

**Answer:** The Government of Ontario made a number of changes to insured benefits coverage. Effective January 1, 2010, if you are eligible for insured

benefits you no longer pay premiums for vision care and hearing aid plan coverage. The premiums are paid for by your former employer.

**Note:** GO Transit retirees pay a small premium for vision care and hearing aid plan coverage (see page 6).



**Question:** Why don't I receive a *Pensioner Information Change Statement* every month when my pension is paid?

**Answer:** OPTrust sends a statement to you when your monthly pension amount changes. For example, you will receive a statement when your pension is adjusted for inflation, new insured benefit premium rates or tax changes. However, you can view your statement every month through OPTrust's secure *Online Services* site.

Although your insured benefit premium rates were eliminated in January 2010 (except for GO Transit retirees), there was a change to the basic life insurance premium rate paid by the Government of Ontario. Effective April 1, 2010, the taxable benefit for Great-West Life basic insurance decreased, which is reflected on your most recent statement.



**Question:** I've misplaced my T4A information slip, how can I get another copy?

**Answer:** When you register for OPTrust's secure *Online Services* site, you can view and download a copy of your most recent T4A information slip. Alternatively, OPTrust can send you a replacement copy in the mail.



# Changes to the Canada Pension Plan

In May 2009, the federal government introduced changes to the Canada Pension Plan (CPP) to be phased in gradually starting in 2011, pending legislative approval. Under the proposed changes:

- If you start CPP in 2011 and continue to work, you will be required to contribute to CPP at the same time. Contributions are optional for individuals who are 65 and over. Contribution rates to CPP will remain unchanged at 4.95% for both employees and employers.
- You will be able to collect a CPP pension before age 65, if you return to work without a break in employment or reduction in earnings, which is the current requirement.
- You will be able to “drop out” more years of low or no earnings from your CPP pension

calculation, which could increase your pension. The current provision of 15% (about 7 years) will be increased to 16% in 2012 and 17% in 2014 (to a maximum of 8 years).

- If you start CPP before age 65, your pension will be reduced by 0.6% (up from 0.5%) per month for each year you are from 65. On the other hand, if you start CPP after age 65, your pension will increase by 0.7% (up from 0.5%) per month. For example, your CPP benefits will be reduced by 36% if you start at age 60 (up from 30%) and increased by 42% if you start as late as age 70.

For more information on the proposed changes, visit the Department of Finance website at: [www.fin.gc.ca](http://www.fin.gc.ca).



**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:

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

