

THE
PENSION
connection

A newsletter
for the Pensioners
of the OPSEU
Pension Trust

Bargaining Update: Insured Benefits Improvements

The latest round of bargaining between OPSEU and the Government of Ontario saw improvements to insured benefits coverage for eligible pensioners. If you are eligible to receive insured benefits, the following changes apply to your benefits coverage.

Supplementary Health & Hospital Plan Insulin Pump and Supplies

Effective August 1, 2005, coverage includes diabetic pumps and supplies as follows:

- the purchase of insulin infusion pumps to a maximum of \$2,000 every 5 years per person

- the purchase of insulin jet injectors to a lifetime maximum of \$1,000
- the purchase and/or repair of one blood glucose monitoring machine per consecutive 4-year period, to a maximum of \$400 per person
- 100% of the purchase of supplies required for the use of the above-mentioned diabetic appliances to a calendar year maximum of \$2,000 per person.

> Bargaining Update... continued on page 3

OPTrust Welcomes New Trustee: Michael Beswick

OPTrust is pleased to announce the appointment of Michael Beswick to the Board of Trustees by the Government of Ontario.

Recently retired in 2004 as Senior Vice-President, Pensions, for the Ontario Municipal Employees Retirement System (OMERS), Beswick was associated with OMERS since 1974. He started in the

policy area and was responsible for pension administration, policy, communications, systems and data. Apart from OMERS, he has worked in the areas of pensions, employee benefits and compensation in industry.

Beswick plays an active role on a number of Boards including the Association of Canadian Pension

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Investments: Real Estate Expansion

In the fall of 2004 we told you about OPTrust's commitment to a long-term strategy to increase the size of the Plan's real estate investment portfolio. Since then, we've expanded our portfolio with \$220 million funded to the end of 2004 and a further \$232 million funded during the first half of 2005. As a result, our real estate portfolio now comprises approximately 4.0% of the Plan's total assets as at June 30, 2005, up sharply from less than 0.3% at the end of 2003. This growth is in keeping with changes to the asset mix approved by the Board of Trustees in 2003 to increase the real estate portfolio to 9.5% of the total Fund.

Real Estate's Advantage

The trend among many Canadian pension funds is to invest in commercial real estate, and with good reason. Over time, real estate has proven to be an excellent investment, providing fund diversification, solid performance and steady income returns. What's more, real estate tends to be more stable than stocks and performs well during periods of inflation, which can help offset increases to retirees' indexed pensions.

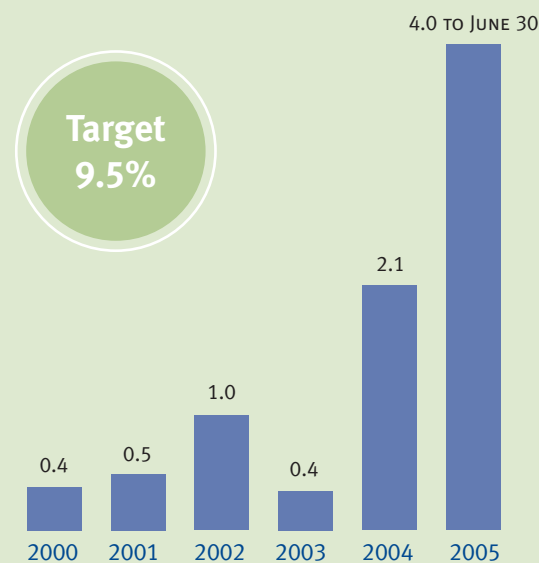
Diversity is Key

According to Robert Douglas, Managing Director of OPTrust's Real Estate Investments, "Our strategy is to invest directly in office, retail, industrial and multi-family properties in Canada and use indirect investment vehicles for the U.S. and other international markets. However, the cornerstone of our strategy is to ensure diversity by property type, geography, and investment manager. With this approach we can draw on the Investment Division's strengths and resources while balancing management fees."

Performance-wise, the real estate portfolio posted returns of 12.9% in 2004, the same as in 2003. According to Mr. Douglas, OPTrust can expect another year of solid investment returns from its growing real estate portfolio in 2005. Because of its favourable investment characteristics for pension funds, real estate will remain a key asset in OPTrust's portfolio for the foreseeable future.

OPTRUST'S REAL ESTATE GROWTH OVER THE LAST FIVE YEARS

(% of total Fund assets)



OPTrust's real estate portfolio has a growth target of 9.5% of the Plan's total net assets

For more information on OPTrust's investment portfolio, including real estate, refer to our 2004 Annual Report available online or in print.

> *Bargaining Update... continued from page 1*

Note: *Insulin will continue to be reimbursed as an eligible drug.*

Vision Care

Effective September 1, 2005, the vision care maximum will increase to \$340 every 24-month period. Eligible expenses will now include laser eye correction surgery and one routine eye examination every 24 months.

There is no change in your 24-month

benefit period for claiming purposes. For example: if you purchased glasses in April 2004 at the cost of \$300, you would have another \$40 available for an additional purchase on or after September 1, 2005 (i.e., \$40 could be used towards contact lenses or a routine eye exam or laser eye correction surgery). However, you would not receive another \$340 benefit until April 2006.

> *OPTrust Welcomes New Trustee... continued from page 1*

Management (past President), the Board of Trade Pension and Benefits Committee, and the editorial board of the *Pension and Benefits Monitor* magazine. He is a member of the Pension Committee of the Toronto Board of Trade, and on the Board of Providence Healthcare and its Pension Committee. He is a past member of the Salvation Army Investment Committee, the Victoria Order of Nurses Pension Committee and the Trent University Board of Governors, where he was chair of Trent's Investment and Pension Committee.

"In the short time I have been on the Board," said Beswick, "I have been very impressed with the professionalism of the Trust's operations and the quality of service provided. I hope to contribute to the continuation of this tradition."

Board Updates

Jordan Berger, a current Trustee, was appointed to Vice-Chair of the Board in the spring. Berger, who was first appointed by OPSEU to the Board in 2001, has

worked as OPSEU's Supervisor, Strategic Planning and Policy Development since 1997. He is responsible for policy research and planning on a wide range of issues facing the union. During the early 1990s, he worked as a policy advisor to the Chair of Management Board of Cabinet during Ontario's Rae government.

The Board of Trustees extends a fond farewell to Bob Bellamy who served as a Government appointee from 2000 to 2005. David Rapaport stepped down as Vice-Chair, but remains on the Board of Trustees.

The OPSEU Pension Trust is jointly sponsored by OPSEU and the Government of Ontario. Each sponsor appoints five Trustees to the Board, which is responsible for overseeing the investment of the Plan's assets, the administration of members' and pensioners' benefits, and the provision of quality service to OPTrust's clients. Every two years, the roles of Chair and Vice-Chair alternate between a Government and an OPSEU appointee.



Michael Beswick



Jordan Berger

Online Services: How to access the system

www.optrust.com

In fall 2004, *The Pension Connection* featured an article on OPTrust's new secure *Online Services* and how to register. Since then we've launched new features for you to:

- view and print your T4A statement
- change your banking information
- revise your TD1 and TD1ON claim amounts
- send and receive secure messages about your pension.

So, if you have access to a computer and an e-mail address, and have not taken advantage of the different features *Online Services* has to offer, why not sign up today?

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.

Registration process

OPTrust's *Online Services* provides immediate access to view and update your personal information such as your address and beneficiary information – anytime, anywhere. Registering for OPTrust's *Online Services* is quick and easy. Before you begin, be sure to have your 2004 T4A statement with you and then simply follow these steps:

Step 1

Go to the OPTrust website at www.optrust.com



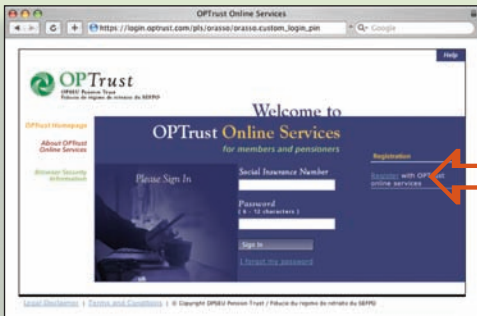
Step 2

Click on the secure *Online Services* button on the homepage and you will be directed to a new screen, which explains the features offered in *Online Services*. Once there, click “register.”



Step 3

You are then redirected to the sign-in page for *Online Services*. On the right hand side, under the heading “Registration,” click the “Register” link.



Step 4

On the following screen, enter your personal information as required and select “continue.”



Step 5

To ensure the security of your personal information, you will need to enter the information from your most recent T4A statement (2004). If you don't have a copy, please contact OPTrust.

Step 6

In the required fields, enter your e-mail address and select your secret question. The secret question and answer is used to activate your web account, and will help us identify you in case you forget your password. Select your secret question from the four options provided:

- favorite colour
- first pet's name
- first car
- mother's maiden name

> **Note:** All passwords and secret questions must be entered in lower case because the system is case sensitive.

Step 7

Now the registration process is complete; it's that easy. Within 24 hours, OPTrust will send you a temporary password to your e-mail address. At this point, you also have the option to set your communications preferences to receive *The Pension Connection* electronically and sign up to receive news alerts and other information from OPTrust.

The next time you visit the website, you can then sign in to *Online Services*, change your password, and check that your personal information is correct. **Note:** Your temporary password expires within two weeks.

If you are unable to register on your own or have questions about the registration process, contact our Member and Pensioner Services line, and a staff member will walk you through the process.

NEW FEATURE COMING SOON

In fall 2005, you will have the option to view and print the current month's pension payment information.

You Asked...

Question: I noticed my *Pensioner Information Change Statement* includes a power of attorney section. Do I have to designate a power of attorney?

Answer: OPTrust does not require that you have a power of attorney on file. This is a personal preference. If for any reason, you are unable to deal with your financial affairs, you may decide to appoint a power of attorney. This person would then be responsible to handle any matters related to your pension. We would require proof once your appointed attorney starts handling your financial affairs. A power of attorney cannot change life insurance designations, nor can he or she designate beneficiaries under the Plan.

Note: Starting this fall the *Pensioner Information Change Statement* will be available online. The updated web version will only list a power of attorney for pensioners who have one on file.

Question: When I worked in the Ontario Public Service, I had access to an employee assistance program. Does OPTrust offer a similar program for retirees?

Answer: OPTrust does not offer such a program. But both the provincial and federal governments offer several resources for seniors – online and in print. For example, the Province of Ontario operates a Seniors' INFOLine and they provide a booklet entitled *A Guide to Programs and Services for Seniors in Ontario*. For copies, contact the Seniors' INFOLine at 1-888-910-1999 or (416) 314-7511 or visit their website at www.gov.on.ca/citizenship/seniors.

The federal government also provides information on various programs through their Seniors Canada On-line website at www.seniors.gc.ca. For any questions about programs or publications offered, contact the federal government at 1-800-622-6232.

Question: Where can I find more information on the insured benefits class action lawsuit against the Government of Ontario?

Answer: The Toronto law firm Cavalluzzo Hayes Shilton McIntyre & Cornish LLP is handling the class action lawsuit. In 2004, a notice of certification was issued to all potential class members. The class includes those individuals who retired between 1974 and June 1, 2002 (the date the reductions were implemented) and their dependants.

Additional information on the class action lawsuit can be found on the law firm's website at www.cavalluzzo.com under "Class Actions."

Do you have a specific question about your OPTrust pension? When you register for OPTrust's secure *Online Services* you can submit questions through our Secure Messaging function. When our response is ready, we'll send you an e-mail notice with a link to *Online Services*, so you can log on to retrieve our reply. Refer to page 4 for instructions on how to register.

Of course, our staff is always available to answer your questions. You can reach the Member and Pensioner Services line at (416) 681-6100 or 1-800-637-0024.

Working in retirement

Thinking of working part-time? Wondering what will happen to your pension? Many OPTrust pensioners find part-time work to keep them busy in retirement. And with an increasing number of pensioners retiring at a younger age this option is becoming more common.

If you've decided to return to work, either in a full-time or part-time position, who you work for may affect your pension. If you work for an employer who does not contribute to the OPSEU Pension Plan, your pension is not affected. If you are re-employed or engaged by an employer who contributes to the OPSEU Pension Plan, the impact on your pension depends on your salary and whether or not you rejoin the Plan. Please contact OPTrust before you decide to work again for an employer who contributes to the Plan. It is your responsibility to inform a participating employer that you are currently receiving a pension from the OPSEU Pension Plan.

Without Plan membership

Your monthly pension is subject to an earnings ceiling each calendar quarter (e.g., January – March) if you are re-employed or engaged by an employer who contributes to the Plan and you do not rejoin the Plan. Your earnings ceiling is determined by subtracting your pension income for the quarter from your final pre-retirement quarterly earnings. Your re-employment earnings should not exceed this maximum. If your total income in any calendar quarter after retirement is more than your quarterly employment earnings before retirement,

we will reduce your pension by the amount you exceed your pre-retirement earnings.

With Plan membership

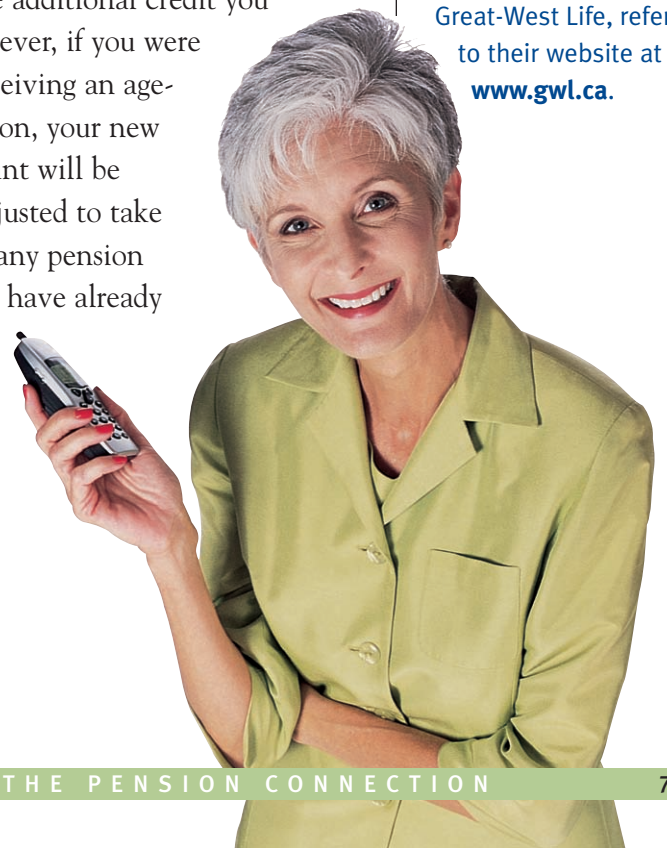
Depending on the nature of your re-employment and your age, you may have the option or may be required to rejoin the Plan. If you rejoin, your pension stops immediately. While you are making contributions to the Plan, you are accruing additional pension credit so when your employment ends, we will recalculate your pension.

OPTrust will add the additional credit you earned during your re-employment to your previous credit whether you retired with an age-reduced pension or with an unreduced pension under the Factor 80, Factor 90 or the 60/20 provisions or at age 65. OPTrust then recalculates your pension at the end of your re-employment period to include the additional credit you accrued. However, if you were previously receiving an age-reduced pension, your new pension amount will be actuarially adjusted to take into account any pension payments you have already received.

Great-West Life ID Numbers

Earlier this year, we informed you of a project between OPTrust and Great-West Life to provide OPTrust pensioners – who are eligible for insured benefits – with new client identification numbers for insured benefits claims. The new ID numbers will be ready later this fall and you will receive a personalized letter identifying your new number. In the meantime, you should continue to use your Social Insurance Number for all insurance benefits claims.

For more information on your benefits with Great-West Life, refer to their website at www.gwl.ca.



Moving? Don't forget to keep in touch

Planning to move this summer or fall? Don't forget to notify OPTrust of your new home mailing address. That way you will continue to receive *The Pension Connection*, your personalized *Pensioner Information Change Statement*, T4A statements and other important information about your pension.



You have two options to update your home mailing address:

1. Log on to our secure *Online Services*, and update your information online (see page 4 for registration information).
OR
2. Complete a *Personal Information Change Request* form, available online in the "Download Forms" section under "Pensioners," or by contacting OPTrust for a print copy.

Parlez-vous Français?

For our bilingual pensioners, OPTrust offers a French version of *The Pension Connection*. If you would prefer to receive a copy of *The Pension Connection* in French, send an e-mail message to communications@optrust.com or contact our Member and Pensioner Services line at (416) 681-6100 or 1-800-637-0024 (toll-free within Canada).

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