

THE
PENSION
connection

A newsletter
for the Pensioners
of the OPSEU
Pension Trust

OPTrust operates in a “green” office environment

Environmental awareness

At OPTrust we recognize the value of promoting a green office environment and the impact it has on our organization and stakeholders. OPTrust is an environmentally responsible organization, committed to improving our office and external “green” operations for our staff, members and pensioners, stakeholders and visitors.

According to Environment Canada, environmentally responsible management is a necessary and integral part of a sustainable future – the green office is here to stay. OPTrust recognizes the need to do its part in maintaining a sustainable future for the environment through a green office.

Green initiatives

In serving our more than 75,000 members and pensioners, OPTrust has directed considerable efforts to minimize the



environmental impacts arising from our day-to-day operations. Over the past few years, OPTrust has introduced several key initiatives to further improve the way we operate environmentally. For example, we provide OPTrust’s booklets and forms on the website, minimizing paper consumption. The introduction of *Online Services* gives members and pensioners access to their personal pension information in a secure web environment.

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**YOU
ASKED**

Question: I noticed my pension payment decreased in July. Why was there a reduction?

Answer: Your monthly pension amount may have decreased slightly due to a new federal change in tax rates and credits. As required by the Federal Government, OPTrust automatically applied the changes to current pensions. Your current *Pensioner Information Change Statement* reflects the deduction, if applicable. See page 2 for the personal tax credit amounts.

> You asked... continued on page 3



New tax changes introduced in Federal Budget

The Federal Government implemented its new tax changes on July 1, 2006 stemming from the 2006 budget approved earlier in the year. You may have noticed an adjustment to your pension payments beginning in July as a result. The key change that may impact pensioners is the increase of the lowest federal tax rate from 15% to 15.5% effective July 1, 2006. Other announced changes that are in effect include:

Federal Personal Tax Credits

- Basic personal amount reduced to \$8,639 from \$9,039
- Pension income amount increased to \$2,000 from \$1,000
- Spouse or common-law partner amount reduced to \$7,335 from \$7,675
- Amount for an eligible dependant reduced to \$7,335 from \$7,675.

Alberta Personal Tax Credits

- Basic personal amount increased to \$14,999 from \$14,899

- Spouse or common-law partner amount increased to \$14,999 from \$14,899
- Amount for an eligible dependant increased to \$14,999 from \$14,899.

The new rate changes, if applicable, are reflected in your monthly pension amount and shown on your *Pensioner Information Change Statements* effective July 2006. To view your statement, log on to our secure *Online Services* at www.optrust.com.

For more information on tax rate changes and personal tax credits, contact the Canada Revenue Agency at www.cra.gc.ca or 1 800 959-8281.

Web feature answers top questions

The latest feature on OPTrust's website provides answers to various "hot topics" directly from the homepage. The hot topics tool is designed to respond to increased inquiries from members and pensioners on a particular topic.

Our staff will gauge the level of inquiries received from members and pensioners, and immediately provide answers on the OPTrust website. For example, if *The Pension Connection* generates several inquiries on a certain topic (e.g., Nortel class action lawsuit or T4A statements), you will find answers to the more popular questions available online – with an archive of previous topics.

When there are no current hot topics, the feature is automatically removed from the home page until a later date, when another topic arises.

Be sure to visit the OPTrust website frequently, to see if your question has been answered under hot topics. If you have a question that is not featured in

our "hot topics" section, you have several ways to contact OPTrust:

- log on to our secure *Online Services* and send a secure message – you will receive a response within 24 hours
- contact our Member and Pensioner Services staff at 416 681-6100 or toll-free within Canada at 1 800 637-0024, or
- send an e-mail to email@optrust.com.





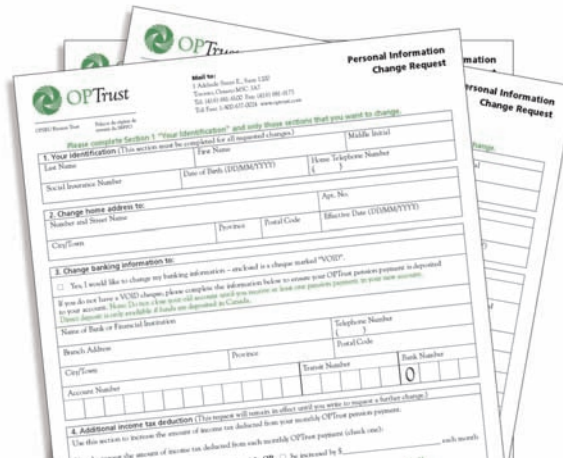
Question: I'm planning to move next month, how do I update my mailing address with OPTrust?

Answer: You have two options to update your home mailing address:

- Log on to our secure *Online Services* at www.optrust.com, and update your personal information online
- OR

- Complete a *Personal Information Change Request* form – available online or by contacting OPTrust for a form.

It is important to notify OPTrust of your new home mailing address whenever you move. 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. Don't forget to update your banking information as well.



Question: When will I receive the new drug card offered through the insured benefits settlement?

Answer: At the time of publication, the Government of Ontario indicated that pensioners would likely receive a drug card in 2007. Based on the insured benefits class action settlement, the drug card must be issued no later than November 30, 2007. The new drug card will make it easier for pensioners to access prescriptions drugs.

More specifically, some of our measurable achievements include:



- production of OPTrust's print publications and stationery on recycled paper
- more than 21,000 retirees (98%) receive their monthly pension payment by direct deposit, eliminating the requirement to produce paper cheques
- an increasing number of members and pensioners receive electronic communications from OPTrust (e.g., e-blasts, *Pensioner Information Change Statements*, tax statements, newsletters, and presentations)
- traffic on our website has gone up an astounding 642% since 2001, as members and pensioners look to the Internet for pension-related electronic information, rather than print materials

- we partner with external printing suppliers who have won awards for environmental printing
- internally, we have implemented a new document management system to aid in promoting a "paperless office" through archival.

Internally, OPTrust endeavors to conserve energy consumption by ensuring office equipment and lights are turned off at the end of each business day. Throughout our office, we have recycle bins to promote the "reduce, reuse, recycle" approach to environmental sustainability.

Looking ahead, we will continue to improve and measure our environmental performance, explore new opportunities to deal with environmental issues and communicate our approach towards further environmental sustainability.

DID YOU KNOW?

A new Seniors' Info website was introduced by three levels of government to provide resources for seniors in retirement. It's the first of its kind in Canada designed with seniors as part of a national project called the Collaborative Seniors' Portal Network. Check out the new website at www.seniorsinfo.ca, and don't forget to bookmark it as the network continues to expand.

OPTrust's Board of Trustees

You've read about recent appointments to the Board of Trustees and their biographies, but what exactly are the Board's responsibilities? How does the work of the Board impact our members and pensioners?

Board structure and responsibilities

OPTrust is jointly sponsored by the Government of Ontario and OPSEU, this means that both sponsors make equal decisions in the administration of the pension plan. Each sponsor nominates five Trustees. One Government appointee and one OPSEU appointee fill the positions of Chair and Vice-Chair, with the roles alternating between Government and OPSEU appointees every two years.

The Trustees are responsible for all aspects of the Plan's operation. They review OPTrust's investment policies and performance to ensure that money is available to pay members' and pensioners' benefits. They take appropriate steps to make sure that pension liabilities are properly valued and that the Plan's financial statements accurately reflect OPTrust's financial position. The Board also monitors the Plan's performance and ensures that members and pensioners receive a secure pension in their retirement.

To fulfill these responsibilities, new Trustees receive an intensive orientation to the Plan and ongoing training in pension plan governance and administration. The Board retains independent legal, actuarial, investment and accounting professionals and an independent custodian.

The Board of Trustees

The current Board of Trustees comes from diverse professional backgrounds, including an assistant Deputy Minister, a former member of the Legislature, former business leaders, a pension expert, a retired OPSEU activist, and government and union officials. The ten member Board includes:

- Deborah Stark, Chair
- Jordan Berger, Vice-Chair
- Michael Beswick
- Alicia Czekierda
- Maurice Gabay
- Ruth Galinis
- Richard Johnston
- Don Jordan
- Ann Marshall
- Tony Ross

- OPSEU appointee
- Government appointee

Annual Report: Models Wanted

Ever wondered how you could be featured in OPTrust's Annual Report? Want to share your retirement story? Well here's your chance. OPTrust is looking for pensioners to be featured in our 2006 Annual Report.

Every year we include actual members and pensioners as the voice of the OPSEU Pension Plan in the full Annual Report and our Annual Highlights report. If you're interested in this opportunity, please contact OPTrust's Communications department at communications@optrust.com, 416 681-6100 or toll-free at 1 800 637-0024. Photography is normally conducted early fall.



Standing Committees of the Board

To effectively manage the Plan, the Board of Trustees has established five standing committees reporting to the Board:

- The **Administration Committee** oversees the Plan's operations including its organizational plans, and operating and capital budgets.
- The **Audit Committee** ensures that OPTrust's financial statements are complete and objective, reviews the Plan's accounting and financial policies and ensures OPTrust's systems and processes comply with legal and professional standards.
- The **Governance and Compensation Committee** is responsible for reviewing OPTrust's internal governance practices, establishing performance criteria and objectives for OPTrust's Chief Administrative Officer and Chief Investment Officer, and evaluating their performance and compensation.

- The **Investment Committee** monitors the performance of the OPSEU Pension Trust Fund and its investment managers, and reviews their compliance with OPTrust's investment policies and related legal and regulatory requirements.
- The **Adjudication Panel** gives plan members and pensioners access to a review process in the event of disputes concerning OPTrust's decisions on eligibility, benefit entitlements or other pension-related rights under the OPSEU Pension Plan.

For more information on each Trustee, check out their individual biographies on OPTrust's website under the "About Us" section.



Pensioner confirmation status

Beginning this fall OPTrust will send out confirmation letters to a random sample of retirees to verify their pensioner status. This new initiative will help OPTrust maintain the accuracy of our retirement management system. For auditing purposes, it will also allow us to ensure that our database is up to date.

If you receive a confirmation letter from OPTrust, please complete and return it to us. The information you provide is valuable to the OPSEU Pension Plan.

JOINT TRUSTEESHIP

The OPSEU Pension Trust was established to give plan members and the Government of Ontario an equal voice in the administration of the OPSEU Pension Plan through "joint trusteeship."

Under joint trusteeship, the Plan has two sponsors – OPSEU and the Government of Ontario. Each sponsor appoints five members to OPTrust's Board of Trustees. Together the Trustees establish policies on how the Plan's assets are invested and how the Plan is administered.

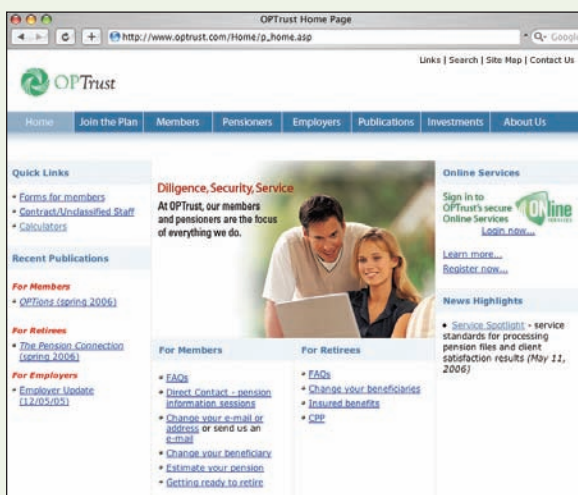
Joint trusteeship means that members and the Government share in the investment risks assumed by the Plan – and in any rewards that result. The sponsors are also jointly responsible for approving any changes to the Plan.

Retirement planning publications and resource tools

In planning for your retirement, you may have referred to OPTrust's print and online resources to help you prepare for the process. But now that you have retired, you may not realize that OPTrust has numerous resources and tools available for pensioners.

From estimating your retirement income to integration with the Canada Pension Plan to tax deductions and naming beneficiaries, OPTrust's resources offer information on a range of topics. You don't necessarily need access to the Internet to browse our materials. All OPTrust publications and Fact Sheets are available in print as well as online.

ONLINE RESOURCES



Website – www.optrust.com

The OPTrust website offers a wealth of information to help answer your pension-related questions, in segmented areas for pensioners, members and employers. While online you can download forms, view OPTrust's pension pay dates, learn how to update your beneficiaries and change your mailing address from our website. Directly from the homepage there are news highlights, frequently asked questions for pensioners, and hot topics (see page 2).

Online Services

An increasingly popular feature on the website is our secure *Online Services*. Once registered you have access to your personal pension information, in a secure environment. With *Online Services* you can:

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

Simply click on the *Online Services* icon to register or log in.



Retirement Income Calculator

Your OPTrust pension may be just one component of your retirement income. If you have other sources of income such as RRSPs, investments or Government benefits (CPP and OAS), OPTrust's retirement income calculator will help you estimate your potential retirement income from all sources. Using the calculator you can view personalized charts and graphs high-lighting your retirement income. While online, you can find out how your pension is integrated with the Canada Pension Plan after age 65.



> Retirement planning tools... continued on page 8

Online Services and your privacy

Protecting your personal information is a top priority at OPTrust especially with online transactions. As more pensioners continue to register for our secure *Online Services* feature, we've stepped up our security measures to protect your personal information using state-of-the-art technology.

Online Services uses a secure, password-protected section of our website, and is personalized for each user. Any information transmitted through this service, whether from OPTrust or individual pensioners, is safe and secure. There is no need to worry about sharing your personal information online, only OPTrust has access to the data transmitted through our secure *Online Services*.

In 2005, to further protect your personal pension information we introduced unique OPTrust ID numbers to access our secure *Online Services* features.

Pensioners are no longer required to use their Social Insurance Number to log in to *Online Services* and use the various features online.

We also have a privacy policy in place, which explains why we ask for your personal and confidential information, and how we protect your records online. OPTrust's privacy policy is available online at www.optrust.com under the "About Us" section.

Communications research

One of our main goals at OPTrust is to provide members and pensioners with excellent service and communications. As part of our communications program, we periodically seek the views of our membership to help us tailor our communications to meet your specific needs. For example, in 2001 *The Pension Connection* underwent a makeover based on feedback received from pensioners like you and just recently our website was enhanced in response to input from members and pensioners.

We may be contacting you this fall to find out if you will participate in our communications focus groups. These are small group sessions where we will be asking members and pensioners to give us an opinion about OPTrust's newsletters

The Pension Connection and *OPTions* and our booklet series. The results will be analyzed and used to help us as we continue to improve our communications efforts.

OPTrust works with the *Research Strategy Group*, an external research firm, to conduct the focus groups and to analyze the results. *Research Strategy* will be telephoning members and pensioners to solicit participation in the interviews later this fall. The selection process is completely random.

If you are solicited to participate in a focus group, you can be assured that the process is entirely confidential, and the results will be used only to improve the way OPTrust serves you.



Secure messaging

Have a personal question about your pension? Did you know that when you register for *Online Services* you can send us a secure message? Unlike regular e-mail, any message sent through *Online Services* is fully encrypted.

The secure message function also allows you to send and receive attached electronic documents and lets you keep an archive of past messages sent through the system.

To send us a secure message, simply log on to *Online Services* and select "communicate with OPTrust." 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.

Our Member and Pensioner Services staff provides answers to your confidential questions in a secure area only you can access. Answers are generally available within 24 hours of sending a message.

PUBLICATIONS



Booklet series

There are a number of publications available online and in print covering topics that affect each life stage of members and pensioners. More specifically pensioners will find the following booklets helpful in retirement:

Your Pension and Your Retirement is a helpful planning guide in retirement.

Your Pension and Your Beneficiaries provides detailed instructions on naming beneficiaries for your pension survivor benefits.

Your Pension and the Canada Pension Plan gives clear information on how your OPSEU Pension Plan is integrated with CPP.

Fact Sheets

For more specific information on certain topics, OPTrust offers Fact Sheets to explain pension benefits in detail. While the series primarily includes member-specific Fact Sheets, OPTrust pensioners may find these two titles useful:

Spousal Relationship Breakdown: Your Pension and Dividing Your Family Assets – explains what happens to your pension when your spousal relationship ends.

Survivor benefits and minor children – describes the pros and cons of appointing a Trustee or a Guardian of Property for minor children designated to receive pension benefits.

These publications are available on our website, so check out OPTrust's online resources at www.optrust.com.

To order any of these publications either send a secure message through *Online Services* or contact OPTrust at e-mail@optrust.com.

Alternatively you can reach our Member and Pensioner Services staff at **416 681-6100** or **1 800 637-0024**.

The Pension Connection is published by OPSEU Pension Trust for its pensioners.

If you have any comments or questions, please contact **Member & Pensioner Services** at:

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