



Briefing Note

Centre for Public Sector Labour Relations and Compensation

Total Compensation Strategies Branch

OPSEU Pension Plan – Amending Agreement No. 23

Issue:

The OPSEU Pension Trust (OPTrust) has requested approval by both sponsors of Amending Agreement No. 23 to the OPSEU Pension Plan (the Plan).

Recommendation:

Recommend that the Minister approve and sign three copies of Amending Agreement No. 23.

Current Status:

On October 13, 2017, Total Compensation Strategies Branch (TCSB) received three copies of Amending Agreement No. 23, signed by the OPSEU sponsor, from OPTrust.

Analysis:

OPTrust is proposing housekeeping amendments to the Plan. The proposed amendments bring the OPSEU Pension Plan provisions into compliance with the Pension Benefits Act (PBA), the Employment Standards Act (ESA) 2002, as well as correct a few referencing / typographical errors. A description of each amendment is detailed in the Appendix to this Note.

TCSB has worked with TBS Legal Services in reviewing the proposed amendments.

Background:

Under the Plan, Trust Agreement and Sponsorship Agreement, the sponsors may amend the OPSEU Pension Plan from time to time. Amendments are made by agreement of both Plan sponsors (Ontario and OPSEU).

The Ontario sponsor is represented by President of Treasury Board Secretariat. The OPSEU sponsor is represented by the OPSEU Executive Board via the office of the OPSEU President.

PBA – amendments as of July 1, 2012:

As of July 1, 2012, pension benefits accrued by members of Ontario registered pension plans who terminate employment on or after July 1, 2012 are immediately vested and locked-in. Amendments have been proposed to bring the plan text into compliance with these PBA changes.

ESA, 2000:

Proposed edits remove specific definitions of leaves of absences, and instead reference 'leaves of absences in accordance with Part XIV of ESA'. This will encompass all ESA required leaves, and avoid future requirements to amend the plan text if/when ESA is revised.

Next Steps:

- Minister to approve, sign and have witnessed three copies of the Amending Agreement No. 23.
- Minister signs cover letter to OPTrust.
- Two copies of signed Amending Agreement No. 23 to be returned to OPTrust.
- OPTrust to distribute a copy to OPSEU and to file one copy with the Financial Services Commission of Ontario.
- One copy to be returned to TCSB for filing.

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Division: Centre for Public Sector Labour Relations and Compensation
Date: October 19, 2017

Appendix: Description of Amendments

1. Article 2 amended the definition of spouse to bring into alignment with the definition under the PBA
2. Subsection 4.8 (2)(b) edited to address amendment to section 7.2(2.1)
3. Section 5.2 edited to remove reference to section 15.4 that was revoked in 2013
4. Subsection 7.2(2.1) amended to reflect terminology used in the ESA statutory leaves of absence
5. Subsection 7.2(9) amended to terminology used in the ESA regarding parental leave
6. Subsection 7.4(5) amended to remove reference to clause 1(b) as this was a referencing error in Amendment #15 s20 regarding employee contribution rate for non-contributory buyback service
7. Subsection 7.4(6)(a) amended to correct spelling of 'therefor'
8. Sections 8.1, 8.2, 8.3 and 8.4 are revoked as these sections refer to past vesting rules and no longer apply
9. Subsection 8.5(1) amended to address a Refund on Death Where No Survivor for Pre-1987 service only
10. Subsection 8.5(2) revoked as this refers to Pre-1987 service that is now covered in sections 8.19 and 8.20
11. Section 8.6 amended to address a Refund on Death to Survivor for Pre-1987 only
12. Section 8.8 amended to remove reference to revoked section 8.1, 8.2 and 8.4
13. Subsection 8.8(a) amended to remove reference to revoked section 8.10
14. Section 8.10 revoked as no long applies under current PBA
15. Subsection 8.11(a) amended to remove reference to revoked section 8.10
16. Section 8.17 amended to remove reference to revoked section 8.10
17. Sections 8.19 and 8.20 added to address the transition rule for persons who terminated membership prior to July 1, 2012
Section 8.19: prior refund and benefit (vesting) rules as of date of termination would apply
Section 8.20: prior termination rules as of the date of termination would apply; no right to pension from new immediate vesting rules
18. Subsection 10.1(2) amended to include immediate vesting rules at age 65
19. Subsection 10.5(1) amended to remove prior vesting rules for a deferred pension
20. Subsection 10.8(1)(b) amended to clarify registered retirement savings arrangements as prescribed under the PBA
21. Subsection 10.8(1.1)(a)(iii) amended to correct reference to "the Request for Transfer Amount"
22. Subsection 10.13(3) amended to reference the PBA in regard to spousal waiver of a pension benefit – removing reference to the Family Law Act as covered in the PBA
23. Subsection 10.16(1) amended to remove reference to previous vesting rules

- 24. Subsection 14.3(2) amended to comply with PBA wording
- 25. Subsection 15.5(5) amended to remove references to revoked sections: Article 8, 8.1, 8.2, 8.3 and 8.4
- 26. Section 19.3 amended to remove reference to the Family Law Act as covered in the PBA
- 27. Section 19.12 added for clarity in adding captions, headings and table of contents. These edits are for convenience and do not form part of the Plan