



Information Note

Centre for Public Sector Labour Relations and Compensation

Total Compensation Strategies Branch

OPTrust Technical Working Group – Plan Select

Context / Mandate:

The OPTrust is proposing to create a new schedule to the OPSEU Pension Plan, called Plan Select that would provide a reduced pension benefits package targeting employers in the Broader Public Sector and the Not For Profit Sector.

A technical committee has been established which includes representatives from OPTrust, TBS and OPSEU(as Plan Sponsors), to address the potential policy, actuarial, risk, governance issues and finalize documentation for Plan Select. Committee members and meeting dates included in Appendix 1.

Meeting Details

Meeting 1: February 1, 2018

Discussion Items:

- OPTrust presented a revised version of Plan Select and added new provisions that had not previously been shared including:
 - Providing other retirement arrangements such as TFSAs
 - Allow employers without OPSEU representation access to the full existing OPTrust Pension Plan
- Plan governance – in order to maintain control over plan governance, it was suggested Plan Select employers delegate authority to the Board. Issue currently under review by legal counsel.
- Whether post-retirement benefits should be made available to Plan Select members.

Outcomes:

- Committee agreed MOS between Plan Select employer and their union(s) could be appended to the participation agreement that relinquishes the union(s) rights to bargain pensions as a condition of joining the plan.
- Committee agreed that post-retirement benefits should not be offered under Plan Select.
- Sponsors would seek direction on whether including other retirement arrangements (e.g., TFSA) and expanding membership of the main plan are within scope.

Meeting 2: February 8, 2018

Discussion Items:

- OPTrust has retained Osler's to review all technical documents; plan text, legislation and regulations.
- Continued review of policy issues.

Outcomes:

- Committee agreed OPTrust's proposal to offer other products such as TFSAs would not be part of this project.
- Committee agreed that consultation with FSCO on JSPP governance risk should occur following Osler's opinion which is expected February 15, 2018.
- OPTrust is considering whether to continue to pursue the request to broaden the main plan to new employers in tandem with Plan Select.
- Committee reiterated its agreement that PRBs will not be offered under Plan Select.

Current Activities:

TBS

- Retaining third party legal and actuarial support.
- Consulting with Ministry of Finance Pension Policy and Legal and investigating the potential need for regulatory change to the regulations under the Pension Benefits Act.
 - Legislative changes are not anticipated to be required to implement Plan Select, however future legislative changes are recommended to mitigate certain risks, but are not required at this time.
- Approvals tracking to the April 24, 2018 TB/MBC date.

Working Committee

- TBS to review Osler's recommendations on plan documents.
- TBS to provide confirmation to committee regarding direction of April 24th deliverable.

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Division: Centre for Public Sector Labour Relations and Compensation
Date: February 13, 2018

Appendix 1 - Technical Working Committee

Meeting Dates:

Meeting Dates:

February 1, 2018

February 8, 2018

Future Meeting Dates:

February 15, 2018

February 23, 2018

February 27, 2018

Meeting Details:

Meeting #1

February 1, 2018

Attendees

OPTrust: Dani Goraichy, VP Actuarial Services & Plan Policy
Julie Belair, Director Actuarial Services
Kevin Stanley, Manager Plan Policy
OPSEU: Gareth Jones, Region 4 RVP, EBM, Local 440
Kim Macpherson, Benefits Counsellor
Ontario: Fran Cooper, Executive Lead
Karen Golden, Senior Counsel

Meeting #2

February 8, 2018

Attendees

OPTrust: Dani Goraichy, VP Actuarial Services & Plan Policy
Julie Belair, Director Actuarial Services
Kevin Stanley, Manager Plan Policy
OPSEU: Gareth Jones, Region 4 RVP, EBM, Local 440
Kim Macpherson, Benefits Counsellor
Len Elliot
Ontario: Fran Cooper, Executive Lead
Karen Golden, Senior Counsel
Carol Aikenhead, Pension Consultant