

Questions and Answers

On February 18, 2014, the Government announced that it would be introducing changes to Post-retirement Benefits (PRBs) applicable to certain individuals commencing a pension under the Public Service Pension Plan (PSPP) or the Ontario Public Service Employees Union (OPSEU) Pension Plan on or after January 1, 2017. Since that time, the Government has heard from numerous OPS employees and employee groups regarding their concerns with the announced changes, and in response, has been exploring a variety of options to address some of the concerns raised. On November 11, 2016, the Government and OPSEU reached an agreement regarding changes relating to PRBs while maintaining the fiscal savings associated with the 2014 announcement. The Government also now intends to offer the alternative, retiree focused PRB to all persons who meet the eligibility criteria and who may be impacted by the announced changes

Note: these changes are not currently applicable to employees represented by the Association of Law Officers of the Crown (ALOC), the Ontario Crown Attorney's Association (OCAA) or the Ontario Provincial Police Association (OPPA). As well, these changes do not apply to judicial officers who receive PRBs (i.e., Provincial Judges, Case Management Masters, Justices of the Peace).

Eligibility & Enrolment

1. What are the post-retirement benefits eligibility and participation rules before January 1, 2017?

Eligible individuals who are in receipt of a pension based on at least 10 years credit in the PSPP or the OPSEU Pension Plan that commenced before January 1, 2017 are enrolled in the current PRB plan ("the Legacy Plan"). This plan provides lifetime insured health and dental coverage equivalent to the terms in effect for active employees in the Ontario Public Service (OPS) represented by OPSEU. The Plan also includes \$2000 in basic life insurance coverage. The Government pays the full monthly premium cost of these post-retirement benefits.

PRBs are not a provision of the PSPP or the OPSEU Pension Plan, nor are they a pension benefit.

2. What changes did the government announce in 2014?

The announcement stated that eligibility criteria and cost sharing terms would apply effective January 1, 2017, as follows:

Eligibility criteria: Individuals who do not have 10 years pension credit in the pension plans by January 1, 2017, would be required to meet the following two criteria in order to qualify for retiree benefits:

- have at least 20 years of pension credit; and
- retire to an immediate unreduced pension.

Cost-sharing: Any eligible individual who has not commenced receipt of a pension before January 1, 2017 would be required to pay 50 per cent of the retiree benefits premium costs to participate in the benefit plan.

3. What has changed since the 2014 announcement as a result of the November 11, 2016 settlement?

The settlement includes terms relating to plan participation and cost sharing for persons hired before and after January 1, 2017.

Individuals hired before January 1, 2017: Eligible individuals who have not commenced receipt of a pension before January 1, 2017 will now have the option to access:

- the current PRB Plan (the “Legacy Plan”) that is available for individuals who are in receipt of a pension before January 1, 2017, provided they pay 50 percent of the premium costs; or
- an alternative, retiree focused PRB plan that is 100 percent Government paid. This alternative, retiree focused PRB plan is designed at a total cost equivalent to the Government’s 50% premium portion under the current Legacy PRB plan as it stood in 2016.

Individuals hired on or after January 1, 2017: Subject to meeting the applicable PRB eligibility criteria, upon retirement such individuals may elect to enrol in the alternative retiree focused PRB plan, and pay 100% of the applicable premiums. Such individuals will not be eligible to enrol in the Legacy PRB Plan.

Optional Upgrade Plan: In addition, effective April 1, 2017, an optional benefits upgrade package will be made available to enable eligible retirees’ access to emergency out-of-country travel coverage at a competitive cost.

4. How does the 2016 revised approach affect me:

The Chart below summarizes how eligible persons would be impacted based on date of hire and pension commencement date:

OPS Pension Plan Membership Status	Eligibility Criteria	PRB Plan	Premiums - Who pays
Pension commenced before January 1, 2017	▪ Minimum 10 years of pension credit	Legacy Plan	100 percent Government paid
Hired before January 1, 2017: ▪ 10 or more years pension credit accrued before January 1, 2017; and ▪ Pension commencing on or after January 1, 2017	▪ Minimum 10 years of pension credit	▪ Retiree Focused Plan (Default) - Or ▪ Option to elect the Legacy Plan	Retiree Focused PRB plan ▪ 100 per cent Government paid Legacy PRB plan ▪ 50:50 premium sharing
Hired before January 1, 2017: ▪ Less than 10 years pension credit accrued before January 1, 2017; and ▪ Pension commencing on or after January 1, 2017	▪ 20 years of pension credit AND ▪ Retirement to an immediate unreduced pension		
Hired on or after January 1, 2017	▪ 20 years of pension credit AND ▪ Retirement to an immediate unreduced pension	▪ Option to elect to participate in Retiree Focused Plan only.	Retiree Focused PRB Plan ▪ 100 per cent Retiree paid

Note: Basic Life Insurance – 100 per cent paid by the Government – is included in the PRB plans for all eligible retirees. This coverage can be waived

5. What are the differences between the Legacy Plan and the alternative Retiree Focused Plan?

The Legacy Plan is the existing post-retirement benefits plan that provides health and dental benefits equivalent to the coverage for active OPSEU represented employees.

The alternative Retiree Focused Plan is a value-based health and dental insurance package that complements coverage available from other retiree focused benefit sources such as the Ontario Drug Benefits (ODB) Plan. This alternative package combines coverage caps, and innovative features such as catastrophic drug coverage (CDC) to provide a competitive level of coverage at a cost in line with 50 per cent of the Legacy Plan cost. The Government pays 100 per cent of the premium costs for eligible persons who commenced employment prior to January 1, 2017 with an employer who participates in the pension plan and who meet the eligibility criteria.

Basic life insurance of \$2000, 100 per cent paid by the Government, is provided to participants in both plans.

For more detailed information on the coverage provisions of the Legacy Plan and alternative Retiree Focused Plan, please review the comparison chart on MyOPS.

6. What is the Optional Upgrade package?

This package will become available on April 1, 2017 for all individuals who are eligible for PRBs. It will include bundled features such as emergency out-of- country travel medical assistance and catastrophic drug coverage (for Legacy Plan participants). Premiums will be paid 100 per cent by retirees who elect to enrol.

More information about enrolment, coverage terms and premium rates will be provided prior to April 1, 2017

7. What is an “unreduced pension”?

Pensions paid under the Factor 90, the 60/20 and the Age 65 provisions of the Public Service Pension Plan or OPSEU Pension Plan are ‘unreduced pensions’. Qualification for a pension under Factor 90 or 60/20 is subject to the active member attaining the minimum combination of age and pension credit required under those provisions.

Eligibility criteria: Individuals who do not have 10 years pension credit in the pension plans by January 1, 2017, are required to meet the following two criteria in order to qualify for retiree benefits:

- have at least 20 years of pension credit; and
- retire to an immediate unreduced pension under the applicable pension plan(i.e. Factor 90, 60/20 or Age 65 pension).

8. What does “immediate” mean in this context?

An “immediate” pension refers to a pension that is paid commencing the month following termination of active membership in the pension plan.

9. What does “commenced receipt of a pension before January 1, 2017” mean?

The effective employment termination would have to be such that retirement and pension payments commence prior to January 1, 2017. For example, an eligible employee who terminates employment in November 2016 and whose retirement and pension payments commence in December 2016 would not be required to pay 50% of the premium costs. A person commencing receipt of pension payments on or after January 1, 2017 would be required to pay 50 per cent of the premium cost to enrol in the Legacy Plan .

10. I am already in receipt of a pension. Do the changes apply to me?

No. If you are in receipt of a pension that commenced before January 1, 2017, based on at least ten (10) years of pension credit you will not be affected

11. I'm ready to retire after January 1, 2017. What is the PRB enrolment process?

Eligible individuals hired before January 1, 2017, will be permitted to elect enrolment in the Legacy or retiree focused PRB plan at time of retirement. The pension enrolment process will include completion of a PRB enrolment form. Eligible individuals will be expected to select Family or Single coverage based on individual requirements.

If an election is not made, eligible individuals will be automatically enrolled in the alternative retiree focused PRB plan, with Single coverage.

12. Can I change my PRB coverage status after retirement at any time?

If an eligible individual's family status changes, the coverage status plan member can update the coverage status to either single or family, as applicable. The coverage status change will be effective as of the first of the month following receipt of a completed application/enrolment change form.

13. Can I move from one PRB plan to the other at any time?

No. Eligible persons should consider their needs and select the plan that best meets these needs, and enrol accordingly. To simplify administration and manage costs in both plans, the opportunities to move across plans are limited.

Any eligible individual hired before January, 1, 2017 who elected to participate in the Legacy Plan, may apply in December of any year, to cease participating in the Legacy Plan and enrol in the Retiree Focused Plan for coverage commencing January 1, of the following year.

An eligible individual who initially enrolled in the retiree focused PRB plan can also apply in December of any year, to end coverage and enrol in the Legacy Plan as of January 1st of the following year. However, if this eligible individual then makes a subsequent election to rejoin the retiree focused PRB plan, the individual cannot later submit a second application to join the Legacy plan.

14. What are the premium costs?

Combined health and dental plan premium rates for coverage under the Legacy PRB plan effective January 1, 2017 are as follows:

	Legacy PRB Single Coverage	Legacy PRB Family Coverage
Annual Premium Costs	\$1,820	\$3,374
Annual Cost (50% cost-sharing)	Government: \$ 910 Eligible Retiree: \$ 910	Government: \$1,687 Eligible Retiree: \$1,687

Premium rates are subject to change annually based on consideration of factors such as claims experience.

- For eligible individuals hired before January 1, 2017, who select the retiree focused PRB plan, the government will pay 100 percent of the premium cost. The alternative, retiree focused PRB plan is designed at a total cost equivalent to the Government's 50% premium portion under the current Legacy PRB plan.

15. If I elect to enrol in the Legacy PRB plan, how do I pay the 50 per cent PRB premium cost each month?

Eligible individuals hired before January 1, 2017 and who elect the Legacy PRB plan at retirement will be required to complete the PRB enrolment form to consent to deduction of PRB premiums (50% of cost) directly from their monthly pension payments.

Similarly, upon retirement in the future, persons hired on or after January 1, 2017 who meet the eligibility criteria and who elect to enrol in the retiree focused PRB plan will be required to complete the PRB enrolment form to consent to deduction of PRB premiums (100 percent of cost) directly from their monthly pension payments

16. What if I become re-employed by the OPS or another Employer who participates in the PSPP and eligible for active employee insured benefits after I retire?

The provision of PRB will be suspended and will resume once the eligible persons' pension is reinstated. The eligible person's PRB election at the time of retirement will remain unchanged.

17. I recently provided the Employer with notice of my intent to retire, however, given the recent news concerning Post-Retirement Benefits; I now no longer wish to retire. What are my options?

Employees who have provided notice of their intent to retire will be permitted to withdraw their notice provided they have not yet severed their employment from the OPS. If employees wish to withdraw their notice of intent to retire, they may contact their manager and inform them that they are withdrawing their notice.