OPTrust Select

Recommendation for Representation in Decision Making

- The OPSEU Pension Plan currently has a 10-member Board of Trustees, responsible for setting investment strategy and administering benefits.
  - The government and OPSEU appoint 5 trustees each.
  - A government appointee and an OPSEU appointee serve as Chair and Vice-Chair, with the roles alternating between government and OPSEU appointees every two years.
  - Representation is set forth in the Sponsorship Agreement and the Trust Agreement.

- Because joint plan governance by employers and employees is a core component of the JSPP model, a letter of agreement to the OPSEU Sponsorship Agreement should be drafted to provide representation for Select employers and employees on the Plan's Board of Trustees as Select grow in size.
  - The letter of agreement should provide that, if Select reaches a certain size, the OPSEU Plan will add representation for Plan Select members and employers on the Board of Trustees as Observer Trustees, one for the employers of Select and one from the employees of Select.
  - The threshold could be based on reaching either 20% of total active members from Select employers or 5% of total liability from Select employers.
- To mitigate any potential risk of conflict, an Advisory Board should be established at a threshold as agreed to (eg. 1000 active members).The Advisory Board would have representation for both Select employers and employees and would be consulted on all decisions that affect the interest of Select members and employers.

Recommendation for Screening Employer Membership

- Although MOF is currently involved in the screening of application for employer membership in the OPSEU Pension Plan, there would be no basis for MOF to be involved in the employer application screening process for OPTrust Select employers who would be organizations outside the BPS.
- Sponsors acknowledge that the Board of Trustees will make the decision about admitting new employers, only after a successful net-benefit test (to be shared with OPSEU, TBS and MOF).

- OPTrust will fully disclose to potential employers their designated role in governance and advisory bodies.
- The Participation Agreement with a new employer will state, and require a new employer to acknowledge, that if the employer is a transfer-partner of the Government of Ontario, there will be no increased public financial support (or however TBS/MOF want to word it) for its participation in the Plan.
- OPTrust will notify each Sponsor prior to the signing of the Participation Agreement and will provide to the Sponsors all relevant information including the net-benefit test, in a form agreeable by the Sponsors (meaning, you may want more info - and we are happy to provide).