



GENERAL QUESTIONS

What is OPTrust Select?

OPTrust Select is a new schedule of benefits within the OPSEU Pension Plan that pays members a lifetime pension based on a member's career average earnings and years of service.

How is OPTrust Select different from the OPSEU Pension Plan?

One of the main differences is that employers and members of OPTrust Select pay less into the Plan than employers and members of the OPSEU Pension Plan's current schedule of benefits. As a result, the pensions paid to OPTrust Select members are less than the pensions paid to members in the current schedule of benefits. Unlike the current schedule of benefits, OPTrust Select does not offer ancillary benefits such as subsidized early retirement features, disability pensions, subsidized survivor benefits or guaranteed inflation protection.

Can OPSEU Pension Plan members switch to OPTrust Select or vice versa?

Employers can only participate in one schedule of benefits and employees cannot participate in both schedules of benefits at the same time. Employers and their employees which currently participate in the main plan cannot switch to OPTrust Select.

What happens if an employee works for one employer that participates in the OPSEU Pension Plan and another employer that participates in OPTrust Select?

If an employee works for one employer that participates in the main plan and another that participates in OPTrust Select they must contribute to the main plan. They can only accrue benefits in OPTrust Select if they stop accruing a benefit in the main plan.

Is OPTrust Select beneficial for members of the current schedule of benefits under the OPSEU Pension Plan?

Yes. The more active members in the Plan the stronger our plan is. The creation of OPTrust Select helps support the long-term sustainability of the Plan for its over 92,000 existing members and pensioners by allocating risk and operational costs over a larger population of members.

Why are you launching OPTrust Select?

The establishment of OPTrust Select is part of OPTrust's strategy to ensure the sustainability of the Plan over future generations and speaks to our desire to see more Ontarians benefit from a secure, reliable stream of income in retirement.



Do employers and/or members pay service fees?

The administrative costs of running the Plan are paid out of the Plan. Since you and your employer contribute to the Plan, all employers and members indirectly share in the administrative costs. Our costs are very low compared to the costs associated with other financial services.

Who manages OPTrust Select?

OPTrust Select is managed by the same investment and plan administration team that manages the OPSEU Pension Plan. They are a team of highly skilled, knowledgeable pension and investment professionals.

GOVERNANCE

Will OPTrust Select have a separate Board of Trustees?

No. The OPSEU Pension Plan Board will oversee the OPSEU Pension Plan and OPTrust Select.

Will other trade unions be able to appoint trustees to the Board?

No. In accordance with the Sponsorship Agreement and Trust Agreement which created the OPSEU Pension Plan only the Government of Ontario and OPSEU can appoint trustees to the board. However, a Pension Advisory Committee consisting of representatives of OPTrust Select employers and employees will be established if and when OPTrust Select reaches 1,000 members.

PLAN FEATURES

How much will employees contribute?

Members will contribute 3% of their salaries and employers will match those contributions. Employers will pay an additional 0.2% for the first two years they participate in OPTrust Select (3.2% in total) and will match contributions at 3% in subsequent years.

Are the contribution rates flexible?

No, they are set for both members and employers.



How does the pension formula work?

OPTrust Select is a career average plan which means pensions are calculated using a formula that takes a member's total pension service and employment earnings into account. The average of a member's salary over all the years they are a member of OPTrust Select is multiplied by 0.6% for each year of pension service they accrue to determine the pension they receive.

Earnings may be upgraded annually at the discretion of OPTrust's Board of Trustees, if the Plan is sufficiently funded. Earnings upgrades are not guaranteed. If granted, they would range from 0-100% of the increase in Average Industrial Wage (AIW).

Are there any early retirement features?

No. OPTrust Select members will not receive a bridge pension or an unreduced pension before age 65. Members can retire as early as age 55 but their pension will be actuarially reduced to account for the fact that they will receive their pension for a longer period of time.

Will pensions be indexed for inflation?

Pensions are not automatically indexed for inflation. However, cost of living increases to pensions may be granted at the discretion of the Board of Trustees of OPTrust on an ad hoc basis if the Plan is sufficiently funded. Cost of living increases are not guaranteed. If granted, they would range from 0-100% of the increase in the Consumer Price Index (CPI).

Deferred OPTrust Select members are not eligible for earnings upgrades or cost of living increases between the time they terminate their membership in OPTrust Select and the time they start their pension, but they would be eligible for any cost of living increases granted after they retire and start receiving a pension.

Will benefits be available for my survivors if I die after I retire?

If you have an eligible spouse at retirement, your spouse is legally required to receive a pension in the amount of 60% of your pension if you die before they do. Your pension will be actuarially reduced to reflect the additional value of the survivor pension. It is possible to waive the survivor pension. In that case your pension would not be reduced but your spouse would not receive a pension if you die first.

Will OPTrust Select offer a disability pension?

No.



If I join OPTrust Select can I purchase past years of service?

Yes, members will be able to purchase or buy back past years of service when they worked for their employer and were not contributing to OPTrust Select or another pension plan. This includes periods of time when your employer offered a group RRSP or a group TFSA.

If I buy back past service what are my payment options?

In most cases, members can transfer a lump sum from their LIRA, RRSP or buy back past service with cash. Funds cannot be transferred directly from a TFSA as this is not permissible under the Income Tax Act.

If I buy back past service does my employer contribute?

No. Buybacks are calculated on an actuarial equivalent basis and must be paid by members. Employers do not contribute.

If my employer joins OPTrust Select and they already offer a defined contribution (DC) pension plan can the funds be transferred from the DC plan to purchase past years of service in OPTrust Select?

This may be possible but first your employer would have to wind up the DC plan. The wind-up of the DC plan would give you the ability to transfer your funds into OPTrust Select and to purchase past years of service. This is something OPTrust would need to discuss with your employer. Income tax limits may apply.

If my employer joins OPTrust Select and they offered a defined benefit (DB) pension plan can assets be transferred from the DB plan?

This may be possible, but these types of transfers can be very complex, and many legislative rules apply. This is something that OPTrust would need to discuss with your employer or existing pension plan administrator.

Can I make additional voluntary contributions (AVCs) to OPTrust Select?

No, AVCs are not permitted under either OPTrust Select or the OPSEU Pension Plan's main schedule of benefits.



ELIGIBILITY CRITERIA

Which employers can join OPTrust Select?

OPTrust Select will be available to registered charities, not-for-profit organizations and employers in the Ontario broader public sector that do not offer a DB pension plan to their employees.

Employers who are interested in participating in OPTrust Select must submit an application and supporting documentation to OPTrust. OPTrust's Board of Trustees will review all applications and determine whether the application will be approved or not.

Can I join OPTrust Select?

If your employer participates in OPTrust Select you may be required to join OPTrust Select or you may have the option to join depending on the terms of the participation agreement your employer signs when they apply to participate in OPTrust Select. Please contact your HR department for more details.

Please note that if you already participate in the OPSEU Pension Plan you cannot join OPTrust Select.

Do I need to be an OPSEU-represented employee to join?

No, if your employer participates in OPTrust Select you may be required to join or you may have the option to join depending on the terms of your employer's participation agreement.

Will OPTrust Select be made available to both management and bargaining unit staff?

Yes, but participation by different classes of employees may vary depending on the terms of an employer's participation agreement.

If I belong to a union other than OPSEU can I join?

Yes, as long as your employer participates in OPTrust Select and you are eligible to join.

I am currently in the existing OPSEU Pension Plan. Do I have the option to switch to OPTrust Select?

No. OPTrust Select will be made available to new employers and employees who do not participate in the main Plan.



Does an employer need a minimum number of employees to join OPTrust Select?

No, there is no minimum but an employer's application must be approved by OPTrust's Board of Trustees and certain restrictions may apply.

I work on a contract or fixed-term basis. Can I join OPTrust Select?

You may have the option to join OPTrust Select but this will depend on the terms of your employer's participation agreement.

If I join OPTrust Select can I stop contributing if I change my mind later?

No. If you join OPTrust Select you must continue to contribute until you terminate employment or retire.

Can my spouse, partner or family member join OPTrust Select?

No, to comply with pension legislation only people who are employed by a participating employer are eligible to join.