TO: **All Ontario Public Service Employees**

Subject: **Post-Retirement Benefits Update**

On February 18, 2014, the Government announced to employees of the Ontario Public Service (OPS) and other employers with membership in the OPS pension plans that it would be introducing changes to Post-Retirement Benefits (PRBs) for anyone commencing receipt of an OPS pension on or after January 1, 2017, in order to bring the PRBs in line with other public sector organizations.

Since that time, the Government has heard from numerous OPS employees and employee groups regarding their concerns with the announced changes. Individual and group grievances have also been filed concerning the changes, as well as an OPSEU policy grievance filed in December of 2015.

The Government has been exploring a variety of options that might seek to address some of the concerns raised by employees and employee groups, and for the past several months, the Government and OPSEU have been specifically engaged in discussions. We are pleased to advise that on November 11, 2016, the parties reached an agreement relating to PRBs while still maintaining the fiscal savings associated with the changes announced on February 18, 2014. The Government now intends to offer the alternative, retiree-focused PRB plan to all individuals who meet the eligibility criteria who may be impacted by the announced changes. Certain employee groups, including all judicial officers, will remain unaffected by the changes announced in 2014 and this new revised approach.

The highlights are:

- Eligible individuals who have not commenced receipt of a pension before January 1, 2017 and who were hired before January 1, 2017, will have the option to access:
  - the current PRB Plan that is available for individuals who are in receipt of a pension before January 1, 2017, provided they pay 50 percent of the benefit premium costs; or
  - an alternative, retiree-focused PRB plan that is 100 percent Employer paid. This alternative, retiree-focused PRB plan is designed at a total cost equivalent to the Employer's 50% premium portion under the current PRB plan.

- Individuals hired on or after January 1, 2017 will be eligible to enrol in the alternative, retiree-focused PRB Plan upon retirement if they have 20 years of pension credit and retire to an immediate unreduced pension. Such members will be required to pay 100 percent of the premium costs in order to participate in this benefits plan when they retire.

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The Government is confident that providing individuals who have met the eligibility requirements with the option of an alternative, retiree-focused PRB plan while still providing above-average insured benefit coverage for eligible retirees is a fair and reasonable approach.

A detailed Questions and Answers will also be available HERE so that staff members have the information they need regarding the revised approach.