Minister's Speaking Notes

TB/MBC – April 17, 2018

ONTARIO PUBLIC SERVICE EMPLOYEES UNION (OPSEU) PENSION PLAN EXPANSION TO NOT-FOR-PROFIT AND BROADER PUBLIC SECTORS

- Treasury Board Secretariat (TBS) is seeking Cabinet's consideration of a proposal to provide approval to the President of the Treasury Board, subject to certain terms and directions, to proceed with expansion of the OPSEU Pension Plan (Plan) to implement a separate defined benefit schedule called "OPTrust Select" on behalf of the Crown as joint sponsor of the Plan.
- The Plan is a single-employer defined benefit pension plan that is jointly sponsored by OPSEU and the Province (as represented by TBS) and administered by OPTrust.
- OPTrust's rationale for Select is to enhance the sustainability of the Plan through increased membership; and provide a retirement option to lower income target markets.
- OPSEU's rationale for Select is to expand OPSEU unionization in other sectors; and to build retirement security by providing a retirement option to lower income target markets.
- Select may assist the Government of Ontario's policy commitment to build retirement security by providing a retirement option to lower income markets; spread the risk of losses across a larger membership base, and uphold and support the government's previous commitment to OPSEU Pension Plan expansion.
- Select will offer a reduced benefit schedule and target employees in the Broader Public Sector and not-for-profit sector, including charities registered under the Income Tax Act (Canada), some of whom have no direct connection to the Government and may not be receiving any funding from the Government.
- The governance structure of the OPSEU Pension Plan will remain unchanged until such time that Select membership reaches 20% of the total active membership in the Plan, or if the liabilities of Select reaches 5% of the total Plan liabilities, and only on the condition both sponsors agree to a change in governance.

- TBS will continue to work with OPSEU as the co-sponsor and OPTrust to finalize the legal instruments necessary to implement Select.