

May 29, 2002

In reply please quote: 9876543  
Client Number: 12345

Jane Doe  
123 Any Street  
Anytown, ON X0X 0X0

Dear Plan Member:

**IMPORTANT: OPTRUST'S FACTOR 80 OPTION EXTENDED TO OCTOBER 31, 2002**

I am pleased to inform you that the OPSEU Pension Plan's temporary Factor 80 early retirement option has been extended until October 31, 2002.

Under Factor 80, eligible members have the option of retiring early with an unreduced OPTrust pension. To qualify for Factor 80, a member's age plus his or her years of pension credit must total exactly 80 on or before October 31, 2002. The Factor 80 option is available to active OPTrust members and to divested members (or "special deferred pensioners") who have the right to a deferred pension from the OPSEU Pension Plan.

**Your Factor 80 eligibility date**

Based on your information in OPTrust's records, you may be eligible for the Factor 80 early retirement option on August 16, 2002.\*

We have projected your Factor 80 eligibility date assuming that you will:

- complete the remaining payments for any past service credit you are currently purchasing (or "buying back") before you retire, and
- buy back credit for any period of service that you may have missed as a result of the OPSEU strike that began on March 13, 2002, if applicable.

Depending on your circumstances, if you do not complete all your remaining buyback payments and/or do not buy back service lost due to the OPSEU strike, if applicable, you may not qualify for the Factor 80 option, or your eligibility date may be delayed.

If you choose to terminate employment and retire on or before October 31, 2002, and the effective date of your pension is November 2002 or earlier, your eligibility for a pension and the amount of your pension will not be affected by the recent OPSEU strike. If you missed work because of the strike, you will receive credit for this period at no cost to you. The Government of Ontario has agreed to pay both the member's and the employers' cost for this credit.

If you choose not to retire under Factor 80 or retire after October 31, 2002, you have the option of buying back any strike-related credit. We plan to send a letter to each affected member detailing the cost of purchasing any pension credit lost due to the strike, and the available payment options. We will send this letter shortly.

**If you transferred credit to the OPSEU Pension Plan, an additional cost may apply**

If you transferred pension credit from another pension plan to the OPSEU Pension Plan after July 1, 1998, there may be an additional cost that you must pay in order to retire under the Factor 80 option. This additional payment reflects the added cost that the OPSEU Pension Plan will incur as a result of your early retirement under Factor 80.

This additional cost applies to all members who transferred credit to OPTrust from any of the Major Ontario Pension Plans or under a reciprocal transfer agreement from another pension plan, provided the transfer occurred on or after July 1, 1998. (Note: the July 1, 1998 date refers to the date of the *transfer* rather than the years of service to which the transferred credit applies.)

There is no additional payment required for transfers from the Public Service Pension Plan, administered by the Ontario Pension Board, or for transfers from other plans completed before July 1, 1998.

**Important time limits apply**

If you decide to retire under the Factor 80 option, you will have to meet certain strict time limits:

- First, you must give notice to your employer that you intend to retire under Factor 80. You must submit this notice in writing within 92 calendar days after the end of the month in which your age and credit total exactly 80. (Note: if you reached your Factor 80 eligibility during April, 2002, the time limit for submitting your written notice to your employer has been extended by one month, to August 31, 2002.)
- Your notice must specify your resignation date. This must be no later than:
  - i) 92 calendar days after the latest date on which you could have submitted your notice, or
  - ii) the last day of a leave of absence that commenced on or before 92 days from the latest date on which your notice could have been submitted.

We have attached a separate sheet with two examples to help illustrate how the Factor 80 time limits apply for qualifying members.

**Extension of Factor 80 and your 2001 Annual Pension Statement**

Please note that your 2001 OPTrust Annual Pension Statement was prepared before the Factor 80 option was extended to October 31, 2002. OPTrust's previous Factor 80 provision expired on March 31, 2002. As a result, your 2001 Annual Pension Statement does not indicate that you may become eligible for Factor 80 on **August 16, 2002**.

You should receive your 2001 Annual Pension Statements in the mail between late April and late June, 2002.

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**Please call OPTrust to confirm your eligibility**

If you are considering retiring under the Factor 80 option, we strongly recommend that you call OPTrust as soon as possible to confirm your eligibility – and to make arrangements to complete any buyback payments, if necessary. We will be happy to provide you with more details, including an estimate of your pension should you elect to retire under the Factor 80 option.

Note: You should contact OPTrust to confirm your eligibility for Factor 80 **before** you notify your employer that you plan to retire.

To reach an OPTrust representative, please call our Client Services telephone line at 416-681-6100 in Toronto or 1-800-637-0024, toll-free in Canada.

Yours truly,

A handwritten signature in black ink, appearing to read "William Foster". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William Foster  
Director,  
Member and Pensioner Services

*\* Please note: Your Factor 80 eligibility is subject to the verification of the pension data in our records and to the terms of the OPSEU Pension Plan. This letter does not create any rights to benefits if your actual situation and the terms of the Plan do not entitle you to those benefits. In the event of any conflict or omission, your actual membership information and the terms of the OPSEU Pension Plan will govern in all cases.*

## **Factor 80 Time Limits: Examples**

*The following examples illustrate the strict time limits that apply to eligible members who choose to retire under the OPSEU Pension Plan's voluntary Factor 80 option.*

*To confirm your own Factor 80 eligibility date, and your deadline for submitting your notice to your employer and retiring, please contact OPTrust Client Services at (416) 681-6100 or 1-800-637-0024.*

### **Example 1: Sandra**

Sandra is an OPSEU Pension Plan member whose age plus years of credit will add up to exactly 80 on September 14, 2002.

For Sandra to retire under Factor 80, she must submit a resignation notice to her employer by December 31, 2002 (i.e., 92 days from the last day of September).

Sandra's notice must specify a termination date that is no later than:

- i) April 2, 2003\* (i.e., 92 days from December 31), or
- ii) the last day of a leave of absence that starts on or before April 2, 2003.\*

### **Example 2: Ahmed**

Ahmed is a member of the OPSEU Pension Plan whose age plus years of credit added up to exactly 80 on April 10, 2002.

Normally, for Ahmed to retire under Factor 80, he would have to submit a resignation notice to his employer by July 31, 2002 (i.e., 92 days from the last day of April). However, for members who reach their Factor 80 eligibility in April 2002, the time limit for submitting their notice has been extended by one month, to August 31, 2002.

As a result, because he reached his Factor 80-eligibility date on April 10, 2002, Ahmed must submit his notice of resignation by August 31, 2002.

Ahmed's notice must specify a termination date that is no later than:

- i) December 1, 2002\* (i.e., 92 days from August 31), or
- ii) the last day of a leave of absence that starts on or before December 1, 2002.\*

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\*Note: OPTrust pensions are effective starting the first day of the month *following* the member's termination date, and are paid on the 26<sup>th</sup> day of each month. As a result, most members choose a termination date near the end of the month. This allows them to avoid a period of several weeks between when their employment income ends and their pension starts.

For example, if Sandra (example 1) terminates on March 31, 2003, her pension will be effective as of April 1, and she will receive her first payment from OPTrust on April 26. If she does not terminate until April 2, however, her pension will not be effective until May 1, and she will not receive her first payment until May 26.