

GOOD to KNOW

QUICK FACTS
ON BRIDGING
TO AN
UNREDUCED
PENSION

JULY
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Bridging to an Unreduced Pension

If you receive a notice of layoff from your employer before you reach your earliest unreduced retirement date in the OPSEU Pension Plan (the Plan), you may qualify to continue to earn pension service until you are eligible to retire and receive an unreduced pension. This is referred to as pension bridging and is subject to the terms of your collective agreement.

What is pension bridging?

Pension bridging allows members to continue to contribute to the Plan and earn pension service between the start of their layoff notice period and the earliest date they become eligible for one of the Plan's unreduced retirement options (i.e. Factor 90, 60/20 or age 65). For more information about the Plan's early retirement options, please visit www.optrust.com.

Please note that pension bridging is not related to the temporary bridge benefit that is payable to members who retire before age 65.

Who qualifies for pension bridging?

Not every member of the Plan will qualify for pension bridging when they are laid off. Pension bridging must be an option available to you under your collective agreement, and the terms and requirements may vary depending on the language in your collective agreement.

In the Ontario Public Service, pension bridging is currently available to eligible members who are declared surplus and are covered by the Central Collective Agreement. Other members of the Plan may also have access to pension bridging options under their collective agreements.

You may qualify for pension bridging if you meet all the following criteria:

- You have received a layoff notice.
- Your collective agreement provides for pension bridging and you meet the requirements.
- You would become eligible for an unreduced pension within the maximum bridging period.

If you receive a layoff notice and think you qualify for pension bridging, please speak to your employer or union representative.

What is the bridging period?

The bridging period is the period between the start of your layoff notice period and your earliest unreduced retirement date. If you qualify for pension bridging, your contributions to the Plan will continue during the bridging period and will be matched by your employer. The terms of your collective agreement will set out the terms and conditions of the bridging period (subject to any applicable *Income Tax Act* limits), and may include:

- The layoff or surplus notice period.
- A paid leave of absence for a period represented by your termination payments.
- An unpaid leave of absence (typically up to a maximum of two years).

Paying pensions today, preserving pensions for tomorrow.



Pension bridging example

Josie receives a notice of layoff on April 1, 2022. She has 17.5 years of pension service and turns 58 on September 30, 2022. If she continues to earn pension service during the 30 months until September 30, 2024, she will be able to qualify for the Plan's 60/20 early unreduced retirement option. Josie's bridging period is structured as follows:



Who pays the pension contributions during the pension bridging period?

During the layoff notice period and the paid leave of absence period represented by your termination payments, your employer will deduct pension contributions from your pay and remit them to OPTrust. Your employer will also pay matching contributions.

If you require an additional unpaid leave of absence to reach your earliest unreduced date, you must make arrangements with your employer to remit your pension contributions to OPTrust. For example, you may agree to have your employer deduct contributions from your severance pay. Your employer will also pay matching contributions.



For more information please contact OPTrust

This information is a summary of certain benefits offered under the primary schedule of the OPSEU Pension Plan and is not applicable to OPTrust Select. All information is current as of the date of publication.

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