

# GOOD to KNOW

QUICK FACTS  
ON YOUR  
PENSION AND  
TURNING AGE 65  
AUGUST 2022



## Your Pension and Turning Age 65

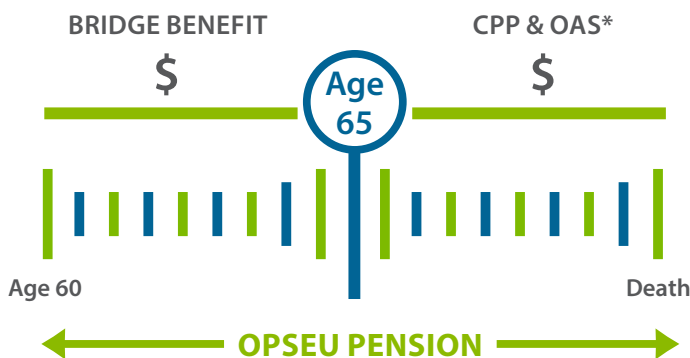
One of the most common questions OPTrust receives from members is why the amount of pension they receive changes when they turn 65. The reason for this is that the pension you receive from OPTrust has two components – a lifetime pension and a temporary bridge benefit. Please keep reading for more information.

### Your pension from the OPSEU Pension Plan if you retire early

The OPSEU Pension Plan has been designed to complement the pension you receive from the Canada Pension Plan (CPP). Both pension plans work together to provide you with a stable source of income in your retirement, but they are separate pension plans with different contribution rates and different benefit formulas.

If you start receiving your pension from OPTrust before age 65, you will receive a temporary bridge benefit in addition to your lifetime pension. The bridge benefit is an additional amount that is payable until you reach age 65. If you retire on or after your 65<sup>th</sup> birthday, you will not receive the bridge benefit.

The bridge benefit stops at age 65 because this is when Canadians can start collecting an unreduced CPP pension. The bridge benefit is truly that – a bridge for the gap between early retirement and the age you are eligible to begin receiving your unreduced CPP pension.



#### \*DID YOU KNOW?

You may also qualify for Old Age Security (OAS).

[Learn more](#) about the bridge benefit.



### How the OPSEU Pension Plan works with the CPP

During your working life you make contributions to the CPP on your salary up to the Year's Maximum Pensionable Earnings (YMPE) and the pension you receive from the CPP is based on the CPP benefit formula.

The contributions you make to the OPSEU Pension Plan are lower on the salary you receive up to the YMPE and higher on the salary you earn above the YMPE. Correspondingly, the pension you receive from OPTrust after age 65 is lower on your average annual salary up to the average YMPE and higher on your average annual salary above the average YMPE.

*Paying pensions today, preserving pensions for tomorrow.*



## Frequently Asked Questions:

**Q:** Will my CPP pension and my bridge benefit be the same amount?

**A:** No, they will not be the same amount. While the OPSEU Pension Plan and CPP work together to provide you income when you retire, they are separate plans with different benefit formulas.

**Q:** How much will my bridge benefit be?

**A:** The lifetime pension and temporary bridge benefit you receive from OPTrust is based on your average annual salary and years of pension service you earn while you are a member of the OPSEU Pension Plan. For personalized pension estimates and more information about the formula that is used to calculate your pension before and after age 65, please refer to the most recent Annual Pension Statement or Retired Member Statement you received from OPTrust.

**Q:** Will my bridge benefit end if I start CPP before age 65?

**A:** No. If you retire from the OPSEU Pension Plan between age 55 and 65, you'll receive a bridge benefit from OPTrust in addition to your lifetime pension. The bridge benefit is paid until you reach age 65, regardless of when you start receiving your CPP.

**Q:** When can I start my CPP and how much will I receive?

**A:** You can start your CPP as early as age 60 or as late as age 70. The amount you receive from CPP depends on your age when you start receiving it, how much and how long you've contributed, and the employment earnings you make CPP contributions on during your working life. To learn more about CPP and how to apply please visit [canada.ca/cpp](https://canada.ca/cpp).

**Q:** Will I qualify for Old Age Security and how much will I receive?

**A:** Most members qualify for Old Age Security (OAS) when they turn 65. The amount you receive depends on your age when you start to receive it, how long you have lived in Canada, and your annual income. If you qualify, you may need to apply before you can start collecting your OAS benefit.

If you qualify for OAS, you may also be eligible to receive the Guaranteed Income Supplement (GIS). GIS is a monthly, non-taxable benefit available to lower-income individuals living in Canada who have an annual income below the government's specified maximum.

To learn more about OAS and GIS, please visit [canada.ca/OAS](https://canada.ca/OAS).



## 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.

### How to Reach Us

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