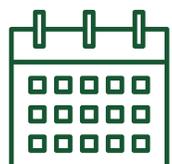


PENSION connection

A NEWSLETTER
FOR PENSIONERS
OF THE OPSEU
PENSION PLAN
December 2020



Protecting your pension dollars

Starting January 1, 2021 **your pension will increase by 1%**. The adjustment is a valuable feature of the Plan that helps your pension keep pace with inflation in retirement. The inflation rate is measured by the Consumer Price Index (CPI), reported by Statistics Canada, which OPTrust adopts to set the adjustment.

Many economic factors are working together to keep inflation low. COVID-19 is also disrupting the economy – consumer goods and services such as clothing and footwear, air travel and gas prices all experienced a decline for much of 2020. Other factors that have contributed include an aging population, technological innovation and increasing globalization.

According to the Bank of Canada, low, stable and predictable inflation is good for the economy – and for Canadians’ finances. It helps money keep its value and makes it easier for everyone to plan how, where and when they spend. While it feels like everything is becoming more expensive, inflation has been consistently low over the past decade and OPTrust’s annual cost of living adjustments (COLA) continue to reflect that. Since the Plan’s inception in 1995, COLA has averaged 1.8% per year.

Pension pay dates

In the following chart you’ll find the **pension pay dates for 2021**. Pensions are paid each month, usually on the 26th, except for December and any month where the 26th falls on a weekend.

We deposit your pension electronically into your account at your financial institution. If you want to change that account, we need to hear from you by the “cut-off date” shown below to get the change in place prior to that month’s payment.

Cut-off Date	2021 Pay Date
Wednesday, January 20	Tuesday, January 26
Thursday, February 18	Friday, February 26
Thursday, March 18	Friday, March 26
Friday, April 16	Monday, April 26
Monday, May 17	Wednesday, May 26
Thursday, June 17	Friday, June 25
Friday, July 16	Monday, July 26
Wednesday, August 18	Thursday, August 26
Thursday, September 16	Friday, September 24
Monday, October 18	Tuesday, October 26
Thursday, November 18	Friday, November 26
Thursday, December 9	Friday, December 17



Proudly serving our members for 25 years.

Paying pensions today, preserving pensions for tomorrow.

Pension plans and financial advisors: different business, different goals



Opinion by President and CEO Peter Lindley

Every day, 1,000 people retire in Canada. As that number continues to grow, ensuring that Canadians can retire with security and stable incomes has never been more important. And that is the chief concern of Canada's defined benefit pension plans. We are in the retirement security business, and we are best at providing it.

Those who can't benefit from these pensions must trust the lion's share of their retirement income to financial advisors. In recent months, there have been a number of opinion pieces published by financial advisors, all with a very specific perspective: they want to manage your money. Their business is related to ours – and yet, the differences are stark. Financial advisors must make profits for themselves and their employers while helping individuals maximize their savings.

Defined benefit pension plans are focused solely on earning enough money to pay pensions. There are no other factors. According to a 2018 study by the Healthcare of Ontario Pension Plan, pension plan members can expect to generate retirement income at a cost of roughly one quarter of the typical individual method. Why? The advantages include internal investment management with no fees, economies of scale, and risk sharing for all.

With shared risk, plan members don't have to navigate volatile markets on their own. They're not concerned about whether markets are up or down when they want to retire, and the pension payments are guaranteed for life. As with managing a pandemic or any other challenge in life, we work better when we work together.

Financial advisors may tell you that with their advice, you will benefit from superior investment returns. This conveniently ignores the fact that your pension plan doesn't charge fees for holding your money in trust, and it obscures the role of the plan – to pay you a reliable lifetime income once you retire.



If you are lucky enough to be a member of a pension plan, and you are tempted by an investment advisor to leave it because they can give you better returns, you will be taking a big gamble. You will be betting the advisor can produce returns big enough for both you and them. You will be betting that the market doesn't crash after you take your money out of the pension plan. And you will be betting that you don't outlive your savings.

I understand the financial advisor's perspective. Our kind of pension plan is the competition, and it can't be fun competing with those whose sole mandate is to provide retirement security, free from the interference of profit margins and private interests.

It certainly seems that at a quarter of the cost, our business provides people with a superior retirement experience. The defined benefit pension is the most cost-effective way to generate retirement savings, because the individuals involved are the only interested parties, and they are all in it together. That's why investment advisors call their constituents "clients," while we call ours "members."

Investing in challenging times: preserving pensions for tomorrow



COVID-19 has made it a challenging year for investors. OPTrust's mission is to pay pensions today and preserve pensions for tomorrow. Pensions are a long-term endeavour, with success measured over decades rather than years.

We know that periods of low returns are possible, which is why we continue to work diligently to weather these events. Despite the current volatility in the markets, the Plan is on a solid footing and positioned to provide our members with secure, predictable income in retirement for life. In these three articles, members of our investment team discuss our current approach.

[Private equity at OPTrust](#) (from Investment Innovation Institute Insights)

[How OPTrust is continuing to pay pensions in a low interest rate environment](#) (from ACPM Observer)

[The importance of resilience](#) (from top1000funds.com)



Temporary Plan amendment

The terms of the OPSEU Pension Plan were amended in 2020 to suspend the re-employment earnings ceiling for retired members who return to work to perform duties related to the COVID-19 pandemic. This temporary provision was effective from March 17 to November 30, 2020 and then extended further to March 31, 2021. It allows retired members to return to work to assist with COVID-19 efforts without impacting their pension.



Canada Life insured benefits claims

With our offices closed due to COVID-19, we are unable to mail paper copies of insured benefits claim forms. We encourage you to register for the Canada Life online [GroupNet service](#). When you use GroupNet, your claims will be processed quickly and payments will be deposited directly into your bank account.

Alternatively, you can print copies of the claim forms directly from the [Retirees section](#) of our website. Contact Canada Life directly for GroupNet questions or for information about benefits coverage.



COVID Alert app can help protect us



We offer thanks to our members working on the front lines who continue to support us and keep us safe! One way we can all help to protect each other is to **download the federal government's COVID Alert app**. It can help us track the spread of the virus in our communities.

The COVID Alert contact tracing app lets you know if you have been in close contact with someone who has tested positive, and lets others know if you test positive, without sharing any personal information. This allows app users to self-isolate, get tested and slow the spread of the virus. Find out [more](#).



Have you signed up for online communications?

Retirees can take advantage of our secure **Online Services**, which gives you access anywhere, any time to your pension records. You can also make changes to the amount of tax that is deducted from your pension, update your personal information, contact us using Secure Messaging and change your communications preferences. OPTrust's website and related resources provide a wealth of information about the Plan, and various ways to communicate with us.

Check out [Online Services!](#)



Pension Connection is a newsletter for retired members of the OPSEU Pension Plan.

Some information in this newsletter is intended to summarize 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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