

GOOD to KNOW

QUICK FACTS
ABOUT CHILD
SURVIVOR
BENEFITS
April 2024



Child Survivor Benefits

The information in this document applies to members with pension service in the OPSEU Pension Plan (the Plan) on or after January 1, 1987, and members or surviving spouses who die on or after April 1, 2023.

Frequently Asked Questions

Does a member's child receive survivor benefits under the Plan?

Yes, a member's eligible child or eligible children may be entitled to a survivor pension if they qualify on the member's date of death. A member's child may also receive a survivor benefit if the member had designated them as a beneficiary(s) under the Plan.

When is a survivor pension payable to an eligible child?

An eligible child is entitled to receive a survivor pension when:

- a member dies and they are not survived by a spouse who is entitled to a survivor pension, or
- a member's spouse elects to start their survivor pension at a future date but dies before they start their pension, or
- a member's spouse dies after they start receiving a survivor pension.

A member's spouse is first in line for survivor benefits. If the spouse chooses to transfer the lump sum value of the member's pension out of the Plan, a child survivor pension is not payable.

Who qualifies as an eligible child?

A member's child may be eligible if they are:

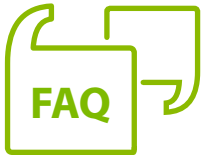
- dependent on the member or the member's spouse and under the age of 18, or is 18 or older and is in continuous full-time attendance at a secondary school or post-secondary institution for up to five years following secondary school, or
- dependent on the member or the member's spouse for financial support by reason of a severe and prolonged mental or physical disability on the date of the member's death and continuing thereafter until the earlier of the date the child dies or is no longer disabled.

How does OPTrust assess financial dependency due to a severe and prolonged disability?

A disability is considered severe if the child is significantly restricted in performing regular activities of everyday life and therefore incapable of pursuing any substantially gainful occupation. The disability is considered prolonged if it is likely to be long, continued and of indefinite duration.

We consider a child to be dependent on the member or the member's spouse if they regularly and consistently contribute to the necessities of the child's life. Necessities of life include food, clothing, shelter, personal care, medical care, and/or transportation.

Paying pensions today, preserving pensions for tomorrow.



How can a member's disabled child qualify for a survivor pension after the death of a surviving spouse?

The member's child may qualify for a survivor pension after the surviving spouse dies, if:

- the spouse was entitled to or receiving a survivor pension at the time of their death, and
- the child was disabled on the member's date of death and the disability continues after the spouse's death.

What is payable to an eligible child if a member dies before retirement?

If a member dies before retirement, their eligible children may be entitled to receive a survivor pension equal to 60% of the member's lifetime pension. The 60% survivor pension is divided equally among all eligible children and each child's portion is paid for as long as they qualify. The survivor pension is paid monthly starting the month after the member's death, or the month after the surviving spouse's death (if applicable). The survivor pension will be adjusted for inflation on an annual basis to reflect changes in the cost of living.

An eligible child will have the option to receive a lump sum amount that is equal to the value of their survivor pension, if:

- there is no spouse, or the spouse has waived their rights to the survivor benefit, or
- if the member's spouse elects a future lifetime pension and dies before starting the pension.

The lump sum amount will be paid in cash, less withholding tax.

What is payable to an eligible child if a member dies after retirement?

If a member dies after retirement, their eligible children may be entitled to a survivor pension equal to 60%* of the member's pension. The survivor pension is divided equally among all eligible children for as long as they qualify. The survivor pension will be adjusted for inflation on an annual basis to reflect changes in the cost of living.

*The survivor pension payable to eligible children may be 65%, 70%, or 75% if the member elected an increased survivor pension for their spouse. However, the survivor pension payable to each individual child is subject to a 66 2/3% limit permitted in the *Income Tax Act*.

How long is a survivor pension payable to an eligible child?

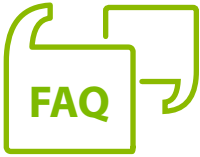
A child survivor pension is payable until the child is no longer eligible.

Eligibility ends when:

- a child reaches age 18, or
- a child is 18 or older, and no longer attending full-time education at a secondary or post-secondary institution immediately after secondary school, for up to a maximum of five years, or
- an adult disabled child becomes gainfully employed, or they recover from their disability, or
- the child dies.

Does a member's child receive post-retirement insured health benefits?

If an eligible child is receiving a survivor pension, they may be entitled to post-retirement insured health benefits if the member was eligible for these benefits at the time of their death.



What documents are required to apply for a child survivor pension from OPTrust?

To apply for a child survivor pension, a member's child (or their legal guardian or power of attorney for property) must provide the following documents:

- proof of death for the member
- if applicable, proof of death for the member's spouse
- a copy of the child's long-form birth certificate or adoption papers
- if applicable, a completed [Declaration of Attendance at a Secondary or Post-Secondary Institution \(OPTrust1031\) form](#)
- if applicable, proof of guardianship of property or power of attorney
- if applicable, any other supporting documentation (e.g. proof of financial dependency) as requested by OPTrust

If the child applicant is disabled, the following additional documents are required:

- a completed *Application for a Disabled Child* (OPTrust 1066) form
- a completed *Child Medical Examination Report* (OPTrust 1067) form

If the disabled child is a minor or attending secondary or post-secondary education, it may be beneficial to apply as a disabled child as opposed to a minor or a student.

Who can act on behalf of the child to complete the required form(s)?

If the child is under 18, a parent or legal guardian must complete the form on the child's behalf.

If the child is 18 or older, they may complete their own forms or their guardian of property or power of attorney for property may complete the form(s) on their behalf.

If the child is 18 or older and is not capable of managing their own property, a guardian of property or power of attorney for property must act on their behalf.

When is a designated beneficiary entitled to a benefit after the member's death?

There are many scenarios when the designated beneficiary may be entitled to a benefit after the member's death. If a member dies:

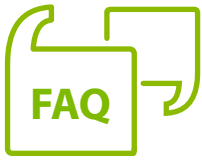
- without a spouse or eligible child
- without a spouse but with an eligible child (and if there's an amount payable)
- without a spouse and a refund of contributions is payable

How can a member designate their child as a beneficiary?

The member can name their child or children to be their designated beneficiary through their Online Services account or by submitting a completed [Member Spousal Information and Beneficiary Designation \(OPTrust 1015\) form](#) or the [Retiree Spousal Information and Beneficiary Designation \(OPTrust1015R\) form](#) (as applicable) to OPTrust.

What is payable to a designated beneficiary if a member dies before retirement?

If a member dies before retirement and if there is no spouse or child who is eligible for a survivor pension, a designated beneficiary will be entitled to receive a lump sum amount equal to the value of the member's pension at the time of the member's death.



If a survivor pension is only payable to a member's eligible child(ren) and the value of the member's pension exceeds the value of the child survivor pension(s), the difference will be payable to the designated beneficiary(s).

After all survivor pensions have been paid, a refund may be payable to the member's designated beneficiary(s) if the member's total contributions plus interest to their date of termination exceeds the total payments made to the member and their survivors.

If a member purchased pension service based on an actuarial cost under the Plan, a lump sum amount may be payable to a member's designated beneficiary if:

- there is no spouse who is eligible for a survivor pension, and
- the payment made to purchase the pension service exceeds the value of the deferred pension based on that pension service at the member's death.

If a member designates more than one beneficiary, any benefits payable will be divided equally among them.

What is payable to a designated beneficiary if a member dies after retirement?

If a member dies after retirement, once all survivor pensions have been paid, a refund may be payable to the member's designated beneficiary(s) if the member's total contributions plus interest to the date of retirement exceeds the total payments made to the member and their survivors.

If a member designates more than one beneficiary, any benefits payable will be divided equally among them.

Can an individual be both an eligible child and a designated beneficiary?

Yes, it is possible for a child to qualify for a survivor pension while they are also the member's designated beneficiary.

Why should a member consider designating their child as their designated beneficiary?

A member may wish to designate their child as their beneficiary in case:

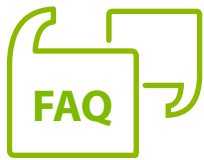
- the child does not qualify for a survivor pension at the time of the member's death, or
- the child qualifies for a survivor pension and there is an additional amount payable to the designated beneficiary(s).

How does the benefit payable to an eligible child compare with the benefit payable to a designated beneficiary?

To receive a child survivor pension, the child must apply and qualify as an eligible child based on the age, education and/or disability criteria explained above. On the other hand, designated beneficiaries do not need to meet eligibility criteria but must be designated as beneficiaries by the member.

An eligible child will receive a survivor pension for as long as they qualify. However, the child who is a designated beneficiary may receive a survivor benefit if there is an amount payable under the terms of the Plan.

The survivor pension payable to an eligible child is a percentage of the member's pension. However, the benefit payable (if any) to a designated beneficiary is dependent on whether the member has been survived by their spouse and/or eligible children, and the amount of benefit paid to the member and/or their survivors.



Can the survivor benefit a child receives from OPTrust impact other income-tested benefits?

OPTrust will issue a T4A slip in the child's name for any survivor benefits paid. This may impact the child's eligibility for other income-tested benefits the child may be receiving such as Ontario Disability Support Program, Ontario Works, or Ontario Student Assistance Program. We recommend you contact the other benefit provider(s) to understand how the child's eligibility for those benefits may be impacted.

Can OPTrust pay survivor benefits directly to a minor child?

No, OPTrust cannot pay survivor benefits directly to children under the age of 18 (except as noted below).

If the minor child has a guardian of property appointed, OPTrust will pay the child's survivor benefits to this individual. Please note that the associated T4A will be issued in the minor child's name.

If there is no guardian of property and the survivor benefits do not exceed \$35,000, OPTrust may pay:

- the child, if the child has the legal obligation to support another person, or
- the parent, with whom the child resides, or
- the person who has lawful custody of the child.

Without a guardian of property, if the survivor benefits payable to the minor child exceed \$35,000, payment will be made into Ontario court (Accountant of the Superior Court of Justice). The court manages these funds for the child until age 18.

OPTrust will require supporting documents substantiating a guardian of property, a parent or custodial guardian's authority prior to making any payment.

How does OPTrust pay adult children who are incapable of managing their property?

OPTrust cannot pay survivor benefits directly to an adult child who is not capable of managing their property. Only the child's guardian of property or the child's power of attorney for property may receive these funds on behalf of the child.

OPTrust will require a certified copy of the guardian of property or the power of attorney document prior to making any payment.



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. It does not constitute legal advice on estates matters and is not a substitute for seeking professional advice. In the event of a conflict between this document and the OPSEU Pension Plan text, the Plan text will govern. All information is current as of the date of publication.

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