

GOOD *to* KNOW

QUICK FACTS
ON SURVIVOR
BENEFITS BEFORE
RETIREMENT
APRIL 2023



Survivor Benefits Before Retirement

The OPSEU Pension Plan provides valuable benefits for your survivors should you die before starting your pension. As a member, it is important that you keep your spousal information and beneficiary designations up to date with OPTrust so we can pay any survivor benefits in accordance with your wishes.

Order in which survivor benefits are payable

For members who die before retirement, survivor benefits are payable in the following order:

1. Your spouse (if eligible)
2. Your eligible children
3. Your designated beneficiary(s), or
4. Your estate.

Benefits to your spouse

Under pension law, your spouse is automatically entitled to survivor benefits when you die, regardless of any beneficiary you may designate, unless your spouse has waived their right to survivor benefits.

For pension purposes, a spouse is someone who you are married to or have been living with in a common-law relationship for at least three years, or a shorter period if you are in a relationship of some permanence and are the parents of a child. For your spouse to qualify for pre-retirement survivor benefits, you must not be living separate and apart at the time of your death.

If you and your common-law spouse are not the parents of a child, you must be living together continuously for three years before they qualify for a survivor benefit. If you want your common-law spouse to receive a survivor benefit in the event you die during this three-year period, you may designate them as a beneficiary. Once they meet the definition of spouse, it is a good idea to update your designated beneficiaries.

Benefits to your eligible children

Survivor benefits are payable to your eligible children if you die without a spouse. Survivor benefits may also be payable to your eligible children after your surviving spouse dies. An eligible child is:

- dependent on you or your 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 immediately following secondary school, or
- dependent on you or your spouse for financial support by reason of a severe and prolonged mental or physical disability on the date of your death and continuing thereafter until the earlier of the date the child dies or is no longer disabled.



Benefits to your designated beneficiary(s)

If you die without a spouse or eligible children, any survivor benefits would be payable to the person(s) you designate as your beneficiary. In some cases, survivor benefits may be payable to your designated beneficiary after your surviving spouse dies or after your eligible child ceases to be eligible for a survivor pension.

A beneficiary can be any individual or any organization you wish to name to receive survivor benefits. If you name more than one beneficiary, survivor benefits will be divided equally among them.

Benefits to your estate

If you die without a spouse or eligible children and you do not have a beneficiary, any survivor benefits would be payable to your estate.



What will my survivors receive?

If you die before retirement, a lump sum amount equal to the value of your pension is payable. If you have a spouse at the time of your death, their election may determine if your eligible children, beneficiary(s) or estate are entitled to receive a benefit.

If you have a spouse

Your spouse is first in line for the lump sum payment. They will have the option to receive this amount in the form of an immediate or future lifetime pension, or as a lump sum payment that can be transferred to an RRSP on a tax-sheltered basis or paid in cash less withholding tax. If your spouse elects the lump sum payment, no further benefits are payable from OPTrust.

If your spouse elects an immediate or future lifetime pension and dies after they start receiving the pension and you have eligible children, they will receive an immediate pension equal to 60% of your lifetime pension divided equally among them for as long as they qualify.

If you have eligible children

If you do not have a spouse at the time of your death or your spouse elects a future lifetime pension but dies before starting their pension, your eligible children are next in line for the survivor benefit.

Your eligible children will have the option to receive an immediate pension equal to 60% of your lifetime pension divided equally among them for as long as they qualify, or a lump sum amount equal to the value of the survivor pension. The lump sum amount will be paid in cash, less withholding tax.

If the value of your pension exceeds the value of the survivor pension payable to your eligible children, a lump sum amount may be payable to your designated beneficiary(s), or to your estate if you do not have a designated beneficiary.

If you have no spouse and no eligible children

If you do not have a spouse or eligible children at the time of your death, a lump sum amount equal to the value of your pension will be paid in cash, less withholding tax, to your designated beneficiary(s), or to your estate if you do not have a beneficiary.

Members with service before 1987

For any pension service you have before 1987, a 60% survivor pension is payable to your spouse or, if you don't have a spouse, then to any eligible children.

If you do not have a spouse or eligible children, a refund of your contributions before 1987 is payable to your beneficiary(s), or to your estate if you do not have a beneficiary.



How do I update my information?

It is important to review and keep your spousal information and beneficiaries up to date with OPTrust to ensure that survivor benefits are paid according to your wishes. There are two ways to do this:

1. Log into your [Online Services](#) account and choose “My Spouse and My Beneficiaries” in the main menu and update your information.
2. If you do not have access to an Online Services account, you may submit a completed [Member Spousal Information and Beneficiary Designation \(OPTrust 1015\) form](#) to OPTrust.

If you have a dependent child with a severe and prolonged disability who may be eligible for survivor benefits, please submit a completed [Disabled Child Information \(OPTrust 1065\) form](#) to notify OPTrust.

NOTE: Any beneficiary designations you make will revoke any previous designations you have made. We encourage you to designate beneficiaries using your Online Services account or OPTrust’s Spousal Information and Beneficiary Designation form so we can pay benefits directly to your beneficiaries without any unnecessary delays but if you choose to designate a beneficiary in a Will, please provide a copy to OPTrust.

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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