

# OPTions

A newsletter  
for the members  
of the OPSEU  
Pension Trust

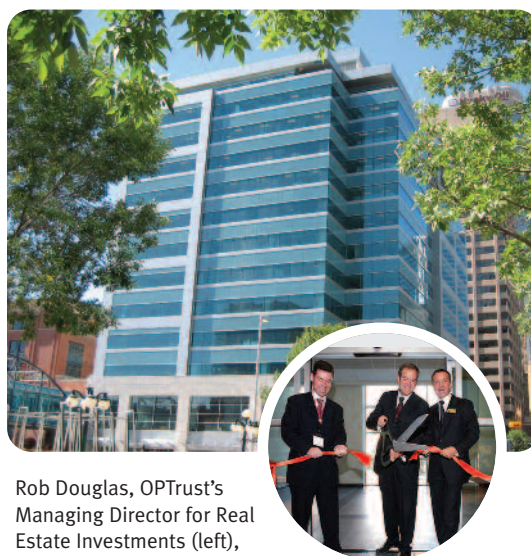
## OPTrust adds Calgary office building to growing real estate portfolio

**O**PTrust closed a deal this fall to buy the first major downtown office tower opened in Calgary since 2001. The 14-storey, 250,000 square-foot “OPUS 8” building was officially opened in September and is already fully leased.

The Calgary building is one of several real estate acquisitions made by OPTrust in 2007. The investment is part of a multi-year strategy to increase the Plan’s real estate portfolio to 10 per cent of the pension fund – or more than \$1.3 billion – by the end of 2008.

OPTrust’s real estate strategy has two key elements:

- Purchasing high-quality commercial properties in major Canadian cities. These properties are typically owned directly by OPTrust or with an institutional partner.



Rob Douglas, OPTrust’s Managing Director for Real Estate Investments (left), Calgary Mayor Dave Bronconnier (centre) and developer Hannes Kovac open the OPUS 8 building in downtown Calgary in September.

> *Real Estate... continued on page 2*

## Joint sponsorship a model for Ontario’s pension system

**O**PTrust’s success may offer some useful lessons for Ontario’s pension system as a whole. That is one of the messages in OPTrust’s submission to the Ontario Expert Commission on Pensions.

The commission was established by the Government of Ontario in late 2006 to review Ontario’s *Pension Benefits Act*. In October, OPTrust made a written submission

to the commission and appeared during its public hearings.

“We were pleased to share our experience particularly in governance,” said Heather Gavin, OPTrust’s Chief Administrative Officer. “OPTrust has created a successful model and we see it as a useful example for others in the province.”

> *Joint Sponsorship... continued on page 2*

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- Investing in international “pooled” real estate funds with several other investors. These funds offer targeted investment opportunities while managing risk through global diversification.

“OPUS 8 is a good example of the kind of Canadian commercial office property we are focusing on as a core asset in our portfolio,” said Rob Douglas, OPTrust’s Managing Director for Real Estate Investments.

“The building has a good mix of high-quality tenants, both within and outside of the resource sector, so it will generate a steady and growing income stream to help pay for OPTrust retirees’ pensions,” said Douglas. “And its location at the heart of Alberta’s booming oil and gas economy means its value is likely to keep growing over time.”

The OPUS 8 deal also highlights the advantages of OPTrust’s decision in 2004 to build an in-house real

estate investment team, which enabled OPTrust to take advantage of this opportunity.

OPTrust first identified the Calgary project in 2005, just as the developer was about to break ground. The deal was structured as a “forward purchase agreement.” Under this arrangement, OPTrust’s purchase price was set in advance, while the builder assumed the development and leasing risk. The deal was negotiated privately, which avoided a public bidding war.

“Our internal real estate investment management team is key to our strategy for building and managing a significant globally diversified real estate portfolio,” said Morgan Eastman, OPTrust’s Chief Investment Officer.

“It gives us the ability to identify opportunities that match our strategy, conduct due diligence, and execute transactions that are in the long-term interests of the Plan.”

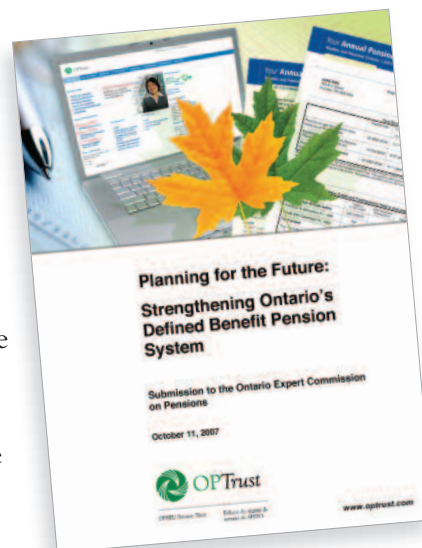
> **Joint Sponsorship**... continued from page 1

OPTrust’s submission provides 29 recommendations including suggestions for:

- improving the way pension plans are governed
- increasing the financial security of Ontario’s pension plans
- encouraging plans to build up financial reserves to reduce the impact of possible funding shortfalls in the future
- streamlining the way plans are regulated to increase their financial stability while reducing administrative costs
- extending pension plan coverage to more workers in the public and private sectors in Ontario.

A key theme of the submission is how “joint sponsorship” has contributed to the success of the OPSEU Pension Plan – and could offer a model for other pension plans.

Joint sponsorship means that OPSEU and the province each appoint five members to OPTrust’s Board of Trustees. The result is transparent and effective governance – and a say for members in how their pension plan is run.



Joint sponsorship also means members and employers share equally in the Plan’s financial risks and its rewards. The result is a “pension partnership” that encourages decisions in the long-term interests of the Plan and its members and pensioners.

For example, at OPTrust, both sponsors set aside a portion of the Plan’s past actuarial gains in separate reserve funds. These reserves are now being used to help pay down the Plan’s unfunded liability without raising members’ and employers’ contribution rates above normal levels or reducing members’ future benefits.

The expert commission is expected to release its final report in summer 2008. For more information or to view a copy of the submission, visit [www.optrust.com](http://www.optrust.com).

# Buying back credit: Making the most of your pension

**A**re you a new OPTrust member? Have you taken an unpaid leave of absence recently? You may not even be thinking about retirement. But if you are eligible, applying for a pension buyback could be one of the best financial decisions you can make.

## What is “buying back”?

Buying back credit is an important way to increase the value of your OPTrust pension. That is because under OPTrust’s pension formula, your pension increases based on the amount of service – or “credit” – that you have in the Plan.

Credit is the number of full or partial years of employment for which you contributed to the Plan. The most common way to build up your credit is by working. With each pay period, your pension contributions are automatically deducted from your pay cheque, and your credit grows.

In some cases, members may also have the option of purchasing – or “buying back” – additional credit. This can include credit for:

- unclassified, seasonal, contract or casual employment with an OPTrust employer *before you were a member of the Plan*
- unpaid leaves of absence when you did not contribute to the Plan
- periods of past OPTrust membership, if you received a refund or transferred your pension out of the Plan
- service with another Canadian pension plan.

## Why buy back?

Buying back credit matters for a number of reasons. First, it has a direct impact on the amount of your future OPTrust pension. Second, it may help you qualify for early retirement sooner. Third, it may help you

qualify for supplementary post-retirement health, dental and life insurance benefits, provided by the Government of Ontario.

What’s more, for some types of credit, your employer will also make payments towards your buyback. This includes past unclassified, contract or casual employment and some types of leaves.

## Important: Application time limit

There is a strict deadline for submitting your buyback application. OPTrust must receive your buyback application within 24 months of:

- the start of your most recent period of membership in the Plan, or
- the last day of the leave of absence you are applying to buy back.

Once OPTrust receives your completed application, we will send you a cost quote and a description of your payment options. You will then have up to 10 years and 3 months to complete your payments.

Not sure you can afford to pay for your buyback now? Submitting your application within the 24-month time limit is still a good idea. That way you will still have the option of completing your purchase any time within the 10-year, 3-month payment window.

## Buying back online

In many cases, you can complete your buyback transactions online. This includes applying to buy back an unpaid leave of absence, making a lump sum payment and checking the current status of your buyback.

For more information, examples and answers to commonly asked questions, see OPTrust’s booklet *Your Pension and Buying Back Credit*, available at [www.optrust.com](http://www.optrust.com) or by contacting Member & Pensioner Services.



## Keshri Ganesh sees her buyback as “a good investment”

Keshri Ganesh is planning for the future. That’s why when she became an OPTrust member last summer, she looked into buying back her unclassified service.

Keshri started a permanent job with the Ministry of Government and Consumer Services in August 2007, after working in a number of temporary, unclassified positions for almost three years.

Having arrived in Canada six years ago, Ganesh is glad to have started a career in the Ontario Public Service. “The provincial government recognized my skills and saw I can do the job,” she said. “I can see myself being here for the long term.”

She was also glad she had the option of buying back her previous service. “I know this will be a good investment,” she explains. “In the end, I am creating an independent life for myself.”

# OPTrust member publications – available online

Have questions about your OPTrust pension? Why not check us out online at [www.optrust.com](http://www.optrust.com)? You'll find answers in these and other publications for OPTrust members.



***It's Your Pension*** – A complete guide to the Plan for members and pensioners.

***Your Pension and Buying Back Credit*** – A detailed description of the buyback process, including the types of service you can buy back, the costs and benefits, key deadlines, and answers to common questions.

***Your Pension and Your Retirement*** – Retirement means a change to your income that you will want to fully understand. This booklet explains your pension and answers your questions about what to expect.

***Your Pension and Leaving Your Employment*** – This handy booklet explains your pension options if you leave your job before retirement.

***OPTions*** – Your OPTrust newsletter is available online – up to two weeks before the print version goes in the mail.

## Less paper, more trees

We are working to save the environment by ensuring all OPTrust publications are available online. For these and other OPTrust publications, visit us at [www.optrust.com](http://www.optrust.com).

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## New trustee joins OPTrust board



This fall, OPTrust welcomed Doug Paolini to its Board of Trustees. Paolini was appointed to the Board by OPSEU in October.

An OPSEU member for more than 21 years, Paolini works as a

Bilingual Employer Specialist with the Ministry of Labour's Office of the Employer Advisor. He also holds a law degree from Osgoode Hall Law School.

Paolini is pleased to represent OPSEU members and pensioners on the OPTrust board. "I believe in contributing to the communities of which I am a member," he said. "I'm looking forward to using my legal background to contribute to the Board in our members' and pensioners' interests."

Paolini replaces OPSEU Trustee Maurice Gabay, who served on the Board for two years.

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## OPTrust is tops!

**A**s an OPTrust member, you already know that you are part of one of Canada's leading pension plans. So we thought you'd be interested to know that OPTrust has also been named one of Canada's top 100 employers and one of the top 50 employers in the Greater Toronto Area.

"This is a real honour," said Heather Gavin, OPTrust's Chief Administrative Officer and Plan Manager. "At OPTrust, we put a lot of emphasis on staff training and



career development as part of our commitment to providing the best possible service to our members and pensioners. These awards recognize that we are on the right track."

The awards were announced in *Maclean's* and the *Toronto Star* in October.

# DIRECT contact

## We bring your pension plan to you

### Want to know more about the OPSEU Pension Plan?

OPTrust's Direct Contact sessions are a great way to learn more about your pension – directly from an OPTrust representative. Non-members who are eligible to join the Plan (e.g., unclassified, contract or casual employees) are also welcome to come and learn more about the benefits of enrolling.

### Getting Ready to Retire – Evening Seminars

Our evening seminars are tailored for members who are within 10 years of retirement but all members are welcome to attend.

#### Topics include:

- How your pension grows over your career
- How your pension is calculated and when you can retire
- What your options are if you leave your job
- What happens to your OPTrust pension at age 65
- What other benefits are available, **and more...**

See below for a schedule and information on how to register.



### Understanding Your Pension – Lunchtime Sessions & Kiosks

OPTrust staff also offer shorter lunchtime seminars for members at any stage in their careers in workplaces across Ontario. Special sessions for unclassified/contract staff who may be interested in joining are also an option. We can also set up an OPTrust information kiosk in your building, where members – and eligible non-members – can drop by, pick up information and speak to one of our staff.

To book a lunchtime seminar or kiosk for your workplace, you or your human resources representative can contact us at [infosessions@optrust.com](mailto:infosessions@optrust.com).

Direct Contact Evening Seminars		5:30 to 7:30 pm
DATE	CITY	LOCATION
January 22, 2008	<b>Huntsville</b>	HV Hidden Valley Resort – 1755 Valley Road
February 12, 2008	<b>Toronto</b>	Ramada Hotel, Toronto Don Valley – 185 Yorkland Blvd.
March 11, 2008	<b>Woodstock</b>	Quality Hotel & Suites – 580 Bruin Blvd.
March 26, 2008	<b>Orangeville</b>	Best Western Orangeville – 7 Buena Vista Drive
April 16, 2008	<b>Toronto</b>	Days Hotel and Conference Centre – 30 Carlton St.
May 21, 2008	<b>Barrie</b>	Days Inn – 60 Byrne Drive

Future sessions will be scheduled for other communities across Ontario. To view a complete, up-to-date schedule and register online, go to [www.optrust.com](http://www.optrust.com), look under “for members” and follow the links.

#### Register Now

- ⇒ sign up online at [www.optrust.com](http://www.optrust.com), or
- ⇒ call us at **416-681-6100** or **1-800-637-0024**

**Important:** Space is limited. Please register at least two weeks in advance. Direct Contact sessions are designed to give you an overview of the OPSEU Pension Plan. OPTrust staff cannot provide personal financial advice.

# Your 2007 Annual Pension Statement – Coming this spring

**W**ondering when you can retire? Want to know how much your pension will be? What about how much credit you have earned in the Plan so far? The answers will be coming this spring in your 2007 OPTrust Annual Pension Statement (APS).

## Why wait for the mail?

By registering for OPTrust's secure *Online Services*, you will get access to your 2007 APS in early April – weeks before the printed statements will be ready to go in the mail. You will also be able to view an archive of your statements for the three most recent years.

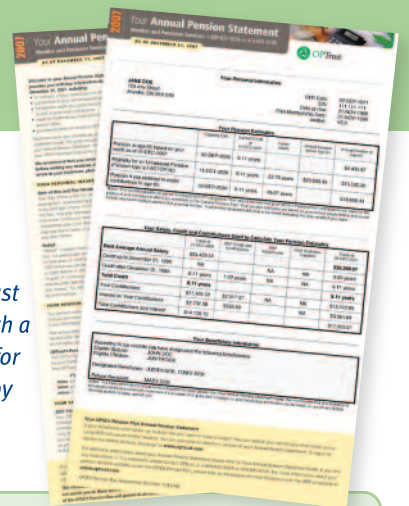
Printed statements will be mailed in four batches between late April and mid-June.

## Where to reach you

To make sure you receive your APS – and other important pension information – it's important that you make sure we have your current address and contact information.

If you've changed your e-mail address or moved recently, be sure to provide us with your current information. **Note:** Telling your employer or updating your file on the government's WIN system won't do the trick. OPTrust is a separate organization, so you need to contact us directly to give us your new address.

*A detailed guide to your Annual Pension Statement will be posted to the OPTrust website in April – along with a schedule of mailing dates for the printed APS, grouped by ministry/employer.*



## Three ways to update your address

There are three easy ways to update your mailing address, e-mail, and contact information with OPTrust.

- **Online Services** – If you are registered for *Online Services*, simply sign in, click on “change your address” and update your information yourself.
- **E-mail** – Send us a secure e-mail from the “Contact Us” page of the OPTrust website.
- **Phone** – Call our Member and Pensioner Services staff at **416-681-6100** or **1-800-637-0024**.

## Buyback tax receipts

**D**id you make a buyback payment last year? If so, OPTrust will send you an official T4A income tax receipt by the end of February. You should report your buyback contributions on your 2007 income tax return – along with the regular pension contributions shown on the T4 slip you receive from your employer.

### NOTE

You will not receive a T4A from OPTrust if you:

- Work for certain agencies, boards or commissions and made buyback payments through payroll deductions. In this case, your buyback contributions will be included on the T4 issued by your employer.
- Paid for your buybacks through a transfer from an RRSP or another registered pension plan. Since these payments are from a tax-sheltered source, they are not tax deductible.

# Online security and your pension

Every day, millions of Canadians go online to find information, pay bills and complete other transactions quickly and easily – and OPTrust members are no exception. That’s why more than 15,000 OPTrust members and pensioners have signed up for our secure *Online Services*.

## Advantages of *Online Services*

Through *Online Services*, you can:

- check your *Annual Pension Statement*
- update your address, e-mail and other contact information
- check and update your beneficiary information
- apply online to continue contributions during an unpaid leave of absence
- apply to buy back credit for a leave after you return to work
- check the status of any ongoing buyback or make a lump-sum payment.

*Online Services* also lets you communicate directly with OPTrust using secure web-based e-mail.

## The “combination” to your “vault”

Of course, increasing convenience should never mean compromising security. That is why *Online Services* uses the same state-of-the-art technology as banks and other financial institutions to protect your privacy and prevent unauthorized transactions.

When you register for *Online Services*, you will be asked to select a secret password. Together with your nine-digit OPTrust ID number, your password is the “combination” to your *Online Services* “vault.” It allows you to access your pension information – while keeping unauthorized users out.

The combination of your OPTrust ID and password are also the equivalent of an electronic signature. This allows you to

complete pension transactions online, without having to submit a document with your hand-written signature.

## Security: a shared responsibility

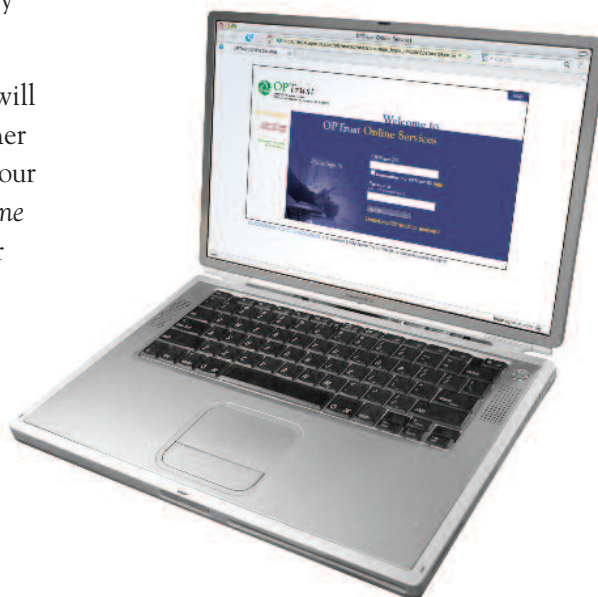
All this means that to keep your *Online Services* account secure, **you should NOT share your *Online Services* password with anyone.**

For our part, OPTrust will not provide anyone – including family members, accountants or other professionals – with access to your *Online Services* account.

The only situation where we may permit a designated representative to access your *Online Services* account is if you have special needs and require assistance to access your pension information. To allow this access, you must complete an *Authorization for the Release of Personal Information* (OPTrust 3004) form, available at [www.optrust.com](http://www.optrust.com) or by calling Member and Pensioner Services.

## Convenient and Secure

*Online Services* is a fast and easy way to access your pension information, anywhere, anytime. By keeping your password secret, you can help make sure your *Online Services* account is as secure as it is convenient.



## Forgot your *Online Services* password?

No problem. Simply go to [www.optrust.com](http://www.optrust.com), find the *Online Services* logo and click on “Log in now” as usual. When the log-in screen appears, click on “I forgot my OPTrust ID number or password.”

Just follow the prompts and answer the secret question you selected when you registered. We will send you an e-mail with a new temporary password. When you log in again, you will have to answer your secret question again, and then choose a new secret password.

If you run into problems or don’t receive your temporary password, please contact Member and Pensioner Services.

# Service Spotlight: Helping members plan for retirement

**W**hile it is never too soon to start planning for your retirement, by age 55 most OPTrust members are sharpening their pencils. That's why in November we mailed a personalized pension estimates letter to more than 8,000 members who are 55 or older.

The annual mailing, which started in 2005, is one of the ways OPTrust is taking a proactive approach to anticipating and responding to members' needs. The letter provides detailed pension information that members can use in planning for retirement and/or share with a professional financial planner.

The letter provides the date on which the member will qualify for an unreduced early retirement pension, if applicable. It also includes an Annual Pension Estimate Chart showing the member's projected pension based on possible annual retirement dates up to age 65. Depending on the member's circumstances, these estimates include:

- reduced pension amounts for annual retirement dates starting at age 55
- unreduced pension amounts, starting in the year the member qualifies
- the age 65 pension after CPP integration for each of these scenarios
- the annual pension if the member works until age 65.

## Other planning tools for members

Not 55 yet? No worries. OPTrust has a range of planning tools for members no matter how old you are.

- This spring, we will send a personalized *Annual Pension Statement* to all active and divested OPTrust members. (See page 6 for more information.)
- Our online calculator lets you project your pension under a range of retirement scenarios. Simply visit [www.optrust.com](http://www.optrust.com).

## OPTions

*OPTions* is a newsletter for members of the OPSEU Pension Trust. Its goal is to provide useful and timely information about the OPSEU Pension Plan.

If there is any conflict between statements in this newsletter and the legal documents of the OPSEU Pension Plan, the legal documents will prevail. Please direct any questions about your personal benefits under the Plan to OPTrust. You should contact OPTrust before making any pension-related decisions.

If you have any questions or comments, please contact us.



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OPSEU Pension Trust      Fiducie du régime de retraite du SEFPO

Return undeliverable Canadian addresses to:  
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## How to Reach Us

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1-800-637-0024 toll-free  
Fax: 416-681-6175

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