

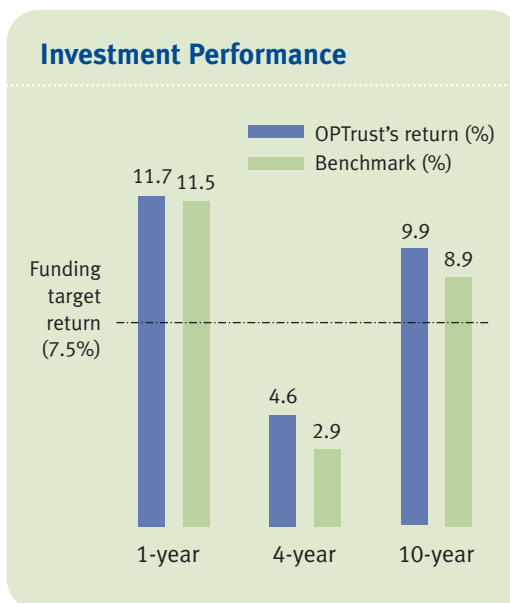
THE
PENSION
connection

A quarterly
 newsletter for
 the Pensioners
 of the OPSEU
 Pension Trust

OPTrust's Net Assets Exceed \$10 Billion in 2004

- OPTrust's 11.7% investment return increases the Plan's net assets to \$10.5 billion.
- During the first 10 years of operation, OPTrust has achieved an average annual return of 9.9%.

In 2004, OPTrust achieved double-digit investment returns for our second year in a row. This strong result follows two years of investments losses in 2001 and 2002. As a result, at the end of 2004, the OPSEU Pension Plan's net assets reached \$10.5 billion – a record high our first 10 years of operation.



OPTrust has achieved an average annual return of 9.9% since 1995, outperforming both the 8.9% average for our market-based benchmark and the Plan's 7.5% funding target return.

> OPTrust's Net Assets... continued on page 3

Great-West Life Client Identification Numbers

In the winter issue of *The Pension Connection* we informed you of an initiative that was underway to introduce new Client Identification Numbers for benefits claims with Great-West Life. **There has been a delay in this process.** The Government of Ontario and Great-West Life are working to expedite this project.

OPTrust will keep you informed when the Client Identification Numbers are ready to go into use. In the interim, you should continue to use your Social Insurance Number on all Great-West Life claims forms.

For more information on Great-West Life or to download a form, visit their website at www.gwl.ca.



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Facts About... Insured Benefits

Depending on your circumstances you may be entitled to receive insured benefits coverage provided by the Government of Ontario, once you start to receive your OPTrust pension.

Insured benefits for eligible pensioners include coverage for dental, supplementary health and hospital, and basic life insurance.

The Government of Ontario pays the premiums for these benefits. For pensioners who elected vision care and hearing aids plan coverage, there is a small premium that is deducted from your monthly pension payment. The premiums for basic life insurance are paid by your employer but are a taxable benefit for you. See page 7 for the 2005 premium rates.

If you were employed by a scheduled agency, board or commission outside the OPS, any additional benefits depend on the collective agreement in place with your former employer at the time of

your termination. This applies to eligible retirees who worked at the LCBO.

Who is covered?

You, your eligible spouse and your eligible dependent children may be entitled to insured benefits if you:

- are receiving a pension based on at least 10 years of credit in the OPSEU Pension Plan
- are receiving a pension based on at least 10 years of continuous employment and have credit in the OPSEU Pension Plan for some part of each of those 10 years.

If you were employed in the Ontario Public Service or by another participating employer and meet either of these criteria, you are entitled to insured benefits in retirement.

For more details on insured benefits, please refer to the Management Board Secretariat booklet: *A Guide to your Benefits – After Retirement*. This booklet is available from OPTrust.

You Asked... T4A Statement

Question: I understand I can view my T4A online. How do I access my statement?

Answer: To access your 2004 T4A you need to register for OPTrust's Online Services and you will also need to have your 2003 T4A ready. Once there, enter your "gross pension" figure from your T4A statement. If you do not have a copy of your statement, you can register by phone. Call OPTrust at (416) 681-6100 or toll-free at 1-800-637-0024. Our staff is here to help you.



Question: I want to increase the tax amount being deducted from my pension payment. What should I do?

Answer: If you would like additional income tax deducted from your pension payment you can sign-in to Online Services and update your record online. You can also complete a *Personal Information Change Request* form to update your information. The form is available online at www.optrust.com or by contacting our Member and Pensioner Services staff.

OPTrust only withholds the required amount of income tax based on your OPTrust pension unless you ask us to withhold an additional amount. We do not withhold income tax for any other sources of income, such as any investment income.

> OPTrust's Net Assets... continued from page 1

During 2004, OPTrust registered an investment return of 11.7%. This exceeded our long-term target of 7.5% for the seventh time in our first decade of operation. This strong performance – following a 17.3% return in 2003 – increased total assets available for benefits by \$1.1 billion from 2003.

Of course, investment returns continue to vary substantially from year to year in response to worldwide market conditions. For this reason, we also measure the relative performance of the portfolio against indices – or “benchmarks” – that track the overall performance of the markets in which we invest.

In 2004 the Plan outperformed our weighted benchmark return of 11.5%. The above benchmark performance of the Plan's investments resulted from the strong performance of our foreign equity and real estate portfolios, which more than offset below benchmark returns in the Canadian and fixed income portfolios.

The Plan's 9.9% average annual return since 1995 has outperformed the portfolio's weighted benchmark, which registered an average return of 8.9% annually during the same period.

Investment Highlights

During 2004, OPTrust's Investment Division continued to implement major changes to the Plan's investment portfolio. These changes were based on a restructuring plan approved by the Board of Trustees in 2003.

Major initiatives in 2004 included increasing our real estate holdings, changing our Canadian equity management structure and modifying our fixed income strategy to better match the Plan's pension liabilities.

Actuarial Valuation Confirms Funding Loss

In 2003, OPTrust's Board of Trustees adopted an enhanced “liability management strategy” to address the consequences of the projected funding loss and reduce the risk of contributions rising above the Plan's normal rate over the next several years. Pensioners are not affected by contribution rate increases.

As expected, the funding valuation showed a net funding deficit of \$255 million for the years 2002 and 2003. The main contributing factor for this deficit was the investment losses in 2001 and 2002.

Service Excellence

An important goal of OPTrust is to provide excellent service and communication for members and pensioners. During 2004, several important results were achieved.

The number of outstanding open cases was reduced by more than 50%, and the number of cases overdue for more than 30 days was reduced from 44% of total cases to less than 10%.

New, secure, personalized online services were made available for members and pensioners. Pensioners were able to obtain their T4A taxation slips and make changes to their banking information. And for the first time in 2004, members were able to view and print their annual pension statement online, weeks ahead of when they would have received a paper copy.



We Report to You...

Want a brief summary of OPTrust's investment and financial results for 2004? What about the Plan's liability management strategy and our work to provide you with prompt, friendly service? It's all at your fingertips, in our *Annual Highlights for Members and Pensioners 2004*, included with this issue of *The Pension Connection*.

Want to find out more?

OPTrust's full annual report, including our audited financial statements is available online at www.optrust.com, along with additional information on OPTrust's investment holdings. To order a printed copy of the annual report, contact us by phone, fax or e-mail. See page 8 for contact information.

Client Service Satisfaction Survey

Overall satisfaction with OPTrust for key transactions is up from 2003

At OPTrust, we recognize the importance of seeking our members' and pensioners' input to help us deliver the kind of service they've come to expect from OPTrust.

In 2004, we distributed questionnaires to more than 5,700 individuals who completed transactions with OPTrust, as part of our ongoing client satisfaction survey. Respondents were asked to evaluate the service they received and identify areas for improvement.

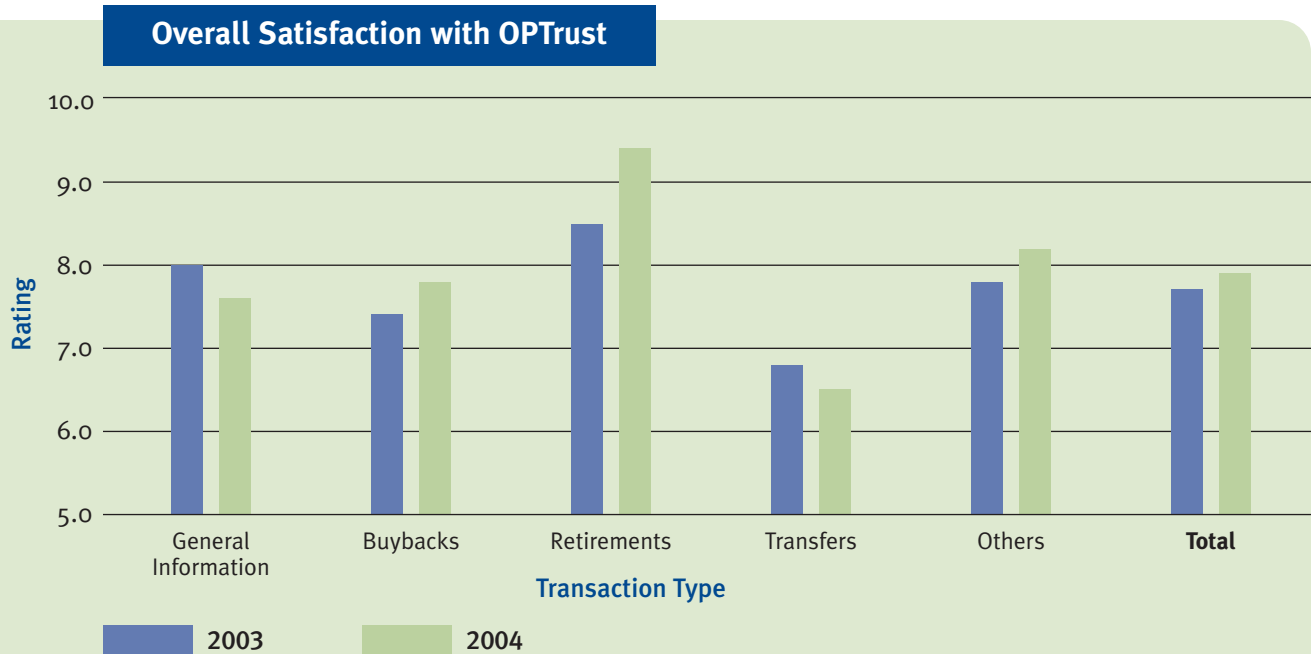
Your responses help us determine the needs and priorities of our members and pensioners – and in particular how we measure up from year to year. By the end of 2004, our results indicated that:

- the level of satisfaction with OPTrust increased to 7.9 out of 10, up from 7.7 in 2003. By March 31, 2005, this number increased again to 8.4.
- 96% of respondents who read OPTrust's publications find them helpful

- our Member and Pensioner Services staff consistently receives high marks for the quality of service they provide
- more than half our members and pensioners want to communicate with OPTrust and access their personal pension information online
- members want us to continue improving the time it takes to process transfer transactions.

This information, as well as comments and suggestions from individuals, continues to help us respond to your changing needs.

If you receive a client satisfaction survey, we would appreciate it if you could take time to complete it and include your comments. Your response will help shape and evaluate the services we provide to you and our 74,000 other members and pensioners like you.



In 2004, the overall satisfaction level with OPTrust increased in all areas except for “transfers” and “general information.” OPTrust continues to receive very high marks from pensioners for retirement transactions.

Pensioner Information Change Statement: A Snapshot of Your Pension

Every January and April OPTrust sends out its *Pensioner Information Change Statement* to retirees to provide an overview of their pension, including deductions and insured benefits premiums.

The *Pensioner Information Change Statement* is a personalized statement designed to provide OPTrust pensioners with a detailed snapshot of their pension to date. The statement is issued whenever there is a change in your monthly pension payment (e.g. inflation adjustments, insured benefits premiums, etc).

Your *Pensioner Information Change Statement* gives you a report on your pension and personal information on file at OPTrust, including:

- CPP integration (if you are under age 65)
- pension growth and accumulated pension paid
- federal and provincial TD1 claim amounts
- life insurance
- spousal information on file

Below is a sample of the *Pensioner Information Change Statement*, which highlights deductions and personal information on file for the average OPTrust pensioner. Please note: Not all sections will appear on your individual statement, as each section may not apply to every pensioner.

If you have questions about your *Pensioner Information Change Statement*, please contact our Member and Pensioner Services at email@optrust.com or (416) 681-6100 in Toronto and toll-free 1 (800) 637-0024 within Canada.

Single or Family Coverage?

Is your benefit coverage up to date? At retirement you may have selected family coverage and your personal situation may have since changed. If this is the case you should notify OPTrust to have your coverage updated. It may result in a small reduction in the premium you pay for your coverage.

OPTrust
Member & Pensioner Services: 1-800-637-0024 or 416-681-6100 Fax: 416-681-6175 1 Adelaide Street East Suite 1200 Toronto, Ontario M5C 3A7

Pensioner Information Change Statement

PERSONAL INFORMATION

A. SMITH
1 VICTORIA STREET
SCARBOROUGH ON M2W2N2
CANADA

Date: April 21, 2005
Payment From: March 31, 2005
Payment To: April 30, 2005
Date of Birth: June 10, 1943
REF #: 123-123-123

If applicable, the GWL benefit premiums have changed effective April 1st.

PENSION PAYMENT INFORMATION

	Current Month	Previous Month
Total Monthly Gross Pension:	\$1,666.73	\$1,666.73
Great West Life Vision & Hearing (Family) Premium	-\$2.37	-\$2.57
P.S.T. on GWL Premium	-\$0.19	-\$0.21
Provincial Income Tax	-\$54.58	-\$54.54
Federal Income Tax	-\$145.73	-\$145.68
Total Net Payment:	\$1,463.86	\$1,463.73
Payment Method: Direct Deposit		

CURRENT INFORMATION ON RECORD

CPP Integration Amount: \$484.68 Effective: July 1, 2008

Life Insurance Basic: \$2,000.00 Supplementary Life Insurance: N/A

Federal TD1 Claim Amount: \$8,148.00 Provincial TD1 Claim Amount: \$8196.00

Pension Type: Member Power of Attorney &/or Guardianship on file: N

Eligible Spouse on file: B. SMITH Spouse Benefit % of gross: 60.00%

Pension Commencement: July 1, 2003 Initial Base Pension Amount: \$1,143.42 Current Base Pension Amount: \$1,182.05

Accumulated Contributions With Interest: \$70,608.92 Accumulated Pension Paid: \$36,006.94

Pension Growth Since Commencement: 3.38% Maximum Re-Employment Earnings: \$8,024.53

CELEBRATING 10 YEARS OF INSURANCE SECURITY

INQUIRES
Please direct your inquiries to:
Member and Pensioner Services
OPTrust Pension Trust
1 Adelaide Street East, Suite 1200
Toronto, Ontario M5C 3A7
Tel: (416) 681-6100 (Toronto) or 1 (800) 637-0024 (toll-free within Canada)

Fax: (416) 681-6175
E-mail: email@optrust.com
Website: www.optrust.com

The terms used in your *Pensioner Information Change Statement* are explained on the reverse of your individual statement.

Coming
in Fall 2005

You will have the ability
to go online to view and
print the current month's
pension payment
information.

New Features Added to the Retirement Income Calculator

OPTrust's powerful Retirement Income Calculator has several new enhancements to help you estimate your income from various sources. The calculator, which was launched in 2004, allows you to compare a number of possibilities. You can find out how:

- integration with the Canada Pension Plan (CPP) changes your OPTrust pension at age 65
- taking CPP early will affect your total retirement income, before and after age 65
- Old Age Security (OAS) payments at age 65 could add to your total retirement income.

New enhancements

The enhanced Retirement Income Calculator will help you estimate your total retirement income – including your OPTrust pension, other pension income and income from other sources. Giving you even more information, the calculator now includes:

- the option to enter other pension income you may receive
- descriptive graphs to illustrate your retirement income before and up to age 65
- a comparison of your previous employment income to your retirement income

Getting started

To use the Retirement Income Calculator, click on the Pension Planning Tools feature for pensioners on the OPTrust homepage.

Once there, you can then enter details about your sources of retirement income. These can include:

- your OPTrust pension
- Registered Retirement Savings Plans (RRSPs)

- CPP and OAS benefits
- pension from other sources
- employment income, if you plan to work in retirement
- income from other sources, such as investments

Planning on taking CPP before age 65? By changing the information you enter into the calculator, you can estimate your retirement income under a wide range of possible retirement scenarios.

Check out the Retirement Income Calculator at www.optrust.com.



Pensioner Profile: Grace Lang

A new addition to *The Pension Connection* is our Pensioner Profile section, where we will feature various OPTrust pensioners who share their retirement experiences.

In this issue, we feature Grace Lang, a 20-year Ontario Public Service employee who worked for the Ministry of Transportation in the Carrier Sanction and Investigation Office. With 20 years of service, Grace retired early at age 60 under OPTrust's temporary Factor 80 retirement option. Retired for two years, Grace likes the flexibility and freedom retirement offers.

Retirement can be a significant life change for many new pensioners and it often takes some

2005 Insured Benefits Premium Rates

Good news for eligible retirees! Your premium rates for insured benefits have decreased by 8% this year. However the rates for the Government of Ontario have gone up. Starting April 1, 2005 rates for insured benefits premiums are:

	Family Coverage		Single Coverage	
	Employer	Pensioner*	Employer	Pensioner*
Monthly Premium	\$208.32	\$2.56	\$115.43	\$1.26

* You pay a small premium if you elected vision care and hearing aids plan coverage. If you choose only medical and dental coverage you will pay no premium at all. Your former employer pays most of the cost for your insured benefit premiums.

GO Transit Pensioners

	Family Coverage		Single Coverage	
	Employer	Pensioner*	Employer	Pensioner*
Monthly Premium	\$134.67	\$3.26	\$59.57	\$1.42

* You pay a small premium if you elected vision care and hearing aids plan coverage. If you choose only medical and dental coverage you will pay no premium at all. Your former employer pays most of the cost for your insured benefit premiums.

Your *Pensioner Information Change Statement* reflects the change in premiums (see page 5). For more information on your insured benefits coverage refer to the Management Board Secretariat booklet *A Guide to Your Benefits – After Retirement*. This booklet is available from OPTrust.

adjustment. But Grace enjoys her new lifestyle and is as active in retirement as she was during her career. One of the joys retirement has brought is the opportunity to spend more time with her two young granddaughters. Coordinating vacations and travel plans is no longer a problem, since Grace and her husband now have the opportunity to take several short trips a year to visit family and friends, when the time is convenient for them.

Additionally, Grace has become actively involved in her community through volunteer work. From November to March she volunteers with the Out-of-the-Cold



program, which provides shelter and food for the homeless. And in 2004, she volunteered to help St. Catharines host the Seniors' Actifest at Brock University. When Grace does have some free time, she can often be found at the YMCA taking in AquaFit classes that suit her schedule.

Since retiring Grace has taken up a new hobby to sort through and organize all the photos that have been collected over 40 years of married life – a real “family archive” for her grandchildren as they grow up.

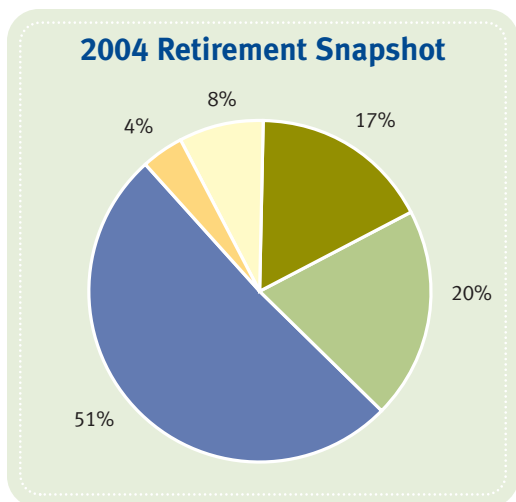
Are you enjoying retirement?

We want to hear your story and possibly feature you in a future issue of *The Pension Connection*.

Send an e-mail message to communications@optrust.com.

Did You Know?

Over the last 10 years, OPTrust's pensioner population has more than quadrupled from just 4,836 in 1995 to over 20,000 pensioners in 2005.



- **Age 65:** The normal retirement age under the OPSEU Pension Plan
- **Factor 80:** Age plus years of credit total exactly 80 on or before March 31, 2005
- **Factor 90:** Age plus years of credit total at least 90
- **60/20:** Age 60 or older plus at least 20 years of credit
- **Reduced:** Available starting at age 55 to vested members who do not qualify for an unreduced pension

Retirement figures at OPTrust

as of December 31, 2004

Number of new retirees in 2004: **1,269**

Number of retirees at December 31, 2004: **20,246**

Average annual OPTrust pension paid: **\$18,616**

Age of average pensioner: **63.9**

Total members and pensioners: **73,795**

In 2004, more than half of OPTrust's new pensioners retired under OPTrust's temporary Factor 80 option.

OPTrust Secure Online Services

- Immediate access to your T4A statement
- Check and update your personal information, anytime, anywhere
- Get answers to your pension questions through our secure message service
- Subscribe to the online version of *The Pension Connection*
- Sign up for e-mail notices about OPTrust news

To register, go to www.optrust.com and follow the links.



THE PENSION connection

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If you have any comments or questions, please contact **Member & Pensioner Services** at:

OPSEU Pension Trust
 1 Adelaide Street East, Suite 1200
 Toronto, Ontario M5C 3A7
 E-mail: email@optrust.com
 Tel: (416) 681-6100 in Toronto
 1-800-637-0024 toll-free
 Fax: (416) 681-6175
www.optrust.com



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