

THE
PENSION
connection

A newsletter
for the Pensioners
of the OPSEU
Pension Trust

OPTrust pensions set to increase by 2.2% in 2006

Your OPTrust pension is set to increase by 2.2% in 2006 to reflect the increase in the cost of living; this increase will be included in your January 26th pension payment. For retirees who received an OPTrust pension for only part of the year, the increase will be pro-rated.

Lifetime security

Inflation protection is an important feature of the OPSEU Pension Plan – and a source of security for your future. As an OPTrust

pensioner you have the valuable benefit of receiving a pension that is protected against inflation, and it will increase every year for your lifetime. While the adjustment may vary from year to year, the value of your OPTrust pension will continue to increase.

How the increase is calculated

The inflation adjustment reflects the increase in the cost of living in Canada (as measured by the Consumer Price

> 2006 Inflation Adjustment... continued on page 3

OPTrust names new Chief Administrative Officer



Heather Gavin

OPTrust's Board of Trustees has appointed Heather Gavin to the position of Executive Vice-President and Chief Administrative Officer (CAO) as of January 1, 2006. Ms. Gavin replaces Colleen Parrish who retired earlier in the year from the position, which was formerly called President and Plan Manager. Prior to her appointment, Ms. Gavin worked for OPSEU for 18 years in various senior level positions.

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Maurice Gabay joins the Board of Trustees

OPSEU has appointed Maurice Gabay to the OPTrust Board of Trustees for a three-year term to September 2008.

Mr. Gabay works for the Ministry of Finance as a corporation tax auditor. Prior to joining the Ministry in 1998, he worked at Revenue Canada (now the Canada Revenue Agency) for five years.

As a member of OPSEU, Mr. Gabay has been active in several positions over the years. He is currently the president of Local 599, and a member of the Ministry of Finance Employee Relations Committee. He also co-chairs the Health & Safety Advisory Committee for the Ministry of Finance.

Mr. Gabay has a degree in economics and business from York University, as well as a Certified Management Accountant designation.



Maurice Gabay

“ I am thrilled and honoured to be appointed a Trustee,” says Mr. Gabay. “I look forward to working with the Board to ensure that OPTrust delivers the highest level of service and benefits to its members. ”

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“ I’m looking forward to this new opportunity and the exciting challenges that lie ahead,” said Ms. Gavin. One of OPTrust’s longest standing Trustees, Ms. Gavin lobbied for years for the establishment of OPTrust, and during its creation was on the planning and transition team.

On the OPTrust Board of Trustees since its inception in 1995, Ms. Gavin brings a wealth of experience in pension plan governance and administration. She was the former Chair of the Audit Committee and a member of the Investment and Administration Committees. Ms. Gavin also sits on several pension committees for the Ontario Federation of Labour, and the National Union of Public and General Employees as well as serving on the Financial Services Tribunal since 1999.

Index). It is calculated by dividing the CPI average for the two 12-month periods ending the preceding September. For example, the 2006 inflation adjustment was calculated as follows:

$$\frac{\text{October 2004 to September 2005} = 126.6}{\text{October 2003 to September 2004} = 123.9} = 2.2\%$$

The maximum increase in any one year is 8%. Any increase above 8% is carried forward into the next year when the adjustment is less than 8%.

How you benefit

Based on the 2.2% adjustment, let's see how your annual pension will increase:

Annual Pension	2006 Amount
\$10,000	\$10,220
\$15,000	\$15,330
\$20,000	\$20,440
\$25,000	\$25,550
\$30,000	\$30,660
\$35,000	\$35,770

Inflation Factors

So what causes inflation and why does this rate differ from year to year? According to the Bank of Canada inflation is a persistent rise over time in the average price of goods and services – in the cost of living.

The Consumer Price Index provides a broad measure of the cost of living in Canada. While there are other ways to measure price changes, the CPI is the most important indicator because of its widespread use, for example, to calculate changes in Government payments such as the Canada Pension Plan and Old Age Security.

Through the monthly CPI, Statistics Canada tracks the retail price of a representative shopping basket of about 600 goods and services from an average household's expenditure: food, housing, transportation, furniture, clothing, and recreation. Since people tend to spend more on food than clothing, changes in the price of food have a bigger impact on the index than, for example, changes in the price of clothing and footwear. (Source: Bank of Canada)

According to Statistics Canada, gasoline prices in recent months have apparently not yet had a major impact on other consumer prices. (Source: Statistics Canada).

Your OPTrust pension is set to increase by 2.2% in 2006 to reflect the increase in the cost of living; this increase will be reflected in your January 26th pension payment.

Moving out of Ontario or Canada?

Are you planning to move to another province or country? Well depending on where you move, there are a few things that you must consider regarding your OPTrust pension, and in some cases your insured benefits coverage.

What happens to your pension?

Your OPTrust pension is paid for your lifetime, and we will continue to pay your pension each month regardless of where you live, whether it is in another country or another province. But before you move, you will need to notify OPTrust of changes to your home address, banking and income tax information to ensure that you continue to receive your pension.

Direct deposit and banking

For your convenience, OPTrust offers direct deposit to all bank accounts held at a Canadian financial institution. If you move to another province, you can continue to receive your pension payment directly to your bank account. If you set-up a new bank account in that province please provide OPTrust with your new bank information.

OPTrust does not provide direct deposit payments to accounts held outside of Canada. However, you can continue to have your monthly pension deposited into a Canadian account and make arrangements with the bank to wire the payment to your new account in your country of residence, on a monthly basis. There may be a fee for this transaction, so check with your financial institution before making this arrangement.

Alternatively, OPTrust can mail your monthly cheque directly to your country of residence. Whatever you decide, you will need to notify OPTrust so we can ensure that you continue to receive your pension payment every month.

Income Tax: What are the implications?

If you move to another province, both the tax rates and tax exemption claim amounts must be changed to reflect the new province of residence. For example income tax rates and exemption claim amounts in Prince Edward Island may differ from those in Ontario or British Columbia.

When you are living in a foreign country you must decide which country you are going to declare as your “home” for income tax purposes. If you decide to live outside Canada, you must apply to the Canada Revenue Agency for non-residency status. There is a withholding tax required for payments from a registered pension plan to non-residents. OPTrust is obliged to withhold a predetermined amount from these payments and send them to CRA on behalf of its pensioners.

Once we are advised of your new address we will automatically adjust your pension to reflect the default tax rate of 25%. If you are approved for non-residency status by CRA, you are required to submit a copy of the approval to OPTrust and the tax will be deducted based on the tax treaty that Canada has with that country.

What about my insured benefits?

There is no out-of-province or out-of country emergency medical coverage under the OPSEU Pension Plan. But your supplementary health and hospital medical benefits remain in force as part of your pension package, provided you are eligible for insured benefits. If medical claims are incurred they will be paid in accordance to the Ontario schedule of fees and in Canadian dollars.

Do I need to get extra health coverage if traveling outside Ontario?

Yes. There is coverage with Great-West Life, but it may not cover all medical expenses, particularly if you are



traveling to the United States. If you decide you want additional protection, there are several agencies that offer low rates.

What is covered?

Great-West Life will pay for the difference between what is termed reasonable and customary expenses. They will also investigate the rates charged by doctors in the same area for any treatment you have had. If the charges are similar then your expenses will be covered. If however, the

charges were twice that of other doctors in the same area, then Great-West Life will pay the lower rate. But it would be your responsibility to pay the difference.

Changing your address

If you are planning a move or have already moved, it is important to notify OPTrust of your new mailing address. That way you will continue to receive important information about your pension, and especially if you move out of the country, you will also receive your pension.

You can update your address:

- Online – simply visit our website and update your new mailing address through our secure *Online Services* feature.

OR

- By completing a *Change of Personal Information* form, available online or by contacting OPTrust.

You should also inform Great-West Life of your new address.

Insured Benefits: Claims Submission

If you have not yet submitted your Great-West Life claims for 2004, the good news is you've still got time. All Great-West Life claims for dental and medical coverage for 2004 must be received by Great-West Life on or before December 31, 2005.

Send your insured benefits claims to:

- Great-West Life Health and Dental Claims
P.O. Box 4076, Station A
Toronto, ON M5W 3A3

You can download forms from the Great-West Life website at www.gwl.ca. You can

track your claim submission online by using GroupNet, Great-West Life's online service for members. Please do not send your claim to OPTrust, we cannot guarantee it will arrive before the deadline.

Don't forget to use your new OPTrust ID number on your insurance claims.

If you have any questions about your insurance claim, please contact Great-West Life at 1-800-874-5899 or (416) 440-0406.

Important:

All 2004 claims received after the December 31, 2005 deadline will not be reimbursed.

Website update: New look, new features

OPTrust's website has undergone a substantial makeover with several new enhancements.

In response to feedback from members and pensioners, the new website design follows a "life stage" approach providing easy access to a number of areas (e.g. changing beneficiaries, insured benefits, CPP integration).

Take a
tour of our new
website at
www.optrust.com

Other new enhancements include:

- a quick links feature directing users to popular information
- "You Asked" feature covering timely topic
- a news highlight feature
- information geared specifically for members and pensioners on the homepage
- access to our *Online Services* feature on every page



Unique OPTrust ID numbers

Protecting the privacy and confidentiality of your personal information is important to OPTrust and we've taken new measures to protect you. In keeping with that we have made changes to *Online Services* so that you will no longer use your Social Insurance Number to sign in. Instead we have assigned a unique OPTrust ID number for every pensioner and member.

The next time you access *Online Services* simply enter your unique OPTrust ID number, not your

Social Insurance Number. For your convenience, you can click "Remember my OPTrust ID" on the sign-in screen to have *Online Services* automatically fill in your OPTrust ID whenever you are using that computer.

Using your OPTrust ID number, you can register for *Online Services* on our website at www.optrust.com. As a pensioner you can view and update your beneficiaries, banking information and address. You can also view and print your T4A slip and

Check out your PICS online

OPTrust retirees now have access to view an electronic version of their most current *Pensioner Information Change Statement* through *Online Services*. OPTrust introduced this new service to provide pensioners with immediate access to their personal pension information every month.

OPTrust sends the PICS to all retirees every January to report the inflation adjustment increase, and again when there are changes to your pension (i.e., insured benefits premiums). But now, you can view your pension information at anytime when you register for *Online Services*.

Your PICS provides detailed information about your pension including your:

- CPP integration pension amount

- federal and provincial TD1 claim amounts
- spousal information on record
- basic life insurance amount
- monthly tax deductions

Each month you'll get a clear picture of your OPTrust pension through this new service.



Why not visit our website at www.optrust.com to register for *Online Services* today? Our staff members can help you with the registration process if you have any questions.

Go online to view and print your 2005 T4A Statement on January 16th

your *Pensioner Information Change Statement* online.

Pensioners, who are eligible for insured benefits with Great-West Life, will also use their unique OPTrust ID number for insured benefits claims instead of their Social Insurance Number.

If you have questions or have not received your unique OPTrust ID number, please contact our Member and Pensioner Services staff at 416-681-6100 or 1-800-637-0024.



2006 Pension Pay Dates

Mark your calendars; the 2006 OPTrust pension pay dates are available. Your pension is paid every month, and in 2006 your pension will be paid on the following dates:

- Thursday, January 26
- Friday, February 24
- Friday, March 24
- Wednesday, April 26
- Friday, May 26
- Monday, June 26
- Wednesday, July 26
- Friday, August 25
- Tuesday, September 26
- Thursday, October 26
- Friday, November 24
- Monday, December 18

OPTrust pensions are paid on the 26th of every month and earlier in December. If the 26th falls on a weekend, your pension is paid the Friday before. To access the online calendar, visit our new website at www.optrust.com and go to the “Pensioner” section.

Direct deposit

Having your pension deposited directly to your bank account is a convenient and hassle-free option for your monthly payment. With direct deposit your pension payment is automatically deposited to the bank account of your choice. Haven't signed up for direct deposit yet? Why not set it up today?

You can set up your direct deposit information through our *Online Services* or by completing a *Personal Information Change Request* form, available online or from OPTrust. Remember if you're moving or changing financial institutions, don't forget to notify OPTrust.

OPTrust does not provide direct deposit to bank accounts held at financial institutions outside of Canada.

Your feedback

Your feedback is important to us. Are there certain topics or stories you would like featured in a future issue of *The Pension Connection*? Let us know by sending an e-mail to communications@optrust.com or contacting our Member and Pensioner Services staff. We'd like to hear from you.

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

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