

# PENSION *connection*

## Inflation Protection: 2.3% increase to pensions in 2007

In January 2007, all OPTrust pensions will increase by 2.3% to keep pace with the cost of living. For new pensioners who retired in 2006, the increase is prorated for the length of time you received a pension this year.

Your pension is increased based on the rate of inflation as measured by Canada's Consumer Price Index (CPI). The maximum increase in any single year is 8%. The remainder of any increase over 8% will be carried forward and applied in future years.

You may wonder why the adjustment does not always reflect the rates reported by Statistics Canada from year to year. Well that's because Statistics Canada reports monthly changes and your OPTrust pension adjustment is based on the average of the monthly changes over the year.

### EXAMPLE

Year	Adjustment	Annual Pension
2007	2.3%	\$21,206.80
2006	2.2%	\$20,730.01
2005	1.7%	\$20,283.77
2004	3.3%	\$19,944.71
2003	1.6%	\$19,307.56
2002	3.0%	\$19,003.50
2001	2.5%	\$18,450.00

Mary retired December 31, 1999 with an annual pension of \$18,000. Following Mary's first year of retirement, her pension immediately jumped by \$450. Over the last seven years Mary saw her pension go up by \$3,206.80. Because OPTrust pensions are payable for life, Mary will continue to see her pension increase to keep pace with the cost of living. When Mary dies, her eligible spouse (if applicable) will receive an indexed survivor pension too.

> Inflation protection... continued on page 3

## Government settles insured benefits class action lawsuit

An agreement was reached in the insured benefits class action lawsuit between the Government of Ontario and retired Ontario Public Service employees in May 2006. The class action lawsuit was initially launched in 2004 in response to Government approved changes to insured benefits for retirees that took effect on June 1, 2002.

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# Your privacy matters to us

When you communicate with OPTrust online, over the phone or by mail – your personal information is always protected. We respect your privacy and want you to understand how we protect your personal and banking information.

## Why we collect your personal information

OPTrust uses your personal information to calculate and pay your monthly pension and administer survivor benefits. That's why we need your personal and banking information to be accurate and current. We also collect your personal information to keep you informed about your pension benefits in the Plan and any changes that may affect you during retirement such as taxes or benefit improvements.

For example, at least once a year we mail you a *Pensioner Information Change Statement* which explains changes to your pension payment, along with other communications that are important to you.

## Your personal information is protected

OPTrust has a comprehensive privacy policy with strict principles to protect your personal information. Our policy requires us to:

- advise you as to why we collect personal information and what we use it for
- outline the conditions when your personal information is disclosed to third parties
- obtain your consent to collect personal information
- identify uses and potential disclosure of personal information
- ensure that your personal information is not used or disclosed for purposes other than administering your pension, without your consent.

One example of how we protect your personal information is in our handling of the insured benefits class action lawsuit. In this case, OPTrust made the payments on behalf of the law firm, thus protecting your personal banking information.

OPTrust appointed a Privacy Coordinator and conducted a thorough review to determine how to enhance our privacy policies keeping our members and pensioners in mind. In fact, OPTrust along with other public sector pension plans already had strict standards in place about dealing with personal information.

## Keeping you informed

Rest assured the use, collection and disclosure of your personal information is a top priority for OPTrust. We will continue to assess the impact of any business changes and ensure that our business practices meet or exceed industry standards. We will also keep you informed about any measures we take to further protect your privacy.

If you have any questions or concerns regarding OPTrust's privacy policy, please contact our Privacy Coordinator Maurice Marnika at **416-681-6161** or toll-free within Canada **1-800-906-7738**.



> *Inflation protection... continued from page 1*

Adjusting pensions based on average annual changes rather than specific monthly changes better reflects the increase in the prices for goods and services.

### **Inflation protection adds up**

Inflation protection is an important feature for OPTrust retirees and plan members. It protects the value of your pension during retirement. To understand how inflation protection impacts your pension, the example on page one shows the increase of a pension over time.

### **About CPI**

According to Statistics Canada, CPI is an indicator of the consumer prices encountered by Canadians. It is obtained by calculating, on a monthly basis, the cost of a fixed “basket” of more than 600 separate goods and services purchased by the average Canadian consumer. The basket contains various products including housing, food, entertainment, fuel and transportation. Since the contents of the basket remain constant, the changes in the index reflect price changes. The CPI is a widely used indicator of inflation in Canada.

> To understand inflation protection and its impact on your pension, check out our Fact Sheet entitled *Inflation Adjustments in the OPSEU Pension Plan* available online at [www.optrust.com](http://www.optrust.com).

> *Government settles lawsuit... continued from page 1*

### **Financial settlement**

The settlement, negotiated between the Government of Ontario and the class members, includes a one-time financial payout for each class member. All class members who met the eligibility requirements received a one-time payment of \$351.23 in October 2006.

To receive a settlement payment, eligible pensioners:

- began receiving a pension between August 28, 1974 and June 1, 2002
- qualified for insured benefits based on their service in the Plan
- must not have completed an *Opt Out Coupon*

### **Method of payment**

To help get your payment to you faster, OPTrust worked with the law firms to ensure that class members received compensation either by direct deposit or cheque. As required by the Court Order, you were paid in the same manner as your OPTrust pension. If your pension is paid by direct deposit, your settlement

compensation was paid in the same manner. If you currently receive your pension by cheque, your settlement cheque was mailed to your home address. For direct deposits, the payment was identified in your bank account as “**Settlement.**”

As part of the process, the law firms relied on OPTrust to identify and facilitate the payment to each pensioner in the class action. OPTrust maintained control of your banking information to ensure your privacy was upheld. Your personal information was used only for the purpose of this settlement claim. Your personal information remains confidential and secure, and is not distributed to any third parties.

### **Future insured benefits and drug cards**

The lawsuit does not have an impact on your insured benefits with the Government of Ontario. Your existing coverage remains unchanged. The Government will issue drug cards to all pensioners eligible for insured benefits no later than November 30, 2007.

### **WANT MORE INFORMATION?**

Additional information on the class action lawsuit is available at [www.retireesclassaction.com](http://www.retireesclassaction.com).

Or contact the law firm representing retirees at:

#### **Cavalluzzo Hayes Shilton McIntyre & Cornish LLP**

Barristers and Solicitors  
300-474 Bathurst Street  
Toronto, ON M5T 2S6  
Tel: 416-964-1115



## YOU ASKED

**Question:** In the summer issue of *The Pension Connection* under Federal Personal Tax Credits, the Basic Personal Amount was reduced to \$8,639 from \$9,039. In 2005 the figure was \$8,648, why is there a difference?

**Answer:** Effective July 1, 2006, the Basic Personal Amount was reduced to \$8,639 from the previous figure. However, in January 2006 the amount increased to \$9,039 up from \$8,648 the previous year. This figure changed in January and again in May of this year. All figures are correct. To see a comparison from year to year visit the Public Works and Government Services website at [www.pwgsc.gc.ca](http://www.pwgsc.gc.ca).

**Question:** I read in the news recently that Statistics Canada incorrectly reported the CPI over the last five years. Will this have an impact on my OPTrust pension?

**Answer:** No, your pension amount will not change. While Statistics Canada admitted understating Canada's inflation rate over the past five years by a tenth of a percentage point, the Consumer Price Index is never revised. Although the error has been identified, Statistics Canada has decided not to revise the historical inflation numbers. However, the correction will find its way into indices used to adjust your pension on January 1, 2007. OPTrust's inflation adjustment is calculated annually based on the Consumer Price Index; as a result our prior inflation adjustment figures will remain the same. For more information contact Statistics Canada at 1-800-263-1136.

**Question:** I opted out of the insured benefits class action lawsuit. Can I opt back in?

**Answer:** No. If you completed the *Opt Out Coupon* included in the 2004 *Notice of Certification* you are automatically excluded from the class action lawsuit and settlement. You cannot "opt in" to the settlement. If you have any questions, please contact the law firm Cavalluzzo Hayes Shilton McIntyre & Cornish LLP at 416-964-1115 or [www.retireesclassaction.com](http://www.retireesclassaction.com).

**Question:** My former colleague received a settlement payment. Why didn't I receive payment as well?

**Answer:** You may not have met the eligibility requirements for the class action lawsuit. To qualify for the class action settlement you:

- retired before May 1, 2002
- are eligible to receive insured benefits, based on your years of service and credit in the OPSEU Pension Plan, and
- did not complete an *Opt Out Coupon* in 2004, which automatically removed your name from the class action.

Pensioners who have qualified for the class action lawsuit based on these criteria have received a payment.

**Question:** Why did I receive my settlement by direct deposit if I didn't provide my banking information to the law firms?

**Answer:** As part of the settlement as ordered by the court, OPTrust coordinated the direct deposit payments on behalf of the law firms so your banking information would not be shared. We took this approach to ensure that your personal information remained safe and secure, which is a top priority for us. Your banking information is used by OPTrust for the purpose of this settlement claim only, and will not be distributed to the law firms or any third parties.

# 2007 Pension pay dates

**A**re you a new retiree? Wondering when your pension is paid each month? New retirees receive their first pension payment in the month following their retirement. So, if you retired on October 31, 2007, you are entitled to your pension on November 1st, and you can expect your first payment as an OPTrust pensioner on November 26th.

## Monthly payments

OPTrust pensions are paid monthly, usually on the 26th, except in December when they are paid earlier or if the 26th falls on a weekend. In 2007, you will receive your monthly OPTrust pension payments on the following dates:

- Monday, December 18 (2006)
- Thursday, July 26
- Friday, January 26
- Friday, August 24
- Monday, February 26
- Wednesday, September 26
- Monday, March 26
- Friday, October 26
- Thursday, April 26
- Monday, November 26
- Friday, May 25
- Monday, December 17
- Tuesday, June 26



## Receive your pension sooner

Did you know OPTrust offers direct deposit payments? More than 98% of OPTrust retirees receive their pension by direct deposit and you could too.

### With direct deposit:

- you receive your pension immediately in your bank account
- there are no delays receiving your pension payment due to mail interruptions
- your cheque will not be lost or stolen
- there is no need to deposit your cheque at the bank in person.

If you have not already signed up for OPTrust's direct deposit service, send in a void cheque and our Member and Pensioner Services department will ensure that you are signed up for direct deposit. Or log on to the website and input your banking information yourself. Once you have registered for this service, you can make any changes to your banking information through our secure *Online Services*.

**Don't  
forget to  
mark your  
calendar!**

# Canada Pension Plan and Old Age Security benefits

**A**re you eligible for Government benefits? Do you know when to apply for CPP and OAS? Like most OPTrust retirees, your pension will likely be just one component of your retirement income. You may qualify for Canada Pension Plan (CPP) and Old Age Security (OAS) benefits too. It's important to know when to apply and how to apply, since these benefits do not automatically begin when you turn age 65.

## Canada Pension Plan

Canada Pension Plan benefits normally begin the month after you turn 65, but you may be eligible for reduced benefits beginning as early as age 60. In order to be eligible at age 60, you must either stop working or earn less than the allowable maximum pension payment (\$844.58 in 2006) for two consecutive months.

It's a good idea to apply at least six months before you want your pension to begin to ensure there are no delays in receiving your first payment. To apply for CPP benefits you must complete an application form and return it to Human Resources and Social Development Canada.

## Old Age Security

You are eligible for OAS benefits when you turn 65 if you meet the residency requirements. OAS provides additional benefits for low-income seniors. Like the Canada Pension Plan, it is also a good idea to apply at least six months before you turn 65.

The application kits for both programs are available online at [www.servicecanada.ca](http://www.servicecanada.ca) or by contacting Human Resources and Social Development Canada at 1-800-277-9914 (Canada/US). The federal government administers these programs and issues a reference guide entitled *Old Age Security and the Canada Pension Plan* which describes both programs and eligibility requirements in full detail.

### CANADA PENSION PLAN

**Maximum monthly benefit**

**\$844.58**

### OLD AGE SECURITY

**Maximum monthly benefit**

**\$491.93**



# Green initiatives on target

**O**PTrust has taken new measures to improve our environmental awareness program as we reported to you in Issue 42 of *The Pension Connection*. As part of our ongoing “green” initiative, we have eliminated the use of envelopes to mail *The Pension Connection*. You may have noticed that both the current and previous issues arrived without an envelope.

While adhering to mailing standards, we are also saving money and improving the use of paper where possible by eliminating envelopes. Of course other materials such as your personal pension information like income tax statements will always arrive in



an envelope. As we continue to improve our efforts to promote a “green” environment, we will keep you informed of any initiatives that may impact you.

If you want to do your part in improving the environment, check out these websites to promote green initiatives at home:

## GREEN LINKS

**Environment Canada**  
> What You Can Do  
[www.ec.gc.ca](http://www.ec.gc.ca)

**Ministry of Environment**  
[www.ene.gov.on.ca](http://www.ene.gov.on.ca)

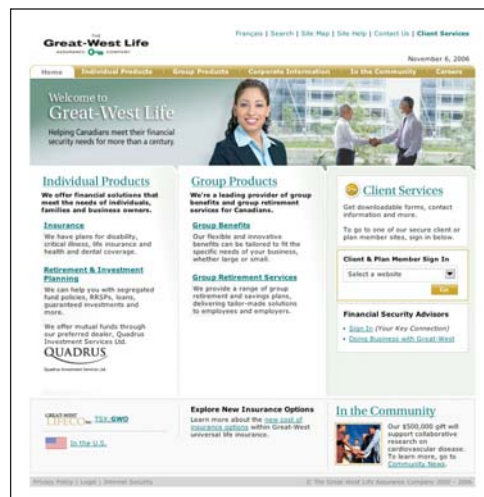
**The David Suzuki Foundation** > The Nature Challenge at Home  
[www.davidsuzuki.org](http://www.davidsuzuki.org)

## Reminder: 2005 Great-West Life claims

**I**f you have not submitted your 2005 claim forms, now is the time to do so. The deadline for claim submission is nearing. All Great-West Life claims for dental, medical, vision and hearing coverage for 2005 must be received by Great-West Life on or before December 31, 2006.

Your insured benefits claims should go 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.greatwestlife.com](http://www.greatwestlife.com). Remember, you can view your claim submissions online by using GroupNet, Great-West Life’s online service for members.



If you have any questions please contact Great-West Life at 1-800-874-5899 or 416-440-0406. Please do not send your claim to OPTrust, we cannot guarantee it will arrive before the deadline.

## FAST FACT

Not all OPTrust pensioners have the same post-retirement insured benefits coverage from the Government of Ontario. For example, if you worked for GO Transit, your coverage may be different from someone who worked at the Ministry of Health. You should always contact Great-West Life directly to confirm your benefits coverage before you submit your claim.

# Web resources

Looking for more retirement information? Whether you want to volunteer or need information on insurance and government benefits, there are a number of resources online geared specifically for retirees.

Check out these websites for information and resource tools to help you in retirement.

- Canadian Association of Retired Persons  
[www.carp.ca](http://www.carp.ca)
- Congress of Union Retirees of Canada  
<http://curc.clc-ctc.ca>
- Great-West Life Assurance  
[www.greatwestlife.com](http://www.greatwestlife.com)
- OPSEU  
[www.opseu.org](http://www.opseu.org)
- Province of Ontario  
[www.gov.on.ca](http://www.gov.on.ca)
- Quarter Century Club  
[www.qcclub.gov.on.ca](http://www.qcclub.gov.on.ca)
- Seniors Canada On-line  
[www.seniors.gc.ca](http://www.seniors.gc.ca)
- Seniors' Information  
[www.seniorsinfo.ca](http://www.seniorsinfo.ca)
- Service Canada  
[www.servicecanada.gc.ca](http://www.servicecanada.gc.ca)
- Volunteer Canada  
[www.volunteer.ca](http://www.volunteer.ca)



Don't forget to bookmark the OPTrust website at [www.optrust.com](http://www.optrust.com) for all your pension related information.

*The Pension Connection* is published by OPSEU Pension Trust for its pensioners.

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

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