

THE

PENSION *connection*

A newsletter
for the Pensioners
of the OPSEU
Pension Trust

OPTrust pensions to increase by 1.8% in 2008

OPTrust pensions will increase by 1.8% starting in January 2008. The adjustment is the result of the OPSEU Pension Plan's inflation protection provision and reflects the rise in the cost of living in Canada.

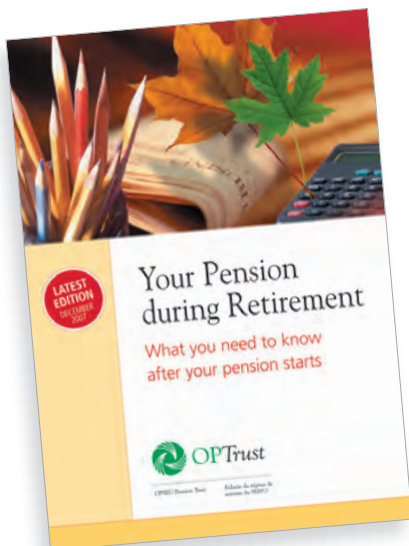
The 1.8% increase applies to all OPTrust pensioners who retired in 2006 or earlier. If your pension started after January 2007, your increase will be pro-rated based on the month your pension started. The annual increase applies to OPTrust survivor pensions too. Last year's increase was 2.3%.

Lifetime protection

Inflation protection means that your pension will continue to increase every year based on changes in Canada's Consumer Price Index (CPI). The result is protection for the buying power of your OPTrust pension – and security for your future.

> *Pension Increase... continued on page 3*

The booklet you asked for!



When we asked retirees what publications you wanted, you gave us a clear answer – a booklet that is written just for pensioners. In response to that request, OPTrust has released our newest booklet – *Your Pension during Retirement!*

Your Pension during Retirement

This handy guide provides a useful overview of your pension plan and summarizes key points that you need to know after you have retired. This includes:

- when and how your monthly pension is paid
- how your pension increases annually for inflation
- how your OPTrust pension is integrated with the Canada Pension Plan (CPP), and what this means for your pension when you reach age 65

> *New booklet... continued on page 2*

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OPTrust publications for pensioners – available online

- ***Your Pension during Retirement***

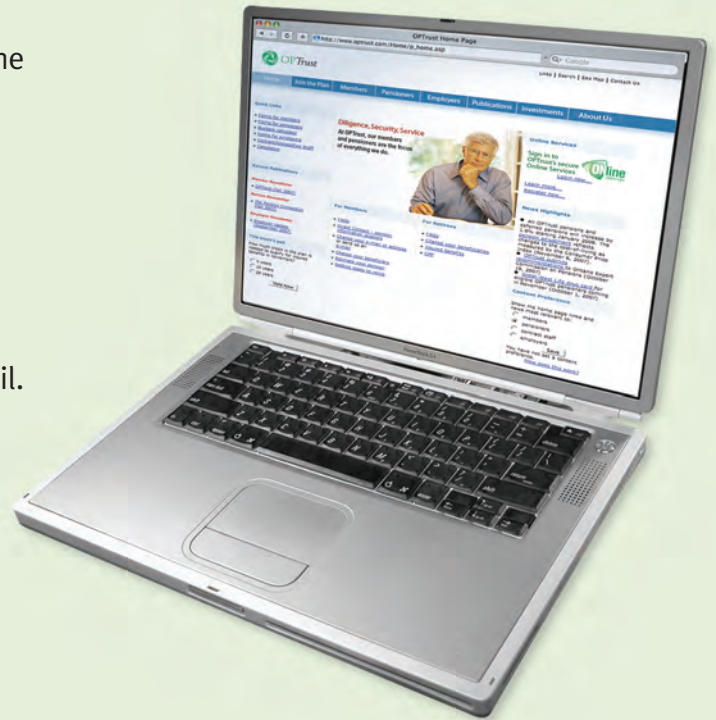
OPTrust's newest booklet gives you an overview of the OPSEU Pension Plan designed specially for retirees.

- ***It's Your Pension***

A complete guide to the Plan for members and pensioners.

- ***The Pension Connection***

Your pension newsletter is available online – up to two weeks before the printed 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.



> *New booklet... continued from page 1*

- points to consider if you are thinking of taking CPP early.

Other sections of the booklet explain:

- how eligibility for insured benefits provided by the Government of Ontario is determined
- what deductions are taken from your pension, including income tax and benefit premiums
- how your pension could be affected if you work for an OPTrust employer after your pension begins.

You also told us that caring for your family is important to you. We answer your questions about what survivor benefits are available when a pensioner dies and what paperwork you should have as part of your estate.

Check it out online

Your Pension during Retirement will be most useful for new pensioners, who will receive it as part of their OPTrust retirement package. Printed copies of the booklet are also available to current pensioners on request.

Please note, much of the content may not be news for many OPTrust retirees. So, before you order a printed copy of the booklet, we suggest you first check it out online at www.optrust.com. It's quick, easy and environmentally friendly – and it's available 24 hours a day, seven days a week.

Of course, if you prefer a printed copy, we'd be happy to send you one. Simply contact us by e-mail or telephone.

> **Pension Increase**... continued from page 1

The annual OPTrust pension increase can make a big difference over time. For example, a pensioner who retired in 1995 with an average pension of \$20,000 will receive \$25,840 from OPTrust in 2008.

How OPTrust calculates your increase

OPTrust calculates the annual increase by dividing the CPI average for the two 12-month periods ending the previous September. Here is how the 2008 increase was calculated:

Average CPI – Oct 2006 to Sept 2007	110.8	=	=	1.8%
Average CPI – Oct 2005 to Sept 2006	108.8			

The maximum increase in any year is 8%. Any increase above that level is carried forward to the next year when the adjustment is below 8%.

You may have noticed that in some years, your OPTrust pension adjustment differs slightly from the annual inflation rate

reported by Statistics Canada. The reason is that Statistics Canada reports the CPI changes monthly, while your OPTrust pension increase is calculated using an average of the monthly changes for the full year. This method better reflects how changes in the cost of living affect your purchasing power over the year.

Pro-rated increase for new pensioners

If you retired in 2007, your increase will be pro-rated to reflect the number of months you received a pension over the year.

For example, if you retired in June 2007 and started your pension in July, you would have received six monthly payments in 2007. In this case your pro-rated increase for 2008 would equal 0.9% – or half the full year’s increase of 1.8%. Starting in 2009, you will receive the full annual increase each January.

For more information

More information about inflation protection and your pension is available online at www.optrust.com. Check out our fact sheet on *Inflation Adjustments*.



PICS coming in January

Every January, OPTrust mails an updated *Pension Information Change Statement* (PICS) to each of our more than 22,000 pensioners. This year, your statement will be mailed by January 25.

Your January PICS will show how the 1.8% inflation increase for 2008 will affect your monthly pension payment from OPTrust.

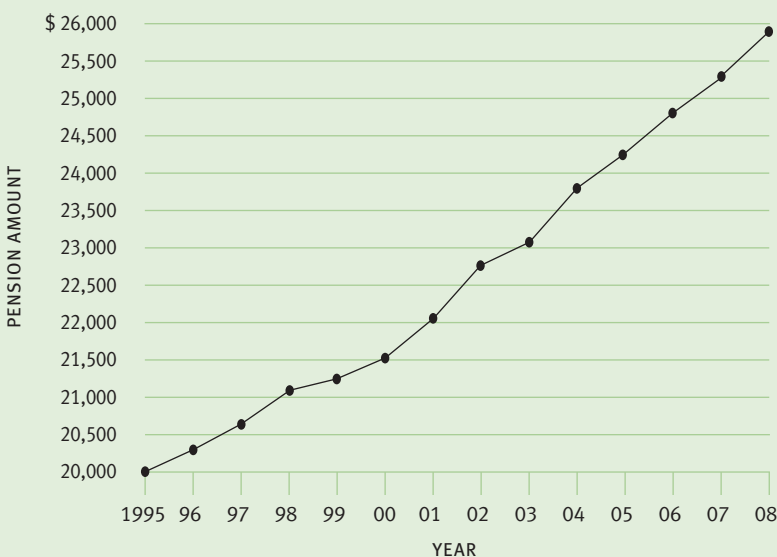
Your PICS provides detailed information about your pension including your:

- federal and provincial TD1 claim amounts
- spousal information on record
- basic life insurance amount, if applicable
- monthly income tax deductions.

Viewing your PICS online

You can also check your PICS each month through OPTrust’s secure *Online Services*. To sign in and view your PICS, or to register, visit www.optrust.com.

EXAMPLE: Inflation Protection and Elise’s Pension



Elise retired in January 1995 with an annual pension of \$20,000. As the chart shows, Elise will receive an annual pension of \$25,840. So, inflation protection means that her annual OPTrust pension has grown by \$5,840 even though the largest one-year increase was just 3.3%.

OPTrust adds Calgary office building to growing portfolio

OPTrust 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 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 Canada cities. These properties are typically owned directly by OPTrust or with an institutional partner.
- 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.



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.

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.”

Reminder: 2006 Great-West Life claims

The final deadline for submitting any 2006 Great-West Life (GWL) claim forms is coming up fast. If you have any 2006 claims that you have not sent already, they must be received by GWL **on or before December 31, 2007**. This deadline applies to all dental, medical, vision, hearing and prescription drug claims for the 2006 calendar year.

Your claims should go to:
Great-West Life Health and Dental Claims
P.O. Box 4076, Station A
Toronto, ON M5W 3A3

The necessary forms are available from Great-West Life at 1-800-874-5899 or 416-440-0406 or www.greatwestlife.com. You can also view your claim submissions online by using GroupNet, GWL's online service for members. If you have any questions, please contact GWL.

Important: Please do not send your claim to OPTrust. While we will forward any claims to GWL, we cannot guarantee it will arrive before the deadline.

OPTrust is tops!

As an OPTrust retiree, 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 employers.

"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," said Heather Gavin, OPTrust's



Chief Administrative Officer and Plan Manager. "These awards recognize that we are on the right track."

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

Get a jump on your 2007 taxes

Every February, OPTrust mails you a T4A income tax receipt. But many pensioners like to get a head start on filing their taxes. That is why we also make your T4A available online – usually weeks before the paper copy is mailed.

All you need to do is register for OPTrust's secure *Online Services*. Once the T4As are available online, we will send you an e-mail notice. Then all you will need to do is log in using your OPTrust ID and password and follow the links.

To register for *Online Services* or to log in, go to www.optrust.com.

Direct deposit: now available in the US too!

As most OPTrust pensioners already know, direct deposit is the way to go. Signing up means your pension will be deposited directly to the bank account of your choice. No waiting for the mail. And no trip to the bank to make your deposit.

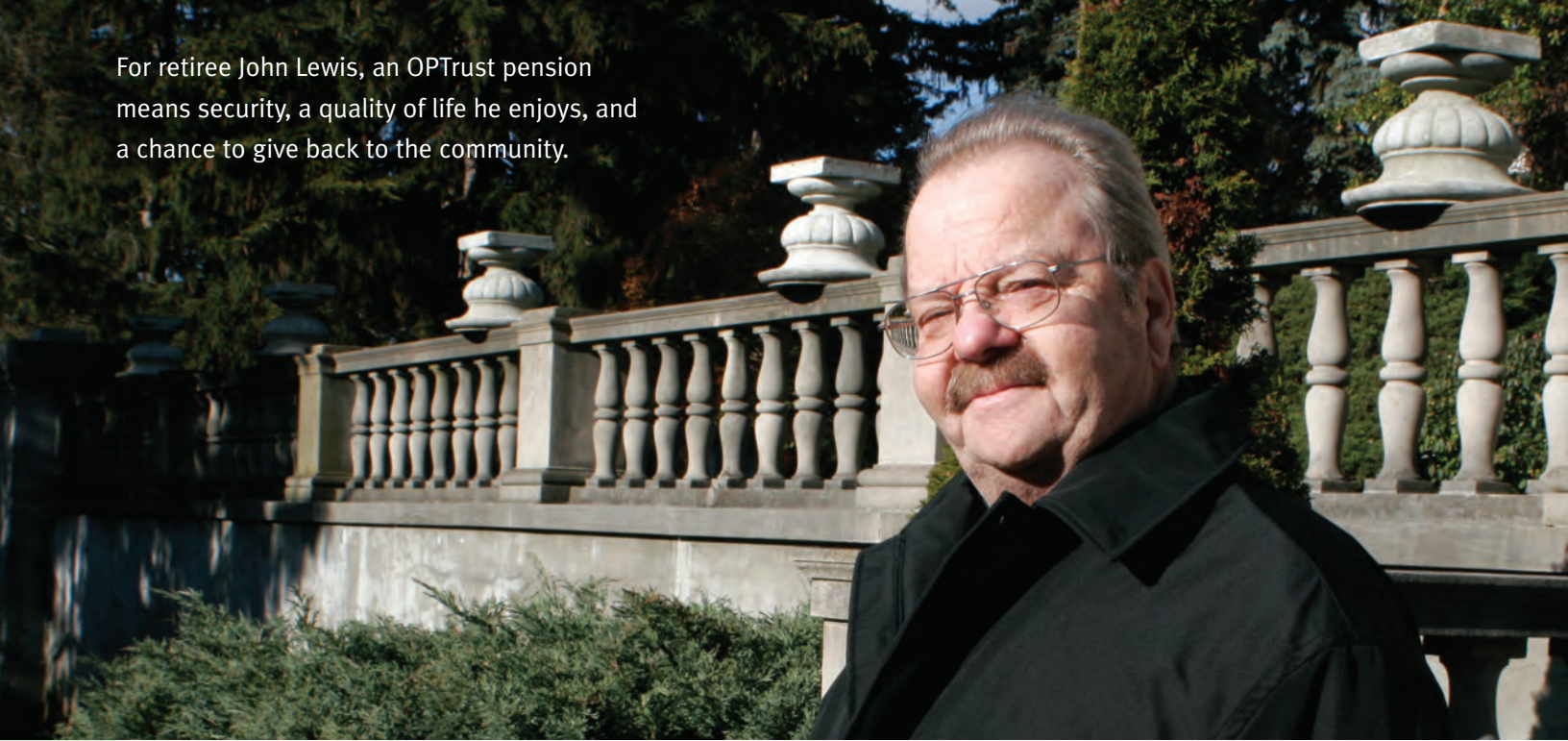
Now, if you live in the US, you can have your pension deposited directly to a US bank account, too.

Snowbirds – take note!

US direct deposit is also available for OPTrust pensioners who spend part of the year south of the border, too. All you need to do is set up a US bank account, while maintaining your Canadian account for the months you are in Canada. Then simply notify OPTrust in advance to let us know to change the account your pension is deposited to.



For retiree John Lewis, an OPTrust pension means security, a quality of life he enjoys, and a chance to give back to the community.



A conversation that changed everything

John Lewis remembers the conversation well. He was talking to a manager with the Ministry of the Environment who told him about job openings in the Ontario Public Service in sewage plant management. John took note.

At the time, he was with the Canadian military serving as a Combat Field Engineer helping to build military infrastructure like hospitals, airfields, and water supply units. John also served as an Explosive Ordinance Disposal Specialist, which included working with the Ontario Provincial Police (OPP) bomb squads. John was proud of his accomplishments and the stripes he had earned as Master Corporal, but he was eyeing retirement at age 42 and he needed a new challenge.

“The military had been very good for me, but that conversation changed my life,” he recalled.

John soon signed up for the necessary courses and began his second career as a Sewage Plant Operator at the Whitby Psychiatric Hospital in 1981. He never looked back. John retired in 2004 after 23 years with the OPS.

The job was interesting and the people John worked with continue to be friends today. He met his wife Lisa at the hospital and he got involved in giving back to the community.

“I have seen it all,” he said. “When you travel the world as I did and when you see the challenges faced by psychiatric clients, you quickly appreciate how lucky you are. You also see how much you can give back when the opportunity presents itself. We take so much for granted.”

Since retiring, John has been active on the boards of three local agencies that focus on identifying needs and providing training to members of his community.

“I feel very fortunate to have my OPTrust pension,” he said. “It provides a quality of life we enjoy and indexing means we can keep up with changes in the cost of living.”

“My pension helps put me in a position to enjoy what is important,” he explains. And one of those times is just around the corner – the upcoming holiday season. He and Lisa will join friends in Lindsay, Ontario for the annual Moose Lodge fundraising dinner, which raises money for local charities.

Using your new GWL drug card

If you qualify for post-retirement insured benefits coverage provided by the Government of Ontario, you should have received your pay-direct drug card in November. (If you retired in November or December, you will receive your drug card following your first pension payment.) If you did not receive your card, please contact Great-West Life (GWL) directly at 1-800-874-5899.

How your drug card works

Your drug card is designed to be easy to use. When you have your prescription filled, simply present your card. Your pharmacist will receive instant authorization for your drug coverage. The cost of eligible drugs will be covered at 90% by GWL, who will be billed directly. You will pay

the \$3.00 deductible plus the remaining 10 per cent of the drug cost.

Some drugs may require prior authorization from Great-West Life. In this case, your pharmacist will advise you to contact GWL for approval. To obtain the approval form, simply call GWL or visit www.greatwestlife.com.



Great-West Life's new drug card for eligible OPTrust pensioners



Doug Paolini joined OPTrust's Board of Trustees in October.

New trustee joins OPTrust board

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

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.



More answers about your drug card

Question: Can I use my drug card in any pharmacy throughout Ontario and Canada?

Answer: Yes, 99% of pharmacies in Canada accept pay-direct drug cards.

Question: Can I use my drug card for medical costs other than drugs?

Answer: No. You can only use your drug card for eligible drug purchases. You will still have to pay for other health costs up front and submit claims to Great-West Life for reimbursement.

Question: Can my coverage under the Ontario Drug Benefit plan and Great-West Life be co-ordinated using my drug card?

Answer: Yes. The system will automatically bill Ontario Drug Benefit plan first, then bill Great-West Life for the balance of any eligible drug cost. You will be required to pay the \$3 deductible.

> *Drug cards... continued on page 8*

> *Drug cards... continued from page 7*

Question: How do I coordinate drug claims with my spouse and family?

Answer: Coordinating benefits for drug claims will continue to apply the same way as your other health plan benefits. There is no change to the current process of coordinating benefits.

Question: I will be travelling out of Ontario for six months. Will I be able to fill my prescriptions in advance using my drug card?

Answer: There is a three-month limit to drug purchases made using your GWL drug card. If you need to purchase a supply for a longer period, contact GWL directly to request a vacation supply extension. This will enable you to purchase up to a six-month supply with your drug card.

Note: If you are 65 years of age or older, check with your pharmacist to confirm whether there are limits to the amount of extra medication that will be covered under the Ontario Drug Benefit plan (ODB).

Question: Who do I contact about a lost or stolen drug card?

Answer: To report a lost or stolen card, contact Great-West Life directly.

If you have other questions about your drug card or the status of a claim, contact Great-West Life at **1-800-874-5899** or **416-440-0406** or at **www.greatwestlife.com**. You will need to provide your OPTrust ID number and GWL policy number 157838.

OPTRUST'S PENSION PAY DATES FOR 2008

It's a date you can bank on. Your OPTrust pension is paid every month – usually on the 26th. The only exceptions are when the 26th falls on a weekend or holiday – and then we pay you sooner.

Here are the OPTrust pension pay dates for the coming year:

- | | | |
|--------------------------|--------------------------|----------------------------|
| 2007 | • Friday, April 25th | • Friday, October 24th |
| • Monday, December 17th | • Monday, May 26th | • Wednesday, November 26th |
| 2008 | • Thursday, June 26th | • Friday, December 19th |
| • Friday, January 25th | • Friday, July 25th | |
| • Tuesday, February 26th | • Tuesday, August 26th | |
| • Wednesday, March 26th | • Friday, September 26th | |

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

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

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E-mail: email@optrust.com
Tel: 416-681-6100 in Toronto
1-800-637-0024 toll-free
Fax: 416-681-6175

www.optrust.com

Return undeliverable Canadian addresses to:

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