Planning Today for Tomorrow

A Guide for Ontario Provincial Police Officers and Civilians

OPB
Your Pension. Our Promise.

Contents

Looking for more information?
Watch for these icons. They tell you where to go for additional information.

Indicates a website where you can find more information.

Indicates related reading material.

Indicates a phone number you can call for more information.

About this booklet

This booklet provides a high-level summary of the key features of the Public Service Pension Plan (PSPP). A complete description of this valuable benefit is contained in the legal documents that govern the Plan (these can be viewed at the offices of Ontario Pension Board (OPB). All reasonable steps have been taken to ensure that this booklet is accurate. However, if there is any difference between the information provided in this booklet and the official Plan documents, the official Plan documents will govern. Before making any decisions affecting your pension, please contact OPB to verify your rights, responsibilities and entitlements under the Plan.

OPB 8027 (2025-04)

Planning today for tomorrow

Welcome to the Public Service Pension Plan

If you're reading this booklet, chances are as an Ontario Provincial Police (OPP) officer or civilian, you've joined - or are about to join - the Public Service Pension Plan (PSPP). If that's the case, congratulations! The PSPP is a first-rate defined benefit pension plan that offers many valuable features and a high degree of financial security.

If you're reading this booklet, chances are you've joined — or are about to join — the Public Service Pension Plan (PSPP). If that's the case, congratulations! The PSPP is a first-rate defined benefit pension plan that offers many valuable features and a high degree of financial security.

How it works — in a nutshell

As a defined benefit pension plan, the PSPP calculates your pension based on a pre-set formula. That makes it possible to predict — with a fair degree of accuracy — how much pension you'll get, so it's easier for you to plan for your retirement. Your PSPP pension has a number of valuable features, such as:

- early unreduced retirement pension benefits
- automatic cost-of-living adjustments
- survivor benefits
- disability benefits

Add it all up and your PSPP pension is a very valuable benefit. That's particularly true if you're a long-service member. When you retire, your monthly pension could be your single biggest source of retirement income.

Making retirement a reality

Together with your personal savings and Canada Pension Plan (CPP) benefits, your PSPP pension can help make your retirement dreams come true. You have a vital role to play — you need to plan.

That's where this booklet comes in. It will help you:

- better understand your pension plan
- maximize your pension benefit
- make informed decisions about your retirement

Administering your pension

The task of administering your PSPP pension rests with the Ontario Pension Board (OPB), an organization established in 1990 under the Public Service Pension Act. As the Plan administrator, it's up to OPB to:

- pay pensions correctly and on time
- prudently invest and manage the Plan's assets
- deliver superior, cost-effective service
- protect and promote the interests of members, former members, retired members and other beneficiaries under the Plan
- meet applicable legislative requirements

Annual Pension Statement
The amount you personally contribute to the PSPP each year is shown on your personalized Annual Pension Statement (APS), which is updated and mailed to you every spring.
In addition to your contributions, the APS provides a summary of other information regarding your pension.

Log in to OPB's secure e-services to view your three most recent statements.

Register for e-services at **OPB.ca**.

To live up to this mandate, OPB has built a solid governance framework based on a well-defined operating structure, high professional standards, and a deep-seated culture of integrity and openness.

OPB itself is governed by a Board of Directors. The Board is made up of several highly qualified members. These members are appointed by the Plan Sponsor (the Ontario Government). Selections are based primarily on professional expertise.

At the end of the day, good governance is about protecting your pension — so it's there when you need it. For more information on governance, please see the following:

- **OPB.ca** under Governance
- Engaging in Good Governance

Securing the future

The pension fund — the money used to pay your pension — is managed by professional money managers. These companies have years of experience and in-depth expertise.

That's good news for you. It means you don't have to spend time tracking the markets or worrying about investment decisions — it's all taken care of for you.

To help ensure the Plan's funding needs are met, money managers invest the pension fund's assets based on investment policies and procedures set out by OPB's Board of Directors and its Investment Committee.

PSPP quick facts

As at December 31, 2022, the PSPP had more than $31 billion net assets under management, more than 47,647 active members, 40,986 retired members, and 7,615 deferred members, making it one of Canada's largest pension plans.

The PSPP is one of the country's oldest pension plans, dating back to the early 1920s.

PSPP members work for a cross-section of employers, including more than 80 different ministries, agencies, boards, foundations, public bodies and commissions of the Government of Ontario.

Your plan at a glance

How will this Agreement impact my pension?

The table below provides a quick summary of what will be changing. For more information about these improvements, please see the following sections in this document.

The basics	How it works
Enrolling in the Plan page 6	Membership is either mandatory or optional depending on, among other things, where you work. Either way, your Human Resources Department should notify you if you are required or eligible to join. You are vested from the first day you join the Plan which means you are entitled to a pension benefit when you leave the plan.
Making contributions page 11	You and your employer contribute to the PSPP. Your share of annual contributions is: **For OPP officers, the Commissioner, and officers with the rank of Deputy Commissioner:** • 9.7% of your annual salary up to the Year's Maximum Pensionable Earnings (YMPE) at $68,500 in 2024),, plus • 12.8% of your annual salary above the YMPE These rates reflect the additional 1.5% of annual salary OPP officers and their employer each contrib-ute to fund the 50/30 unreduced early retirement benefit. **For OPP civilians:** • 8.545% of your annual salary up to the YMPE ($68,500 in 2024), plus • 11.645% of your annual salary above the YMPE • These rates include the additional 0.77% OPP civilians contribute to cover the cost of the Factor 85 un-reduced early retirement option.
Buying back or transferring credit page 6	You may qualify to buy pension credit or transfer it from another pension plan. Buying or transferring pension credit can help you: • build a bigger pension • qualify sooner for an unreduced pension
Leaves of absence page 20	The PSPP recognizes that you may, at one time or another, take a leave of absence from work. • If you are on a paid leave of absence, you will continue to make contributions and build pension credit in the Plan. • If you are on an approved leave without pay for one month or less, you are required to make contributions during the leave period. • If you are on a leave without pay for longer than one month, you can choose to make contributions for that leave — so that you build more pension credit.

Average Annual Salary

The average annual salary used to calculate your pension is:

- **For OPP officers, the Commissioner, and officers with the rank of Deputy Commissioner** — the average of your highest 36-consecutive months of pensionable salary
- **For OPP civilians** — the average of your highest 48-consecutive months of pensionable salary

<table>
<tr><th>The basics</th><th colspan="2">How it works</th></tr>
<tr><td rowspan="5">Normal retirement

page 13</td><td colspan="2">Your normal retirement date is your 65th birthday. When you retire, you'll receive a pension that is payable for life (subject to small pension rules). The pension you earn is based on a pre-set formula.</td></tr>
<tr><td>Your average annual salary</td><td>Your PSPP pension benefits</td></tr>
<tr><td>Up to the average YMPE (Fixed at $66,666.67 for 2024)</td><td>Your pension benefits are calculated using a set formula of 1.3% of your average annual salary up to the average YMPE, multiplied by your pension credit up to 35 years, plus 2% of your average annual salary up to the YMPE multiplied by your pension credit above 35 years.

If you retire early, the early retirement bridge benefit you receive up to age 65 is 0.7% of your average annual salary up to the average YMPE, multiplied by your pension credit up to 35 years.</td></tr>
<tr><td>Above the average YMPE</td><td>Your pension benefits are calculated using a set formula of 2% of your average annual salary above the average YMPE, multiplied by your pension credit.</td></tr>
<tr><td colspan="2">At age 65, the early retirement bridge benefit ends. The additional bridge benefit is intended to sup-plement your retirement income until age 65 when you are eligible for an unreduced CPP pension.

For more information about how your PSPP pension will be adjusted for CPP integration, please refer to the booklet CPP integration and Your PSPP Pension.

Your pension before age 65 (includes early retirement bridge benefit)
• minus early retirement bridge benefit (ends at age 65)
• equals your annual PSPP lifetime pension.</td></tr>
</table>

CPP integration

CPP integration refers to how the PSPP and CPP plans work together during your working years, early retirement, and after age 65. Your PSPP pension consists of:

- **the lifetime pension**, available from the date you retire for your lifetime
- if you retire early, an early retirement bridge benefit that you will receive until the end of the month when you reach age 65
- **At age 65, the early retirement bridge benefit ends**. For more information, refer to the booklet on **OPB.ca**, CPP Integration and Your PSPP Pension.

The basics	How it works
Early retirement page 15	The PSPP offers early retirement options. You can retire with an unreduced pension: • as early as age 50, if you're an OPP officer with at least 30 years of pension credit, • as early as age 60, if you have at least 20 years of pension credit, • anytime, if you're an OPP civilian, once your age plus pension credit add up to at least 85, or • anytime, once your age plus pension credit add up to at least 90 If you don't qualify for early unreduced retirement, you can still retire as early as age 55 – but your pension will be reduced (subject to small pension rules).
Leaving the Plan page 23 **Termination and OPP 50/30** See page 14 for important information about the position you terminate from.	Generally, if you leave your employer before you retire, your membership in the PSPP will end. In addition: • If you already qualify for a pension, you can start receiving that pension immediately (subject to small pension rules). • If you don't qualify for an immediate pension, you will be entitled to a deferred pension (subject to small pension rules). • You can start receiving an immediate reduced pension as early as age 55 (subject to small pension rules). • Depending on your age, you may also have the option to transfer the commuted value of your deferred pension to a locked-in retirement savings plan; the registered pension plan of your new employer (if that plan will accept the transfer); or an insurance company to purchase a life annuity. If small pension rules apply to you, you will be entitled to a lump sum payment equal to the commuted value of your pension entitlement.
Death page 27	When you die, survivor benefits may be payable to your eligible spouse, eligible children, or other designated beneficiaries. The type and amount of benefit will de-pend on: • whether you die before or during retirement • who is entitled to a benefit • whether you have pre-1987 or post-1986 credit

Small pensions

When you leave the plan (termination or retirement), your pension is considered a small pension if:

- your annual pension is equal to or less than 4% of the YMPE in the year of termination, or
- the commuted value of your pension entitlement is less than 20% of the YMPE.

If your pension is considered a small pension and you:

- **don't qualify for insured benefits in retirement**, you will receive a lump-sum payment from the Plan
- **do qualify for insured benefits**, you will have the option of a pension or a lump-sum payment from the Plan.

Enrolling in the plan

Who can join?

Your membership in the PSPP is either mandatory or optional depending on a number of factors, as outlined below.

Mandatory membership — As an OPP officer or permanent OPP civilian employee, your membership in the PSPP is mandatory.

Optional membership — Membership in the PSPP is optional for any employee who is age 65 or above. In addition, regardless of your age, as a contract OPP civilian employee, you have the option of joining the PSPP if you are employed under Section 32 of the Public Service of Ontario Act (i.e., as you are a fixed-term employee).

Your Human Resources Department should notify you if you are required or eligible to join. If you are unsure of your eligibility, contact us. You can reach us at **416-364-5035** or **1-800-668-6203** (toll-free)

Reinstating benefits

If you are rejoining the PSPP and have a deferred pension from your earlier period of PSPP membership, the related pension credit will be reinstated and combined with the pension credit from your new period of PSPP membership.

If you received a refund of excess contributions when you ended your earlier period of PSPP membership, you must pay back those contributions in order for your pension credit to be fully reinstated.

In most cases, reinstating benefits will help you build a bigger pension. It may also help you qualify for an unreduced retirement earlier. And it may help you to satisfy eligibility requirements needed to qualify for medical, dental and basic life insurance coverage at retirement. Please contact the Ontario Provincial Police Association (OPPA) or the Commissioned Officers Association (COA) for information about insured benefits in retirement.

Transferring and buying pension credit when enrolling

When you join the PSPP, you may be able to:

- transfer pension credit from a pension plan that has a transfer agreement with the PSPP, or
- buy additional pension credit for an eligible period of past service.

Increasing your pension credit through a transfer or purchase can:

- result in a bigger pension benefit when you retire (or leave the Plan)
- help you qualify for an unreduced pension earlier, and
- help you satisfy eligibility requirements needed to qualify for medical, dental and basic life insurance coverage at retirement. Please contact the OPPA or the COA for information about insured benefits in retirement

If you are joining the PSPP as a result of a divestment, your transfer and timelines will be based on the terms of the transfer agreement between the PSPP and your former pension plan. We will contact you with timelines. Please contact us if you would like more information.

Time limits for transfers and buybacks

Transfer/buyback	Key deadlines
Transfer pension credit into the PSPP from a Major Ontario Pension Plans (MOPPs) plan If you belonged to a pension plan that's covered under the MOPPs agreement, you may be able to transfer any pension credit you still have in that plan.	• You must start working for an employer that participates in the PSPP within 18 months of leaving your former employer. • You must join the PSPP within six months of being eligible to do so. • You must apply to transfer your credit within six months of joining the PSPP.
Transfer pension credit into the PSPP under a Reciprocal Transfer Agreement (RTA) If you belonged to a pension plan that has an RTA with the PSPP, you may be able to transfer any pension credit you still have in that plan.	• You must start working for an employer that participates in the PSPP within three months of leaving your former employer. (Note: this time limit does not apply for transfers from the Government of Canada or under the National Public Service Pension Transfer Agreement.). • You must apply to transfer your credit within 12 months of joining the PSPP.
Buy pension credit for eligible periods of past service You may be able to buy pension credit in the PSPP for certain eligible periods of past employment Eligible periods of service can include periods when you: • worked for an employer who contributed to the PSPP (regardless of whether you contributed), or • temporarily reduced your working hours under an arrangement agreed with the employer, or • belonged to a pension plan, but did not transfer pension credit into the PSPP, or • have a shortfall not previously purchased when you transferred pension credit into the PSPP through a reciprocal transfer agreement, or *[continued on next page]*	• A 24-month costing window applies to most buyback types. It's best to apply as soon as you can. That's because for most eligible periods, the cost of buying pension credit generally increases over time — sometimes significantly. Please note that applying to buy back pen-sion credit within the 24-month costing window will generally result in a significantly lower cost than applying after the 24-month costing window closes. After the 24-month costing window closes, actuarial costing is used to calculate the buyback cost. • Actuarial costing generally results in a higher buyback cost. The actuarial costing method calculates an amount of money we would need to set aside today to fund the additional pension benefits you would be entitled to at retirement by buying back a certain amount of pension credit. For more details, refer to our booklet, Understanding Your Pension Credit.

Transfer/buyback	Key deadlines
• lost a period of employment due to a legal strike, lockout, or a temporary layoff while working for an employer that contributes to the PSPP, or • took a leave of absence without pay An eligible period of service can also include service related to a lump-sum benefit you withdrew from the PSPP or the OPSEU Pension Plan.	

Example: OPP officer buying back pension credit for one-year leave of absence

Mary, whose date of birth is January 1, 1985 joined the PSPP as an OPP officer on January 1, 2010 at the age of 25. In 2020, Mary takes a one-year leave of absence for paternal leave from January 1, 2020 to December 31, 2020 and chooses not to contribute during the leave.

If Mary applied to buy back the pension credit within 24 months of returning from her leave in January 2021 when her annual salary rate is $105,000, the single contribution cost would be approximately $11,644.16.

If Mary applied to buy back the pension credit after 24 months of returning from her leave, the cost would be actuarial. So, if Mary applied in April 2023, when her annual salary rate was $105,000, the cost would be approximately $32,042

Unreduced pension without buyback at January 1, 2040, (50/30) approximately:

- $63,000 at age 55
- $50,064 at age 65 (adjusted for CPP integration)

Unreduced pension with buyback at January 1, 2039, (50/30) approximately:

- $63,000 at age 54
- $50,064 at age 65 (adjusted for CPP integration)

Mary's purchase gives her the option to retire approximately one year earlier than if she chose not to purchase the pension credit.

Example: OPP civilian buying back pension credit for past OPS employment without contributions

Vanessa, whose date of birth is April 25, 1985, joined the PSPP as an OPP civilian at age 35 on January 1, 2021. At the time, she had four years of past OPS service without contributions.

If Vanessa applied to buy back the pension credit **within 24 months** of joining the PSPP in January 1, 2021 when her annual salary rate is $95,000, the single contribution cost would be approximately $33,309.89

If Vanessa applied to buy back the pension credit **after 24 months** of joining the PSPP, the cost would be actuarial. So, if Vanessa applied in April 2023 when her annual salary rate is $95,000, the cost would be approximately $70,623 for the 4 years of pension credit.

Unreduced pension without buyback at April 25, 2045 (60/20) approximately:

- $46,233 at age 60
- $35,740 at age 65 (adjusted for CPP integration)

Unreduced pension with buyback at August 25, 2043 (Factor 85) approximately:

- $50,667 at age 58
- $39,168 at age 65 (adjusted for CPP integration)

Vanessa's purchase gives her the option to retire approximately one year and eight months earlier with a pension that is about $4,433 higher annually.

Now that you're a member

If you've recently joined the Plan, now is the time to complete your beneficiary designations online through our secure e-services. It's also a good idea to explore your options for transferring pension credit into the PSPP from another pension plan or buying pension credit for an eligible period of past service. For details on transferring and buying pension credit, including the applicable deadlines and advantages, please read 'Transferring and buying pension credit' on page 6.

Mandatory transfers

If you move from a job that is covered by the OPSEU Pension Plan to a job that is covered by the PSPP without a break in employment (assuming the specific criteria are met), any pension credit you have in the OPSEU Pension Plan will be transferred automatically to the PSPP. As soon as your employer advises us that you are joining the PSPP, we will contact the OPSEU Pension Trust and arrange to transfer the credits.

Growing your pension

Transferring Pension Credit into the PSPP

When you can't join

You cannot join the PSPP:

- on or after December 1st of the calendar year in which you turn 71 (December 31st for Justices of the Peace), or
- if you are eligible for membership in the OPSEU Pension Plan (unless you hold two separate jobs: one covered by the PSPP and one covered by the OPSEU Pension Plan).

Protecting your privacy

In addition to the information we collect from you and your employer at enrolment, we will also require certain information throughout your membership. For example, each year your employer must provide us with information on your salary, contributions, and employment status. Also, from time to time, you will be asked to complete various forms that provide OPB with information.

To protect your personal information, while balancing our need for information, OPB has a comprehensive privacy policy. This policy, which reflects best practices, is designed to meet or exceed the benchmarks set by the Canadian Standards Association and privacy legislation.

Protecting Your Personal Information

Contributing to the Plan

A contributory defined benefit plan

The PSPP is a 'contributory defined benefit' plan. As such, you are required to make contributions to the PSPP. Your employer matches your regular contributions.

How contributions work

For OPP officers, annually, you contribute:

- **9.7%** of your annual salary up to the YMPE, **plus**
- **12.8%** of your annual salary above the YMPE

In other words, **you** contribute:

- $9.70 for every $100 you earn up to the YMPE, **plus**
- $12.80 for every $100 you earn above the YMPE

These rates include the additional 1.5% of annual salary OPP officers contribute to cover the cost of the 50/30 unreduced early retirement option. Contributions are deducted automatically from your pay each pay period.

Example 1:
Nadir is a full-time OPP officer who has an annual salary of $105,000. For this example, we assume 2024 contribution rates with a YMPE of $68,500

Based on the contribution formula for OPP Officers outlined above, Nadir will make annual contributions in 2024 of:

How we calculate Nadir's PSPP contributions	Contribution amount
9.7% of his annual salary up to the YMPE, **plus**	$6,644.50
12.8% of his annual salary above the YMPE	$4,672.00
Total	**$11,316.50**

Annual Salary
Annual salary means your regular salary. For OPP Officers, it includes your Provincial Responsibility Incentive. For OPP Civilians, it includes your Special Pay Allowance. For Commissioned Officers below the rank of Deputy Commissioner, it includes your General Allowance. It does not include overtime pay, payments in lieu of benefits, or any other special payments determined by OPB not to be part of a member's regular annual salary.

YMPE
The Year's Maximum Pensionable Earnings (YMPE) is set by the Federal Government to determine contributions and benefits under the Canada Pension Plan (CPP).

The YMPE is adjusted each year based on the average wage in Canada. For 2024, the YMPE is $68,500.

For OPP civilians, annually, you contribute:

- **8.545%** of your annual salary up to the YMPE, **plus**
- **11.645%** of your annual salary above the YMPE

In other words, **you** contribute:

- $8.55 for every $100 you earn up to the YMPE, **plus**
- $11.65 for every $100 you earn above the YMPE

These rates include the additional 0.77% OPP civilians contribute to cover the cost of the Factor 85 unreduced early retirement option. Contributions are deducted automatically from your pay each period.

Example 2:
Nadir is a full-time OPP civilian who has an annual salary of $95,000. For this example, we assume 2024 contribution rates with a YMPE of $68,500.

Based on the contribution formula for OPP civilians outlined on the below, Nadir will make annual contributions in 2024 of:

How we calculate Nadir's PSPP contributions	Contribution amount
8.545% of his annual salary up to the YMPE, **plus**	$5,853.33
11.645% of his annual salary above the YMPE	$3,085.93
Total	**$8,939.25**

Contributions while receiving LTIP benefits

Under the rules for long term income protection (LTIP) benefits, your employer will make both member and employer contributions. This will be the case even after you reach their early unreduced retirement date and without regard for your years of pension credit. Every January, your salary will be adjusted for inflation and your contributions will be recalculated.

The following applies to you if both are true:

1. You are one of the following:

   - An OPP employee represented by the Ontario Provincial Police Association (OPPA)
   - An OPP commissioned officer represented by the Commissioned Officers' Association (COA)
   - An OPP commissioner or deputy commissioner

2.You have been approved for LTIP

To learn more about these rules, please contact us at 1-800-668-6203 or visit our website. You can also book a one-on-one meeting with our Client Service Advisors who can answer any questions you have

Contributions while on a leave of absence

You can make contributions for a leave of absence period. The rules for contributing vary depending on the type of leave. Refer to 'Leaves of absence' on page 21 for details.

Tax status of contributions

Keep in mind the following:

- The federal *Income Tax Act* (ITA) limits the amount you can contribute to a registered pension plan. This limit changes each year.
- Contributions (including contributions you make while on an approved leave of absence) up to the ITA limit are tax deductible. This means your taxable income will be reduced by the amount of these contributions.
- OPB will send you a tax receipt for all such contributions, as well as for any amounts paid to purchase past service.

When contributions end

You can continue to work and contribute to the pension plan after you turn 65. If you do, you will continue to build pension credit. Under the ITA, you must stop contributing to the Plan as of November 30th in the year in which you turn 71, and you must start collecting your pension no later than December of that year. You can end your contributions to the PSPP at age 65, however we recommend you contact us to discuss your options before you choose to end your contributions to the PSPP.

Annual Pension Statement

The amount you personally contribute to the PSPP each year is shown on your personalized Annual Pension Statement (APS), which is updated and mailed to you every spring. In addition to your contributions, the APS provides a summary of other information regarding your pension. Register to view your APS on our secure e-services at **OPB.ca**.

Retirement

When you can retire

Deciding when to retire is an important decision — one that can affect the size of your monthly pension payments. The PSPP offers you a number of options, as outlined in the table below The PSPP is a "contributory defined benefit" plan. As such, you are required to make contributions to the PSPP. Your employer matches your regular contributions.

Retirement options	Description
Normal retirement	Your normal retirement date is your 65th birthday. You can continue your PSPP membership past age 65, but under the ITA you must start receiving your PSPP pension by the end of the year in which you turn 71.
Unreduced early retirement	Not everyone wants to work until age 65. If you are an active contributing member and you meet the criteria outlined below, you can retire be-fore your 65th birthday with an unreduced pension if you terminate your employment: • **50/30 rule** — If you are an OPP officer and you're at least 50 years old and have at least 30 years of pension credit. • **60/20 rule** — If you are at least 60 years old and have at least 20 years of pension credit. • **Factor 85** — If you are an OPP civilian and your age plus pension credit add up to at least 85. • **Factor 90** — If your age plus pension credit add up to at least 90.
Reduced early retirement	If you don't qualify for unreduced early retirement, you can still retire as early as age 55. Keep in mind, however, that your pension will be reduced to reflect the fact that you are starting it earlier and are therefore likely to collect it longer (see 'If you retire early' on page 16).
Late retirement	You can work past your normal retirement date. If you do, you can continue to contribute to the Plan and build pension credit, so that you receive a bigger pension when you do retire. If you continue to contribute and build pension credit, keep in mind that you must start collecting your pension by the end of the calendar year in which you turn 71, even if you are still working. You should also keep in mind that working and collecting a pension at the same time can affect how much pension you receive. For details see 'Rejoining the Plan after retirement on page 20.

Your pension payments will start in the month following your retirement date. Pensions are usually paid on the 22nd of the month. For example, if you retire on June 3rd, your first pension payment would be in the last week on the 22nd of July.

You can view Pension pay dates and direct deposit on **OPB.ca**.

Use OPB's online calculator to see your retirement dates, create pension estimates, and see where your PSPP pension fits into your overall retirement picture. Log in to e-services to learn more.

How much you'll receive

Your pension is based on a formula that takes into account four key variables:

Your average annual salary

> Log in to e-services and use OPB'S **online Pension Estimator** to see a breakdown of how we calculate your average annual salary.

1. **For OPP officers** — This is the average of your annual salary that includes your Provincial Responsibility Incentive (or General Allowance for Commissioned Officers) for the average of your **highest 36 consecutive months of pensionable salary**. If you have fewer than 36 consecutive months of pensionable salary at retirement, the average will be based on your full period of membership.

   For OPP civilians — This is the average of your annual salary that includes your Special Pay Allowance for **your highest 48 consecutive months of pensionable salary**. If you have fewer than 48 consecutive months of pensionable salary at retirement, the average will be based on your full period of membership.

   For both OPP officers and civilians, your average annual salary does not include any overtime pay, payments in lieu of benefits, or payments determined by OPB not to be part of your salary. If you transferred pension credit into the PSPP under a reciprocal transfer agreement, your prior period of membership in the other plan will be combined with your current period of PSPP membership to de-termine your average annual salary.

2. **Your pension credit** — This is the total number of years and months that you (or your employer on your behalf) contributed to the PSPP. If you hold a regular parttime position, the pension credit you receive will be prorated, based on the regular fulltime hours for your position. The pension credit used to calculate your pension will include any credit you've purchased or transferred into the PSPP from another plan.

3. **CPP integration** — Your PSPP pension consists of:
   - **the lifetime pension**, which is paid from the date you retire for your lifetime (from retirement to death)
   - if you retire early, **an early retirement bridge benefit**, which is available from your retirement date until the end of the month when you reach age 65

- **The early retirement bridge benefit** is intended to supplement your retirement income until you reach age 65 when you are eligible for an unreduced CPP pension. At age 65, the bridge benefit, which has no direct relationship with the CPP, ends. For more information about how your pension will be adjusted for CPP integration, please refer to the web booklet CPP Integration and Your PSPP Pension.

4. **The average YMPE** – This is a three-year average of the YMPE. It is based on the YMPE in the year you retire and the two immediately preceding years.

> **OPP officers**
> The average annual salary calculation is based on the average of the highest 36-consecutive months of pensionable salary:
>
> - for OPP police officers in the OPPA Uniform bargaining group and Commissioned Officers below the rank of Deputy Commissioner who are members of the Commissioned Officers Association
> - for the Commissioner and Deputy Commissioners

Here’s how we calculate your early retirement bridge benefit

Early retirement bridge benefit **equals** 0.7% of your average annual salary up to the average YMPE **multiplied by** Your pension credit (up to 35 years)

Here’s how we calculate your pension after age 65

Your pension before age 65 (includes early retirement bridge benefit) **minus** Early retirement bridge benefit (ends at age 65) **equals** Your pension after age 65 (lifetime pension)

If you retire early

If you retire early, your pension includes the early retirement bridge benefit **up to age 65**, even if you start collecting CPP benefits before age 65.

Average annual salary and the position you retire from

The number of months used to determine your average annual salary is based on your position when you terminate your membership in the PSPP.

- **Moving from an OPP officer/Commissioned Officer position to an OPP civilian position or vice versa** will change the way we calculate your average annual salary. So, for example, if you start in an OPP officer po-sition but you are in an OPP civilian position when you terminate your membership in the PSPP, your average annual salary will be cal-culated as an OPP civilian on all your pension credit (i.e., highest 48-consecutive months of pensionable salary as opposed to highest 36-consecutive months of pensionable salary.
- **Moving from an OPP officer/Commissioned Officer or civilian position to a non-OPP position within the PSPP** means that if you start in an OPP officer or civilian position, but are in a non-OPP position when you terminate your membership in the PSPP, your average annual salary for all your pension credit will be based on the average annual salary calculation applicable to non-OPP officer/civilian positions (i.e., highest 60-consecutive months of pensionable salary).

Early retirement reduction

If you retire before age 65, and you are at least 55 years of age, and **do not qualify** for an early unreduced pension, an early retirement reduction will be applied to your pension.

This reduction reflects the fact that you are starting your pension earlier and are, therefore, likely to collect it longer. The reduction is 5% for each full year that your retirement date falls before your 65th birthday, plus a pro-rated percentage for any part year.

For example, if you retire at age 62.5 with 10 years of pension credit, your pension will be reduced by 12.5%. (You are retiring two and a half years before age 65, so 2.5 multiplied by 5% equals 12.5%).

When you decide to retire
As soon as you know when you want to retire, contact your Human Resources Department and also contact us directly. Your Human Resources department will ensure you receive the proper forms. To avoid any delay in the payment of your pension, your forms must be submitted to OPB at least three months before your retirement date. **Are you retiring? Don’t forget to tell your employer!**

Adding up the numbers

The following examples show the pension formula and the impact of early retirement reductions.

Example 1 - Normal retirement at age 65

Scenario	Calculation	Totals
Age: 65 **Average annual salary:** $95,000 **Pension credit:** 25 years **Average YMPE:** $66,666.67	2.0% multiplied by $95,000 multiplied by 25 years	$47,500.00
	MINUS: (0.7% multiplied by $66,666.67) multiplied by 25 years	$11,666.67
	Annual lifetime pension	**$38,833.33**

Example 2 - Early unreduced pension at age 59 (under Factor 90)

Scenario	Calculation	Totals
Age: 59 **Average annual salary:** $95,000 **Pension credit:** 36 years **Average YMPE:** $66,666.67	**Pension before age 65:** 2.0% multiplied by $95,000 multiplied by 36 years	$68,400.00
	MINUS early retirement bridge benefit: (0.7% multiplied by $$66,666.67) multiplied by 35 years	$16,333.33
	Annual lifetime pension	**$52,066.67**

Example 3 - Early unreduced pension at age 54 (under OPP 50/30 rule)

Scenario	Calculation	Totals
Age: 54 **Average annual salary:** $95,000 **Pension credit:** 31 years **Average YMPE:** $66,666.67	**Pension before age 65:** 2.0% multiplied by $95,000 multiplied by 31 years	$58,900.00
	MINUS early retirement bridge benefit: (0.7% multiplied by $66,666.67) multiplied by 31 years	$14,466.57
	Annual lifetime pension	**$44,433.33**

Example 4 - Early reduced pension at age 60

Scenario	Calculation	Totals
Age: 60 **Average annual salary:** $95,000 **Pension credit:** 15 years **Average YMPE:** $66,666.67	**Pension before age 65:** 2.0% multiplied by $95,000 multiplied by x 15 years **MINUS early retirement reduction:** (65-60) multiplied by 5% multiplied by $28,500	$28,500.00 $7,125.00
	Annual pension payable at age 60	**$21,375.00**
(When this member turns 65, the pension will be recalculated to reflect adjustment for CPP integration and the early retirement reduction)	**Pension before age 65:** 2.0% multiplied by $95,000 multiplied by 15 years **MINUS early retirement bridge benefit:** (0.7% multiplied by $66,666.67) multiplied by 15 years	$28,500.00 $7,000.00
	Subtotal	**$21,500.00**
	MINUS early retirement reduction: (65-60) multiplied by 5% multiplied by $22,018.00	$5,375.00
	Annual pension payable from age 65	**$16,125.00**

Example 5 - Factor 85 example

Scenario	Calculation	Totals
Age: 59 **Average annual salary:** $95,000 **Pension credit:** 27 years **Average YMPE:** $66,666.67	**Pension before age 65:** 2.0% multiplied by $95,000 multiplied by 27 years **MINUS early retirement bridge benefit:** (0.7% multiplied by $66,666.67) multiplied by 27 years	$51,300.00 $12,600.00
	Annual lifetime pension	**$38,700.00**

Cost-of-living adjustments

Your pension will receive annual cost-of-living adjustments — a valuable feature that protects the buying power of your pension.

Once you start receiving your pension, it will be increased on January 1st of each year. This adjustment will be based on any increase in the Consumer Price Index (CPI), up to a maximum annual increase of 8% per year. If the CPI increases more than 8% in a year, the difference will be carried forward into a future year when the increase would otherwise be less than 8%. Should the CPI decrease (i.e., be a negative number), your pension will remain unchanged.

The impact of inflation

The rising cost-of-living can have a significant impact on the buying power of your pension. For example, an annual inflation rate of just 2.5% a year will shave almost 40% off the buying power of your pension in 20 years.

Impact of an annual inflation rate of 2.5% on a $36,000 annual income

	Buying power of annual income	Decrease in annual buying power
After 10 years	$28,000	22%
After 20 years	$22,000	39%
After 28 years	$18,000	50%

Keep in mind the following points:

- Your first cost-of-living adjustment will be applied on January 1st following the year you start receiving your pension.
- If your pension commenced part-way through the year (i.e., after January 31st), your first cost-of-living adjustment will be pro-rated — to reflect the fact that you were retired for only part of the year. For example, if you retire on June 30th (halfway through the year), you'll receive half of the increase for that year.
- If you end your membership in the PSPP and take a deferred pension, cost-of-living adjustments will be applied to that pension – even during the period before you start collecting it. (A deferred pension is a pension that is payable at some point in the future).
- At age 65, the early retirement bridge benefit ends. If you started your pension before age 65, the cost-of-living percentage increases that accumulated between retirement and age 65 will be reapplied to your pension amount after age 65.

Retirement Compensation Arrangement

The Retirement Compensation Arrangement (RCA) provides supplementary benefits for those members whose average annual salary at retirement exceeds the maximum allowed under the federal *Income Tax Act* (ITA). In 2024, the average annual salary corresponding to the ITA benefit limit is $203,833.33 a year. For more information about the RCA please refer to **OPB.ca**.

Pre-retirement Part-time Employment Program

Your employer may offer you the option of easing into retirement through the Pre-retirement Part-time Employment Program. This program gives full-time employees the opportunity to work on a part-time basis for up to five years prior to their retirement while continuing to contribute and accrue pension credit based on their regular full-time position. For details on the program and the impact it may have on your pension, contact us. You can reach us: **416-364-5035** or **1-800-668-6203** (toll-free).

Rejoining the Plan after retirement

If you return to work and rejoin the PSPP after you've retired:

- your PSPP pension will stop,
- you will resume making contributions and building pension credit, and
- you will be required to pay back any pension payments you receive for the month in which you return to work.

Working while receiving your pension

When you subsequently end your employment, your pension will be recalculated taking into account the new pension credit you earn after your return to work.

If, after you start your pension, you become or continue to be employed or engaged in any capacity by an employer who participates in the PSPP and you do not rejoin the PSPP, your pension may be clawed back. Your combined employment and pension earnings in any calendar quarter cannot be greater than three times your salary in the month immediately before retirement. If they exceed this maximum, your pension payment will be reduced by the excess amount.

If you think this scenario may apply to you, please contact us to discuss the potential impact to your PSPP pension.

Special rules apply for Justices of the Peace; contact us for details.

Being a member

Leaves of absence

You may, from time to time, want or need to take a leave of absence from work. It may be to start a family, go back to school, recover from an illness, or for any number of other reasons.

The PSPP allows you to continue building pension credit during employer-approved leaves. You can build this credit by either continuing your contributions during the leave or 'buying back' the credit when you return to work.

Building pension credit during your leave will lead to a bigger pension. It may also help you qualify for an unreduced pension earlier.

Eligible leaves

You can build pension credit for employer approved leaves such as:

- leaves for illness or work-related injury
- pregnancy and parental leaves
- special or educational leaves
- family medical leaves

Making your leave count

Retirement options	Description
With pay	You will continue to contribute to, and earn pension credit in, the PSPP as usual.
Without pay and lasting 30 days or less	You must continue to contribute to, and earn pension credit in, the PSPP as usual.
Without pay and lasting more than 30 days **OPB.ca** under [Taking a leave from work]	You have three options: 1. **Pay now** — Continue to make contributions and build pension credit throughout your leave. If your leave is three months or less, you make one payment when you return to work. If your leave is longer than three months, you pay in quarterly installments. If your leave extends into the next calendar year, the level of your contributions may be adjusted, or 2. **Pay later** — Do not make contributions during your leave, but "buy back" the related pension credit when you return to work. Please note that applying to buy back pension credit within the 24-month costing window will generally result in a significantly lower cost than applying after the 24-month costing window closes. After the 24-month costing window closes, actuarial costing is used to calculate the buyback cost, or 3. **Don't pay at all** — Do not make contributions during your leave and do not buy back the related pension credit when you return to work. You will not receive any pension credit for the leave period and this may also delay when you can retire with an unreduced pension

The combined maximum post-1990 credit you can build while on approved leaves without pay is five years with one exception. You can build up to three additional years of credit for pregnancy and parental leaves, provided each leave is limited to 18 months (from the date of the child's birth or adoption). This limit is imposed under the ITA.

Relationship breakdown

Your pension is a family asset. In other words, if you and your legally married spouse end your relationship, the pension you built during your relationship will be taken into account when your family assets are divided. Your spouse may be entitled to up to 50% of the value of the pension you accrued during your relationship. Note: Common-law spouses may agree to a pension division, but they do not have the same property division rights.

However, that doesn't necessarily mean your former spouse will get half of your pension when you retire. Under Ontario's Family Law Act, you and your former spouse may work out a separation or divorce agreement that divides your **total** assets, rather than **individual** assets (such as your pension). Such an agreement could allow you to keep all of your PSPP benefits, in exchange for other assets of equal value.

Any agreement with your former spouse — including court orders — must comply with the law and be compatible with the provisions of the PSPP. It is recommended that you give OPB a copy of any agreement or court order as soon as possible to determine if it can be administered as written.

If you experience a relationship breakdown at any point during your PSPP membership, please read our brochure, 'Dividing Pensions.' Please notify OPB of this change by completing an OPB 1061 – Member/Former Member Information Change form or logging into your e-services account and updating your marital status online. For more information visit Separation or Divorce on **OPB.ca**. Below are highlights of the new rules.

The *Family Law Act* and *Pension Benefits Act*

The rules under the Family Law Act and Pension Benefits Act on how pensions are valued and divided upon spousal relationship breakdown have changed effective January 1, 2012. The rules apply to agreements signed and **dated on or after January 1, 2012**. Note that division of your pension is NOT mandatory under either the new rules or the old. Below are highlights of the new rules.

The rules for agreements signed on or after January 1, 2012

- Valuation of pension assets on the breakdown of a spousal relationship will be calculated by the plan administrator. For the PSPP, OPB is responsible for providing this value which will be done according to the formulas set out in the regulations. OPB will provide the value within 60 days after a complete application has been received.
- If you are or were legally married, either you or your spouse or former spouse may make an application to OPB for a Statement of Family Law Value, which provides the value of your PSPP pension available for division. If you were in a common law relationship, only the PSPP member, former member or retired member can apply for the statement.
- The maximum amount that can be transferred to your former spouse is 50% of the Family Law Value, which is based on the amount of your pension accumulated during the period of your spousal relationship.
- The decision to divide your pension under the PSPP must be confirmed through a court order, family arbitration award or domestic contract.
- If you were a member or former member (deferred) when you and your former spouse separated, and you and your former spouse decide to divide your pension, your former spouse is entitled to an immediate lump-sum payment of up to 50% of the Family Law Value. This amount may be transferred to another pension plan (if the other plan is willing to accept the transfer) or to a locked-in savings plan (e.g., Life Income Fund [LIF] or Locked-In Retirement Account [LIRA]).
- If you were a retired member when you and your former spouse separated, and you and your former spouse decide to divide your pension in pay, your former spouse is entitled to a portion of your pension of up to, 50% of the Family Law Value. This amount is payable to your former spouse from the PSPP in monthly amounts/payments.

The **old rules will continue to apply to agreements signed and dated before January 1, 2012**. Please note that the old rules do not allow the immediate lump-sum payment option to former spouses. Information on the old rules is available on **OPB.ca**.

For more information you may visit the Financial Services Regulatory Authority of Ontario (FSRAO) website at FSRAO.ca or contact your family law lawyer. We are here to help you understand your PSPP pension entitlements. Please contact OPB if your spousal relationship ends, or if you have any questions on how this change may affect your PSPP pension.

If you become disabled

If you become totally and permanently disabled before age 65 and have 10 or more years of PSPP membership and/or pension credit, you may qualify for a disability pension from the PSPP. If you have less than 10 years of PSPP membership and/or pension credit, you may qualify for a disability refund. Contact us for details.

Totally and permanently disabled means you have a physical or mental disability that:

- prevents you from doing any job for which you're reasonably suited based on your education, training or experience, and
- can reasonably be expected to last for your lifetime.

You must apply for a disability pension. When you apply, we will assess whether you qualify as totally and permanently disabled. If your application for a disability pension is approved, you must end your employment and PSPP membership before your disability payments can begin.

Your disability pension will be an unreduced monthly pension based on your salary and pension credit as of the date of your disability. A disability pension is payable until you turn 65 or recover, whichever comes first. If you turn 65 while receiving a disability pension, your disability payments will stop and your regular pension will begin.

While you are receiving disability payments, OPB may check in with you from time to time to review your health status. If we determine that you no longer qualify as totally and permanently disabled, your disability payments will stop; however, you will be entitled to a termination benefit.

Leaving the plan

You don't lose your savings

Today, many people have more than one job during their career. If that's true for you, then you may end up leaving the PSPP before you retire. The good news is, leaving the Plan doesn't mean losing your hard-earned retirement savings.

Termination options

If you leave your job and are no longer eligible to participate in the PSPP, your membership in the Plan will end. You will have a number of options to select from. Please refer to page 24 for information about how the position you terminate from will affect the calculation of your termination benefit.

If you are terminating your membership in the PSPP, please contact OPB to discuss your options. The type of termination benefit that is payable to you will depend on a variety of factors.

Deferred pension

You will be entitled to a deferred pension when you leave the plan, provided you leave your pension credit in the Plan when you end your membership (subject to small pension rules — see page 6 for details). You can start collecting a deferred pension as early as age 55. However, it will be reduced to reflect the fact that you are starting it early and, therefore, are likely to collect it longer. At age 65, it will then be adjusted for integration CPP (refer to the formula on page 16) and the early retirement bridge benefit will end.

If you are under age 55 and do not yet qualify for an early unreduced pension, you can (subject to ITA limits) transfer the commuted value of your deferred pension to:

- a locked-in retirement account (LIRA),
- a life income fund (LIF),
- the registered pension plan of your new employer (if that plan will accept the transfer), or
- an insurance company to purchase a life annuity.

The deferred pension advantage

The deferred pension option is a valuable one. Here's why:

- Once you start collecting a deferred pension, it's payable for life.
- A deferred pension includes valuable survivor benefits – so it can help protect those you love after you're gone.
- A deferred pension receives automatic cost-of-living adjustments before and after you start collecting that pension.
- You don't have to worry about tracking the markets or making investment decisions.

In other words — worry-free financial security in retirement.

Excess contributions

1. For member contributions in respect of any post-1986 credit, where the employer paid their share, any excess of those contributions plus interest over 50% of the commuted value of the pension in respect of that post-1986 credit is payable to the member in taxable cash or to the member's non-locked-in RRSP (subject to the ITA prescribed limit).

2. For member contributions in respect of any credit (whether pre-1987 or post-1986), where the member paid the entire amount (i.e., the employer's as well as their own share), any excess of those contributions plus interest over the commuted value of the pension in respect of that credit, is payable to the member in taxable cash or to the member's non-locked-in RRSP (subject to the ITA prescribed limit).

What is the commuted value?
The commuted value is basically a dollar value that is placed on your pension. In simple terms, it's equal to the amount of money we would have to set aside today to pay your pension at retirement (based on the pension credit you have earned to date and using a calculation method approved by the Canadian Institute of Actuaries).

By law, this money is 'locked in'. In other words, it must be used to provide you with an income stream in retirement. You can't, for example, take it as a lump-sum cash payment and use it to buy a new car or pay off your mortgage (unless the small pension rules apply).

Mandatory transfers to the OPSEU Pension Plan

If you move from a job that is covered by the PSPP to a job that is covered by the OPSEU Pension Plan, without a break in employment, the pension credit you have in the PSPP will be moved automatically to the OPSEU Pension Plan. The credit will be transferred once your employer advises us that you are joining the OPSEU Pension Plan.

Transfers to other plans

If you join another pension plan after you leave the PSPP, you may be able to transfer your pension entitlement to that new plan. A transfer may be possible if:

- the plan has a reciprocal transfer agreement with the PSPP and you meet the time limits, or
- you are under age 55 and the plan agrees to accept the transfer of the commuted value of your pension.

Transferring pension credit will help you build a bigger pension and may help you qualify for an unreduced pension earlier.

For details on transferring pension credit out of the PSPP and a list of plans that have transfer agreements with the PSPP, visit **OPB.ca**.

OPB.ca under Leaving the PSPP before retirement

Transferring Pension Credit Out of the PSPP

Ending your membership while still employed

If you are an optional member (after age 65 membership is optional, see page 6), you can end your membership in the PSPP and continue to work. If you are considering terminating your membership in the PSPP, please contact us to discuss your options.

Shortened life expectancy

If you are ill and not expected to live longer than 24 months, you can end your membership in the PSPP and withdraw the commuted value of your pension. This amount will not be locked in. In other words, it will be yours to spend however you wish.

To receive the commuted value of your pension, you must submit a written request to us along with supporting medical evidence. In addition, your eligible spouse must sign a form waiving their right to survivor benefits.

Protecting your survivors

Your pension isn't just about you

It's also about those people who depend on you. That's why the PSPP includes important provisions designed to protect your loved ones after you die. The survivor benefits that are payable will depend on a number of factors, including whether you die before or after retirement, whether you have an eligible spouse, and whether you have any eligible children. Here are the details.

Death before retirement

If you die before retirement, the type and amount of survivor benefits payable will depend on, among other things, whether you have pre-1987 or post-1986 pension credit. Refer to the chart below for more details.

Survivor benefits will be paid as follows:

For benefits based on pension credit accrued before January 1, 1987	For benefits based on pension credit accrued since December 31, 1986
• Your eligible spouse will receive an immediate survivor pension equal to 50% of your pension, or a one-time lump-sum payment equal to your pre- 1987 contributions, with interest. • **If you do not have an eligible spouse**, your eligible children will receive the above survivor pension, or a one-time lump-sum payment (divided among them equally) equal to your pre- 1987 contributions, with interest. If your children are under 18, the benefit will be paid "in trust" and/or to the courts, until they turn 18. • **If you do not have an eligible child(ren)**, your designated beneficiary(ies) will receive a one-time lump-sum payment equal to your pre-1987 contributions, with interest. If you do not have a designated beneficiary(ies), the above one-time lump-sum payment will go to your estate. If you die before age 65, we'll apply the adjustment for CPP integration to your pension before we calculate your survivor benefits. **Important: Members who have less than 10 years of PSPP membership/pension credit, including periods prior to 1987, should contact OPB for additional information regarding their pension benefits.**	• Your eligible spouse is entitled to an immediate PSPP pension (the default option), or your spouse can choose a deferred PSPP pension, or a one-time lump-sum payment equal to the commuted value of your pension. • **If you do not have an eligible spouse**, your eligible child(ren) will receive a survivor pension equal to 50% of your lifetime pension related to your post-1986 pension credit until the child(ren) ceases to be eligible. • **If you do not have an eligible child(ren)**, your designated beneficiary will receive a lump-sum payment equal to the commuted value (CV) of your post-1986 accrued pension • **If you do not have a designated beneficiary**, your estate will receive the above lump-sum payment. • Excess contributions, if any, will be paid to your estate.

Death after retirement

If you have an eligible spouse when you start your pension, that spouse will be entitled to a survivor pension. This pension will be paid to your spouse each month (starting the month after you die) and will continue for as long as your spouse lives.

The pension paid to your spouse will be equal to a percentage of your pension. If you die before age 65, the early retirement bridge benefit is not payable to your survivor and we'll apply the adjustment for CPP integration to your pension before we calculate your survivor benefits (page 15 for details on CPP integration).

Ontario's *Pension Benefits Act* **requires that the Public Service Pension Plan (PSPP) provide your eligible spouse with a lifetime pension after you die of at least 60% of your pension.**

- To offset the cost of providing a survivor pension to your spouse after your death, your pension will be actuarially reduced. This reduction is permanent. In other words, the reduction will not be reversed if your spouse dies first. You and your spouse can choose to waive your joint and survivor pension to 50% and the pension you receive will not be actuarially reduced. The no-cost 50% survivor pension option is not available if your spouse at retirement is not the same spouse you had at termination.
- To elect the 50% or 0% survivor pension, you and your spouse must sign and date a Waiver of Joint and Survivor Pension during the 12-month period before your pension starts. This is because your spouse is agreeing to accept a pension that is less than the 60% survivor pension they are legally entitled to. There is no change to your pension for this option.
- To elect a 65%, 70% or 75% survivor pension, you must submit an OPB 1006 – Increased Survivor Pension Application at least two years before your pension starts. If you submit the application in the two years leading up to the start of your pension, it will be accepted only if OPB is satisfied that you are in good health. Your pension will be actuarially reduced.

When your eligible spouse dies, the pension is paid to your eligible children. If you do not have an eligible spouse when you die (or your spouse has waived the entire survivor pension), your death benefits will be paid out as follows:

- The survivor pension will be paid to your eligible children. If you have more than one child, the benefit will be divided among them equally. If you are eligible for insured benefits, they will continue for your eligible spouse and eligible children as long as they are in receipt of a PSPP pension. If your children are under 18, benefits will be paid 'in trust' and/or to the courts until they turn 18.
- If you do not have any eligible children, the residual benefit (if any) will be paid to your designated beneficiary. The residual benefit will equal your total PSPP contributions (plus interest), less the total pension payments paid to you and your survivors.
- If you do not have a designated beneficiary your residual benefit (if any) will be paid to your estate.

Keep in mind that you cannot change or cancel your survivor pension option once you start receiving your pension.

New spousal relationships

If you marry or enter a common-law relationship after your pension starts, you can apply for a survivor pension for your new spouse — but only if you do not already have a spouse or child who is entitled to a survivor pension when you die. To apply for this option, you must advise OPB in writing within 90 days of the later of:

- establishing a spousal relationship, or
- your children no longer qualify for a survivor pension.

If you notify OPB after the 90-day window the survivor pension will be approved only if OPB is satisfied that you are in good health for your age.

Waiving survivor benefits

Your spouse can waive their right to certain survivor benefits — in other words, choose not to receive certain survivor benefits.

- To waive the post-1986 survivor benefit that's payable if you die before retirement, your spouse must sign and submit a Waiver of Pre-Retirement Death Benefit before you die.
- To waive the survivor pension that's paid if you die after retirement, you and your spouse must submit a signed and dated Waiver of Joint and Survivor Pension during the 12-month period before your pension starts.

It is recommended that your spouse seek independent legal advice before waiving their right to survivor benefits.

To cancel a waiver, you or your spouse must notify OPB in writing. A waiver cannot be cancelled once you start receiving your pension, or after you die, whichever comes first.

Naming and changing your beneficiaries online
Log in to OPB's e-services to name and update your beneficiaries online. You can make changes as often as you need. Contact us if you have any questions about beneficiaries to your PSPP pension.

Establishing eligibility

Definition of spouse — A spouse is a person to/with whom you:

- are married or
- have been continuously living in a common-law relationship for at least three years, or
- have been living in a common-law relationship of some permanence and you are the parents of a child.

Eligible spouse — If you die before retirement

For your spouse to be eligible to receive a survivor pension for pre-1987 pension credit, you and your spouse must not be living separate and apart when you terminate PSPP membership and on your death.

For your spouse to be eligible to receive a survivor pension for post-1986 pension credit, you and your spouse must not be living separate and apart on your death.

Eligible spouse — If you die after retirement

For your spouse to be eligible to receive a survivor benefit, you and your spouse must not have been living separate and apart when your pension started. Please note that different rules apply for post-retirement marriages (see 'New Spousal relationships' on page 29).

Eligible children

- under age 18, or
  - 18 or older and in continuous, full-time attendance at:
    - secondary school, or
    - post-secondary school (immediately following secondary school, for a maximum of five years), or
- 18 or older and a disabled dependant, subject to OPB approval. Contact us for details.

Planning for your retirement

Retirement requires careful planning

It's easy enough to dream about a financially secure retirement. Making it happen is another thing. It requires careful planning. After all, the last thing you want is to run short of money in retirement.

The good news is you're one of the working Canadians who belong to an employer-based pension plan. Even better, you belong to the PSPP – a first-rate defined benefit pension plan that can provide you with a real head start down the road to a financially secure retirement.

If you're a long-service member, your PSPP pension may provide the lion's share of your retirement income. As good as your PSPP pension plan is, and it's one of the best, it's not designed to meet all of your retirement income needs, particularly if you join the Plan late in your career or work part time. Personal savings and government programs can help make up the shortfall.

Personal savings

In Canada, we have two basic kinds of personal savings: registered and non-registered.

- **Registered savings** – These are savings held in a tax-deferred savings vehicle that has been registered with the Canada Revenue Agency. Generally speaking, you don't pay tax on your registered savings until the money is withdrawn or paid out. The most common form of registered savings is the Registered Retirement Savings Plan (RRSP).
- **Non-registered savings** – These include all other forms of savings and investments. For many people, that means the family home. But non-registered savings can also include savings in bank accounts, stocks, bonds, annuities, collectibles (such as art), and even some life insurance policies.

Government programs

Government programs include the Canada/Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS).

Canada.ca

1-800-277-9914

How much is enough?

It's likely that many of your current expenses will be less once you stop working. For example, you probably won't need to spend as much on things like work clothes, commuting and other work expenses. And, you won't need to save for retirement anymore.

That said, some new costs could surface. You may decide to travel more or take up new hobbies. Your health care and dental costs could also go up as you get older. And you may want to hire people to look after some of the household chores.

It's a lot to think about. To help you plan for retirement, you may want to sit down and draw up a budget of your anticipated retirement expenses. OPB offers personal one-on-one planning sessions where you can assess your financial needs. A one-on-one session with a Client Service Advisor is available to you at no cost and can take place in person or over the phone. To book a session, log into e-services and click on **Book 1-on-1** or contact our Client Care Centre.

OPB’s online calculators
As a member of the PSPP you have access to valuable **online financial tools**, such as OPB’s **Buyback Calculator, Pension Estimator**, and **Retirement Planner**, available in OPB’s secure online e-services.

The **Retirement Planner** takes retirement planning to a new level – you create a customized and comprehensive snapshot of your overall retirement picture. The Retirement Planner lets you create different financial scenarios, investigate potential tax savings when splitting your retirement income with your spouse, and includes an Expense Worksheet that helps you calculate your retirement income needs to find out – are you are saving enough?

Register today for OPB’s e-services so that you can start using these financial tools right away!

e-services

You can access e-services — our secure online member portal — at any time to view your Annual Pension Statement (APS) and update your personal information and pension beneficiary designations.

To sign up for e-services, please visit **OPB.ca** and click on ‘**Login**’ at the top-right corner of your screen. Then, click ‘**Member Registration**’ and follow the steps to create your account.

Once registered, you can sign up for e-alerts for updates about new tools and services and other important information from OPB. Take advantage of OPB’s online calculators, the Pension Estimator, Buyback Calculator, and Retirement Planner to assist you with your retirement income planning. The Pension Estimator and Buyback Calculator use your employment information to create customized estimates for you. You can update your beneficiaries and your personal information, and view your earliest unreduced retirement date and APS online.

You can also read more about specific PSPP provisions for OPP officers and civilians in the ‘Current Members’ section of our website under For OPP members.

Staying in touch

We're committed to keeping you informed

Your pension is an important part of your future. That's why we are committed to keeping you informed.

Once we've processed your enrolment, we'll send you a welcome package with information about the Plan and the resources available to you.

But that's just the start. Each year, we'll send you a personalized pension statement estimating your current and projected pension. We'll also include information detailing the Plan's financial position.

We encourage you to use the information that's made available to you. After all, learning about your pension today will help you plan for a more secure tomorrow.

Have a question about your pension?

We've got the answer. All you have to do is contact us. Here are a few easy ways to reach us.

Reach us	Contact information
By telephone	**416-364-5035 or 1-800-668-6203 toll-free (Canada and USA)** We are available Monday through Friday, 8 a.m. to 5 p.m.
By email	**clientservice@opb.ca** Email messages are not considered secure. So, please do not include any confidential information (e.g., bank account number, social insurance number).
Visit our website	**OPB.ca** Our site includes a range of information, including a plan description, informative articles, forms and e-services.
Write to us	**Ontario Pension Board** 200 King St. West, Suite 2200 Toronto ON M5H 3X6
Send us a fax	**416-364-7578**

If you email, fax or write us, please be sure to include your full name, OPB client number, address and a phone number where we can reach you.

Documents related to our accessible client services are available upon request. Please contact us to discuss receiving the information in this booklet in an alternative format.