

**Part 3: Pension Alternatives Moving Forward**

Part 2 described our pension’s on-going liability and solvency deficiency, which is detrimental in the long term for both our members and for Trent University. Here we describe and compare alternatives that are being explored.

The time frame for future change is uncertain. We may have an opportunity to choose a path in the near future. Know that regardless of when and what choices become available, all OPSEU Local 365 members will have the opportunity to vote on any change in our pension.

There are currently three likely options for our path forward:

**Option 1: Keep Our Pension at Trent**

[trentu.ca/humanresources/staff-pension-plan](http://trentu.ca/humanresources/staff-pension-plan)

Our pension would remain with Trent University as the responsible party. Since this would not address pension solvency issues, we would most likely have to allow concessions to our pension.

**Option 2: Join the Future University Pension Plan Ontario (UPP)**

[universitypension.ca](http://universitypension.ca)

The UPP is still being formed, currently involving three Ontario universities. This university-sector specific pension plan will be a Jointly Sponsored pension plan (JSPP), similar to what we have now.

**Option 3: Join the College of Applied Arts and Technology (CAAT) Pension Plan** [caatpension.on.ca/en](http://caatpension.on.ca/en)

CAAT is an established pension plan, with about \$10.8 billion in assets as of the end of 2017.

Table 1. This table compares some important pension parameters of our current pension plan and these three options.

Provisions	Current	Future		
	Trent	Trent	UPP (forcasted)	CAAT (current)
Member Contribution Rates (below YMPE <sup>1</sup> / above YMPE)	9.0% (rising to 9.8% July 2020) for both below and above YMPE	Unknown; all provisions determined in bargaining	9.1% / 11.3%	11.2% / 14.8%
# Years in Average Salary Calculation	5		4	5
# Years in Average YMPE Calculation	5		4	5
Benefit Rate (below YMPE / above YMPE)	2.0% / 2.0%		1.6% / 2.0%	1.3% / 2.0%
Bridge Benefit <sup>2</sup> up to Age 65	None		None	Add 0.7% to Benefit Rate on income below YMPE
Eligibility for Unreduced Early Retirement	Within 10 years of NRD <sup>3</sup> at June 30, 2017, Age 60 + 80 points. Not within 10 years of NRD at June 30, 2017, Age 62 + 80 points		Age 62 + 80 points (age-plus-service)	Age 60 + 20 years of pensionable service or 85 points
Early Retirement Penalties	6%/yr from unreduced early retirement date: 60 if you older than 55 on July 1, 2017, and 62 for those younger than 55 on July 1, 2017.		5%/yr from NRD	3%/yr from unreduced early retirement date

<sup>1</sup>YMPE: the year’s maximum pensionable earnings, a value defined by the Canada Pension Plan (for 2019: \$57,400).

<sup>2</sup>Bridge benefit: If you retire before age 65, a bridge benefit is an added benefit to the pension payments up to age 65.

<sup>3</sup>NRD = normal retirement date, reached at around age 65

(continued...)

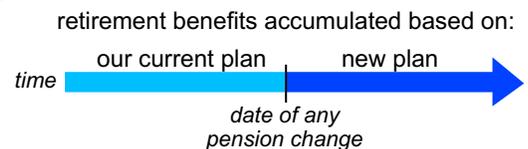
Table 2. Here are some scenarios describing retirement pension income<sup>1</sup> calculated using the three future pension options described in table 1.

OPSEU Local 365 Employee Profile	Initial OPSEU Pension Income at Retirement			
	Current	Future		
	Trent	Trent	UPP	CAAT
Average Earnings: Five Year - \$40,000 Four Year (UPP) - \$40,500 Current Pensionable Service under OPSEU pension – 0 Years Pensionable Service at Retirement – 30 Years (entire pension benefit earned under future pension plan)	\$24,000	Unknown; all provisions determined in bargaining	\$19,440	\$15,600
Average Earnings: Five Year - \$70,000 Four Year (UPP) - \$71,000 Current Pensionable Service under OPSEU pension – 0 Years Pensionable Service at Retirement – 30 Years (entire pension benefit earned under future pension plan)	\$42,000		\$35,895	\$30,361
Average Earnings: Five Year - \$40,000 Four Year (UPP) - \$40,500 Current Pensionable Service under OPSEU pension – 20 Years Pensionable Service at Retirement – 30 Years (first 20 yrs pension benefit earned under current pension plan, final 10 yrs pension benefit earned under future pension plan)	\$24,000		\$22,480	\$21,200
Average Earnings: Five Year - \$70,000 Four Year (UPP) - \$71,000 Current Pensionable Service under OPSEU pension – 20 Years Pensionable Service at Retirement – 30 Years (first 20 yrs pension benefit earned under current pension plan, final 10 yrs pension benefit earned under future pension plan)	\$42,000		\$39,965	\$38,120

<sup>1</sup>These values will change based on actual final earnings and actual YMPE values for the year of the member’s retirement.

As you can see from tables 1 and 2, we have some tough choices to make.

Some good news is that regardless of the changes made, all members will earn and keep retirement benefits based on the current pension up to the date of any change.



# PLEASE SEND YOUR QUESTIONS!

We will address any questions at the AGM (Thursday February 21, 11am-1pm in Wenjack Theatre), plus moving forward we will post responses to questions on the OPSEU Local 365 website (<https://www.opseu365.com>). We will also produce additional releases as more information becomes available.