



## Action memo

To: All OPSEU members in the OPSEU Pension Trust pension plan  
From: Warren (Smokey) Thomas, President  
Date: November 16, 2016  
Re: **We've just won a victory on retiree benefits**

Dear friends:

I have some very good news about our battle with the Ontario government over post-retirement benefits for members of the OPSEU Pension Trust (OPTrust).

Under an agreement with OPSEU, ratified by the government today:

- 1) OPTrust members who are **currently working** and have at least 10 years of service when they retire **on or after January 1, 2017** will be able to choose between:
  - a) paying half the cost of their benefit premiums under the existing benefit plan ("Plan A") **OR**
  - b) receiving a modified benefits package ("Plan B") **at no charge**.
- 2) OPTrust members who retire before January 1, 2017 will continue to receive the existing plan (Plan A) **at no charge**. This is unchanged from the original proposal the government tabled in 2014.
- 3) OPTrust members who retired after February 18, 2014 will be eligible to apply to restricted competitions in their OPSEU bargaining unit with their seniority intact as if they were still working, up until December 31, 2017.

The biggest change here, of course, is the first one. On February 18, 2014, the government announced that effective January 1, 2017, it would force all OPTrust members to pay half the cost of their post-retirement benefit premiums. For single individuals, that would have been a cost of roughly \$900 per year. For members with families, the cost would have been about \$1,600.

Given that the average pension of an OPTrust member is under \$21,000 a year, this was not a small cost to bear. **The agreement announced today preserves benefits for those who retire after January 1, 2017 and reduces the cost of those benefits to next to nothing.**

Are the benefits the same under Plan B? No, not exactly.

- In some cases, the benefits under the new Plan B are better. For example, the agreement eliminates the deductible for catastrophic drug costs.
- In some cases, the benefits are exactly the same with Plan B as with the current Plan A. For example, there is no change in coverage for equipment required by members with diabetes.
- In some cases, the benefits are less under Plan B compared to Plan A. For example, Plan B does not include coverage for dentures or orthodontics.

That said, I think you will agree that Plan B is a marked improvement over what the government had offered up until now.

As much as possible, we gave up only things members were unlikely to need in retirement, such as orthodontics. Or we stretched timelines for accessing certain benefits, such as eyeglasses. Or we accepted that, in some cases, members would have to pay a small deductible for using a service. For paramedical services like physiotherapy or chiropractic treatments, we opted to take 100 per cent payments up to a maximum amount instead of \$25 per visit to a higher amount.

As an OPTrust member, you will need to decide for yourself just how good a deal this is, based on the benefits you expect to need in retirement. I advise you to make the comparison yourself by reading the chart posted online [here](#). I think virtually every member who retires on or after January 1, 2017 will choose Plan B.

This deal shows what happens when we campaign hard together. We have always been a campaigning union, and today's deal on retiree benefits is just one more example of what we can accomplish when we all work together.

This campaign was multi-faceted. OPTrust members communicated their displeasure with the government from the start, and they didn't stop. Following our Ontario Public Service divisional meetings at the end of October, more than 1,000 members emailed the Premier and every MPP, and countless more mailed in our "Keep Your Word" postcards.

Combined with that campaign work was face-to-face lobbying. The meeting I and First Vice-President/Treasurer Eduardo (Eddy) Almeida attended with Treasury Board President Liz Sandals in

October was a turning point. That was when the politician who could make decisions finally heard what we had been saying to her staff for nearly two years.

Our negotiating strategy was simple: Never give up. We knew from the start that the attack on retiree benefits was an unfair attack on thousands of working people who had given a lifetime of service to the province. We knew the victims would be low-income seniors, and mostly women – two groups the Kathleen Wynne government has repeatedly claimed to care about. We just kept on driving the point home.

Lastly, we had a sound legal strategy. Coupled with 1,400 grievances from OPSEU members, we knew that our policy grievance made a strong case that the government had no right to change retiree benefits without negotiations. When the Grievance Settlement Board (GSB) overruled the government’s preliminary objections to our grievances, we knew then that there was a good chance that the GSB would grant us interim relief, if we asked for it, thereby stalling the government’s plan.

That’s why the government chose – finally – to negotiate. That is why I have no hesitation in calling this a victory for our union. This new deal settles all our grievances around retiree benefits in a way that I believe most OPTrust members will find more than satisfactory.

The full text of the Memorandum of Settlement between OPSEU and the government is available [here](#). Please watch our website for a Question-and-Answer document as well.

For answers to specific questions you may have, please email us at [PensionsandBenefits@opseu.org](mailto:PensionsandBenefits@opseu.org).

Thank you for your patience throughout this long, long process.

In solidarity,



Warren (Smokey) Thomas  
President, Ontario Public Service Employees Union

c: OPSEU Executive Board