

OTIP LTD POOL

CUPE Local 997 - Custodial and Maintenance LTD Plan Change Options

Plan Design	Current Plan/Option 1	Option 2	Option 3	Option 4
Participation	Mandatory	Mandatory	Mandatory	Mandatory
Benefit Level	60%	60%	55%	50%
Waiting Period*	200 Calendar Days	200 Calendar Days	200 Calendar Days	200 Calendar Days
Monthly Benefit Maximum	\$4,500 (covers salary to \$90,000)	\$4,500 (covers salary to \$90,000)	\$4,500 (covers salary to \$98,182)	\$4,500 (covers salary to \$108,000)
COLA (Cost of Living Allowance)	2%	2%	1%	0%
CPP/QPP Offset	Primary	Primary	Primary	Primary
All Source Maximum	85%	85%	85%	85%
Termination	The end of the month of attaining age 65	The earlier of: the end of the month of attaining age 65; or eligible for a 60% unreduced service pension	The earlier of: the end of the month of attaining age 65; or eligible for a 60% unreduced service pension	The earlier of: the end of the month of attaining age 65; or eligible for a 60% unreduced service pension
Benefit Taxability	Non-taxable	Non-taxable	Non-taxable	Non-taxable
Pre-renewal Rate with RST	8.08% of earnings	N/A	N/A	N/A
Option 1 - Renewal Rate with RST	7.68% of earnings	6.91% of earnings	6.07% of earnings	4.84% of earnings
Reduction to Current Rate	-5%	-14%	-25%	-40%

To be eligible for an unreduced pension (no penalty) under OMERS you must:

- Be 55 years of age
- Have either
 - 30 years of credited service or
 - The 90 factor (age + eligible years of service = 90)

12 month Employees

12 month employees get 1.0 credited service each year, and 1.0 of eligible service each year.

A 12 month employee working 10 years would have 10.0 credited years of service towards her/his OMERS pension, and 10 years of eligible service towards her/his 90 factor.

A 12 month employee would need to work 30 years to be eligible for a 60% unreduced pension from OMERS.

How an OMERS Pension is calculated

Step 1: Years of credited service x 2% - any penalty = Pension %

Step 2: Pension % x Average of Best 5 Years of Earnings

Example:

Member is 55 years old and has

Step 1: 30 credited years x 2% - 0 penalty = 60%

Step 2: 60% x \$43,000 = \$25,800 annual pension amount

Division 980 - Custodial and Maintenance Premium Calculations

Current Plan				Annual Premium	Per Pay* Deduction
	Annual Earnings		Rate		
Current	\$ 41,579	x	0.0808 =	\$ 3,360	\$ 139.98
Rate	\$ 42,286	x	0.0808 =	\$ 3,417	\$ 142.36
	\$ 66,789	x	0.0808 =	\$ 5,397	\$ 224.86
Option 1				Annual Premium	Per Pay Deduction
	Annual Earnings		Rate		
Current	\$ 41,579	x	0.0768 =	\$ 3,193	\$ 133.05
Plan	\$ 42,286	x	0.0768 =	\$ 3,248	\$ 135.32
5% Renewal	\$ 66,789	x	0.0768 =	\$ 5,129	\$ 213.72
Decrease					
Option 2				Annual Premium	Per Pay Deduction
	Annual Earnings		Rate		
60% Benefit	\$ 41,579	x	0.0691 =	\$ 2,873	\$ 119.71
60% USP**	\$ 42,286	x	0.0691 =	\$ 2,922	\$ 121.75
	\$ 66,789	x	0.0691 =	\$ 4,615	\$ 192.30
Option 3				Annual Premium	Per Pay Deduction
	Annual Earnings		Rate		
55% Benefit	\$ 41,579	x	0.0607 =	\$ 2,524	\$ 105.16
60% USP**	\$ 42,286	x	0.0607 =	\$ 2,567	\$ 106.95
1% COLA	\$ 66,789	x	0.0607 =	\$ 4,054	\$ 168.92
Option 4				Annual Premium	Per Pay Deduction
	Annual Earnings		Rate		
50% Benefit	\$ 41,579	x	0.0484 =	\$ 2,012	\$ 83.85
60% USP**	\$ 42,286	x	0.0484 =	\$ 2,047	\$ 85.28
0% COLA	\$ 66,789	x	0.0484 =	\$ 3,233	\$ 134.69

*Premium deductions are taken on 24 pays

**Unreduced Service Pension