

Select Info *to* Know

Cost of Living Adjustment for Your Pension

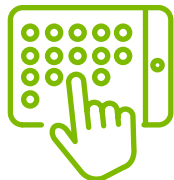


Starting January 2021, OPTrust Select pensions will **increase by 1%**. The annual cost of living adjustment (COLA) is applied to all pensions and survivor pensions in pay. COLAs help to protect your pension against the impact of inflation over time.

This represents an increase equal to 100% of the increase in the Consumer Price Index (CPI) reported by Statistics Canada.

COLAs are granted at the discretion of the Board of Trustees, based on the funded status of the Plan and other factors. These increases for inflation are not guaranteed and may range from 0 to 100% of the increase in the CPI.

If you retired in 2020, your COLA is pro-rated for the length of time you received a pension. More detail on this appears below.



How Your Annual Adjustment is Calculated

COLAs are calculated based on the change in the average monthly CPI between October and September for the previous two years. For example, the **2021 increase** was calculated as follows:

$$\frac{\text{October 2019 to September 2020} \text{ minus } \text{October 2018 to September 2019}}{\text{October 2018 to September 2019}} = \frac{136.7 - 135.3}{135.3} = 1\%$$



Consumer Price Index

The Consumer Price Index (CPI) is a measure produced by Statistics Canada that reflects the cost of a weighted basket of about 600 goods and services that are typically purchased by Canadian consumers every month. The CPI is widely used as an indicator of the change in the general level of consumer prices and the rate of inflation.

For more information on the Consumer Price Index, visit the Statistics Canada website at [statcan.gc.ca](https://www.statcan.gc.ca).





Increase Pro-rated for New Pensioners

If you retired in 2020, your COLA is pro-rated for the length of time you received a pension. For example, if you retired in June 2020, your pro-rated COLA is calculated by the number of months you received a pension, divided by 12, times the 2021 increase.

$$6 \div 12 \times 1\% = 0.5\%$$

In January 2021, your pension will increase by 0.5% to reflect the cost of living for six months. In following years, any COLA granted will not be pro-rated.



For more information

This information is a summary of certain benefits offered by OPTrust Select and is not applicable to the primary schedule of the OPSEU Pension Plan. All information is current as of the date of publication.

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