WHAT YOU NEED

/ A PENSION PLAN FOR YOU

Information for new employees about the features of HOOPP

HOOPP
Healthcare of Ontario Pension Plan

CONTENTS

The Healthcare of Ontario Pension Plan (HOOPP) is one of Canada's largest and most respected defined benefit pension plans. More importantly, it's *your* pension plan, one that we administer exclusively for members like you who work in Ontario's healthcare community. For more than 50 years, we've been proud to help secure the financial future of those who care for us.

INTRODUCTION

This booklet provides you with an overview of the main features of your HOOPP pension – and the important role it can play in planning for your retirement.

WHAT IS A DEFINED BENEFIT PENSION PLAN?

HOOPP is a defined benefit (DB) pension plan. A DB pension plan pays you a monthly income that begins at retirement and is payable for your lifetime. The amount of your pension is based on a formula that takes into account your earnings and the number of years you've been contributing to the Plan.

With payments made throughout your lifetime, your HOOPP pension can play an important role in contributing to your financial security in retirement.

WHAT THE TERMS MEAN

Some terms that we use in this booklet have specific meanings in the context of the Plan. We have put these terms in ***bold italics*** the first time they appear in the booklet and provided a *Summary of Terms* at the back of the booklet. You'll also find a glossary at **hoopp.com**.

THE VALUE OF HOOPP

As a HOOPP member, you will never outlive your pension. It's paid to you for life and provides a very cost-effective and efficient approach to saving for your retirement.

Your HOOPP pension is predictable. It's defined in advance so that you can easily estimate what you'll get each and every month in retirement – plus, you may benefit from annual cost of living adjustments (COLA).

EXAMPLES

Please note that all examples in this booklet are for illustrative purposes and should not be relied upon for decision-making purposes.

HOOPP: MORE FOR YOUR MONEY

When you retire, income will ideally come from three sources: HOOPP, government pensions and your personal savings. The following chart shows the difference between a HOOPP pension and saving on your own through a registered retirement savings plan (RRSP).

HOOPP	RRSPs
HOOPP's focus is on replacing pre-retirement income, not just on savings.	You are responsible for saving enough to provide yourself with adequate annual retirement income.
For every dollar you contribute, your employer currently contributes $1.26 to the HOOPP Fund.	Typically, no one but you contributes to your personal RRSP.
HOOPP's investment team manages the investments for the HOOPP Fund.	It's your responsibility to manage your money and make investment decisions.
Inflation protection and survivor benefits are some of the additional benefits of the Plan.	Additional benefits may not be provided, and when available, may be at a significant additional cost.
Your pension is paid for life and you can estimate ahead of time what it will be.	Income from RRSPs is dependent on various factors, such as how much you contribute and your investment returns. If you buy an annuity with your RRSP proceeds, the lifetime income it provides will depend on the interest rates that apply at the time of the annuity purchase. Therefore, you will not know ahead of time how much you will receive.

ABOUT HOOPP

HOOPP is a not-for-profit organization set up for the sole purpose of administering and providing pensions for Ontario's healthcare workers.

We are governed by a Board of Trustees made up of 16 voting members. The Ontario Hospital Association (OHA) appoints eight of the trustees and the following four unions appoint two trustees each:

- Ontario Nurses' Association (ONA)
- Canadian Union of Public Employees (CUPE)
- Ontario Public Service Employees Union (OPSEU)
- Service Employees International Union (SEIU)

All 16 trustees represent you, whether or not you are a member of any of the four unions. The trustees have a fiduciary responsibility to administer the Plan in the best interests of all HOOPP members – regardless of their union or other affiliation. In addition to the 16 voting members, there can be two non-voting observers representing pensioners on the Board of Trustees.

HOW YOUR HOOPP PENSION WORKS

While the administration of a pension plan can be complex – and we take care of everything from investments to calculating and paying pensions – our promise to you is a simple one: *retirement income for life*.

You and your employer contribute to the Plan over the course of your membership in HOOPP. When you retire, you are entitled to a monthly pension. You receive it for life, so you won't outlive your HOOPP pension.

The following overview covers how HOOPP contributions are determined and how your pension is calculated and paid.

HOW MUCH YOU AND YOUR EMPLOYER CONTRIBUTE

The amount you contribute to HOOPP is based on how much you earn and the Plan's contribution rates. The rates are set by HOOPP's Board of Trustees and are adjusted periodically based on the advice of actuaries who help to monitor the Plan's financial status. The current rates were set in 2004 and due to the efficient management of the Plan, will remain the same until at least the end of 2014.

Your employer will calculate your contributions each pay period, deduct them directly from your pay and send them to HOOPP. In 2013, you contribute:

- 6.9% of your ***annualized earnings*** up to the year's maximum pensionable earnings (***YMPE***); and
- 9.2% above the YMPE

The YMPE is set by the federal government every year. To find the current YMPE, please visit **hoopp.com**.

In general, you contribute to HOOPP every payday on the pensionable earnings you receive from your HOOPP employer. In addition to your own contributions, your employer invests in the HOOPP Fund, currently contributing $1.26 for every dollar you contribute.

All contributions are invested. The majority of every pension dollar you'll receive comes from investment returns; the rest comes from member and employer contributions.

HERE'S A CONTRIBUTION EXAMPLE BASED ON THE RATE FOR 2013:

Here's how much Sally, who works full-time all year and has annualized earnings of $60,000*, will contribute to HOOPP in 2013:

Annualized earnings:	Sally's contributions:
$ 51,100 x 6.9%	$ 3,525.90
+ $ 8,900* x 9.2%	+ $ 818.80
$ 60,000	$ 4,344.70

Sally contributes $4,344.70 to HOOPP – and her employer contributes $5,474.32.

**Sally's annualized earnings of $60,000 were $8,900 above the 2013 YMPE of $51,100.*

HOW YOUR PENSION IS CALCULATED

As a general rule, your HOOPP pension, plus payments you receive from government pensions will provide lifetime pension income equal to approximately 2% of your ***average annualized earnings*** for every year of ***contributory service***. Using this rough calculation, if you've contributed to the Plan for 30 years, you can expect to receive total pension income equal to about 60% of your average annualized earnings.

In terms of calculating your pre-tax pension amount, for each year or partial year of contributory service, your ***basic lifetime pension*** from HOOPP will be:

- 1.5% of your average annualized earnings up to the ***average YMPE***, plus
- 2.0% of your average annualized earnings above the average YMPE

GET A PENSION ESTIMATE – ANYTIME

There are three ways that you can receive an estimate of your HOOPP pension:

1. **Annual Statement:** Your HOOPP Annual Statement provides a snapshot of your benefits as of Dec. 31 of the previous year, including an estimate of your future pension. This can be mailed directly to your home or sent electronically via Secure Mailbox on HOOPP Connect, HOOPP's online member resource, depending on how you choose to receive it.
2. **Pre-retirement estimate:** As you approach your expected retirement date, we encourage you to call us for a personalized pension estimate based on this date. This will provide you with the most up-to-date financial information you need to help you make your retirement decision. Contact information is available on the back cover of this booklet.
3. **Online pension income projections:** On **hoopp.com**, you can access HOOPP Connect where you can project your future HOOPP pension plus estimated government income (Canada Pension Plan and Old Age Security) using your own pension data. You can perform estimates, save your projections and compare different scenarios side by side. For example, you can calculate your pension based on your desired retirement age and see how up to three projections compare – all on one screen.

WHEN YOU CAN RETIRE

The normal retirement age is 65, but HOOPP members can retire as early as age 55. No matter what age you retire, you must end your employment at all the HOOPP employers you work for, before you can receive your pension.

EARLY RETIREMENT PENSION AND BRIDGE BENEFITS

You can retire as early as age 60 without any reduction in the pension you have earned to date, or as early as age 55, usually with a reduction, which is based on how long you have been a member of the Plan and your age at the time of retirement.

The reductions are designed to offset the fact that you are receiving a pension earlier and, therefore, are likely to collect it longer. Reductions are permanent and apply to any benefits that may be payable to your ***qualifying spouse*** or non-spouse beneficiaries after you pass away. To see the Early Retirement Table, please visit **hoopp.com**.

HOOPP also provides a bridge benefit for early retirees. A bridge benefit is a "top up" to your basic lifetime pension.

If you retire while age 55 to 64, you'll receive a bridge benefit – a monthly payment that you'll receive until age 65, when government pensions typically begin.

If you receive CPP benefits before age 65, your bridge benefits are not affected. Until you reach 65, the bridge bumps up your pension to 2% of your average annualized earnings for each year of contributory service.

Another way of looking at it is this: the full bridge equals 0.5% of your average annualized earnings up to the average YMPE for each year of contributory service. Your bridge benefit will be reduced unless you have at least 30 years of ***eligibility service*** or are age 60 or older at the time of retirement.

RETIREMENT PENSION AFTER AGE 65

If you choose not to retire early and work past age 65, you can continue to contribute to HOOPP and build your pension benefit until November of the year in which you turn 71. If you retire after age 65, your HOOPP pension will be increased to reflect the fact that you've worked past the normal retirement age of 65.

RETURNING TO WORK AFTER RETIREMENT

Should you return to work for a HOOPP employer after retirement, you can continue to receive your HOOPP pension. If you choose, you can temporarily stop your HOOPP pension, resume contributing to the Plan and build more pension benefits up to November in the year you turn 71. When you begin to collect your pension again, it will be increased to reflect the additional benefits you have built.

ADDITIONAL FEATURES OF HOOPP

In addition to retirement income for life, your HOOPP pension also has a number of other valuable features. The following overview covers other key benefits your HOOPP pension provides.

ABILITY TO MAINTAIN YOUR PENSION AMIDST JOB CHANGES

HOOPP is available at more than 390 Ontario healthcare employers. If you change jobs in the future, you may not have to change pension plans and can continue to build HOOPP benefits with your new employer, if they offer HOOPP.

INFLATION PROTECTION

HOOPP may provide inflation protection through cost of living increases to your pension – a valuable benefit designed to limit inflation's impact over the long term. More details about HOOPP's inflation protection are available on **hoopp.com**.

BENEFITS FOR YOUR SPOUSE OR BENEFICIARY

For your surviving qualifying spouse, a monthly lifetime pension is provided equal to 60, 80 or 100% of your basic lifetime pension, depending on the choices you make at retirement.

If you do not have a qualifying spouse at retirement, you will receive a pension for life. Should you pass away before you receive 15 years of payments, your pension – not including any bridge benefits – will be paid to your non-spouse beneficiary for the remainder of the 15-year period.

DISABILITY BENEFITS

HOOPP provides two disability benefits: free accrual, where you may continue to build contributory service under the Plan if you are off work due to disability, or a disability pension, where you may receive monthly pension income from the Plan. The extent of your disability determines which of these two benefits you may be eligible to qualify for. For more detailed information on disability benefits, please read the booklet *Here for You: Disability Guide* available from your employer or at **hoopp.com**.

WAYS TO INCREASE YOUR HOOPP PENSION

HOOPP has special features to help you maximize your pension.

Depending on your circumstances, there are four different ways you may be able to increase your pension benefit:

1. transfer eligible benefits from a previous pension plan
2. ***buy back*** past service
3. contribute for an unpaid leave
4. "top up" contributions for a temporary period of reduced earnings

Please contact HOOPP Client Service or visit **hoopp.com** for more information on any of these features. Additional information on buying back past service can be found in the booklet *You Can Have More: Buying Back Service* available on **hoopp.com**. Contact information is listed on the back cover of this booklet.

BENEFIT IN THE EVENT OF A SHORTENED LIFE EXPECTANCY

If a doctor licensed in Canada gives a medical opinion that you have a life expectancy of less than two years, you may contact HOOPP to determine how much money may be available to you as a lump sum payment. There are provincial rules in place that, if you qualify, can allow you to withdraw your pension funds.

If you have a qualifying spouse, you must also get his or her permission to withdraw the funds. Under provincial law, your spouse is entitled to benefits upon your death and must therefore agree to the withdrawal. If your spouse agrees, he or she gives up the right to spousal benefits upon your death. Both you and your spouse should get independent legal and financial advice before making a decision to give up your spouse's entitlements.

You can get an *Application to Withdraw Funds* form by calling HOOPP at the phone numbers listed on the back cover of this booklet.

WE'RE HERE TO HELP

The following are ways you can get additional information from HOOPP about the Plan.

HOOPP ONLINE

HOOPP has an information-packed website that's always accessible at **hoopp.com**. In addition, you can access HOOPP Connect, our online member resource, via **hoopp.com**.

REGULAR COMMUNICATIONS

Beginning the year after you join HOOPP, you'll receive a HOOPP Annual Statement in the mail or online via HOOPP Connect's Secure Mailbox, depending on how you choose to receive it. This personalized statement provides details of your benefits under the Plan, as well as the estimated projected pension you can expect to receive from HOOPP if you stay in the Plan until you retire.

In addition, our member newsletter, *Your Plan at Work*, explains various Plan features. The newsletter is mailed to your home and posted on **hoopp.com**. You can sign up to receive it directly by email by visiting **hoopp.com**.

PRESENTATIONS AND SEMINARS

We regularly bring information right to your work location or desktop. Watch for posters and communications announcing HOOPP presentations, seminars and webcasts.

CLIENT SERVICE

More information about HOOPP and its features is available by calling a Client Service Representative at **416-646-6445** or toll-free in Canada or the U.S. at **1-877-43HOOPP (46677)**. Representatives can also be contacted by emailing **clientservices@hoopp.com**.

SUMMARY OF TERMS

The following are simplified explanations of the key terms used in this booklet. Exact definitions of most of the terms are provided in the *HOOPP Plan Text*, the official Plan document, which is available on **hoopp.com** or by contacting HOOPP.

Annualized earnings (AE):

These are earnings you are credited within a calendar year that count toward your HOOPP pension. If you work part-time or less than one full year, your annualized earnings will be based on what you would earn if you worked full-time for the whole year.

Average annualized earnings:

This is the highest average of your annualized earnings during any consecutive period(s) of five years of eligibility service before your HOOPP benefit is calculated. Benefits are calculated when you retire, terminate or pass away.

Average YMPE:

This is the average of the year's maximum pensionable earnings (YMPE) for the three years before your HOOPP benefit is calculated. Your benefit is calculated when you retire, terminate or pass away.

Basic lifetime pension:

This is the monthly lifetime payment you will receive from HOOPP at retirement, based on HOOPP's defined benefit pension formula. This does not include the bridge benefit for early retirees.

Buyback:

HOOPP allows you to "buy back" eligible periods of time in the past, so that the service you purchase can count towards your HOOPP pension. Please see the *You Can Have More: Buying Back Service* booklet on **hoopp.com** for more information.

Contributory service:

This is the length of time, measured in years and part years that you have contributed to HOOPP. It includes any past service you buy, service transferred into HOOPP or service that may be credited should you be disabled.

Eligibility service:

Service used to determine the reduction applied to your pension if you decide to take early retirement and is based on your years of membership in the Plan, plus any service purchased or transferred into the Plan, minus any non-contributory leave periods or periods during which you were not employed by a HOOPP employer.

Qualifying spouse:

Your qualifying spouse is defined as someone who, when the determination is needed:

- is legally married to you, but not separated from you
- has been living with you continuously in a conjugal relationship for at least a year
- is the mother or father (natural or adoptive) of your child and lives with you in a relationship of some permanence

YMPE:

The year's maximum pensionable earnings (YMPE) is set each year by the federal government, based on the average wage in Canada. To find the current YMPE, please visit **hoopp.com**.

HOOPP AND "GROW-IN RIGHTS"

Effective July 1, 2012, HOOPP's Board of Trustees elected to exclude HOOPP and its members from the grow-in provisions under Section 74 of the *Pension Benefits Act*.

YOUR NOTES:

YOUR NOTES:

This booklet contains summary information only. You should not rely solely on the information in this booklet to make decisions about your pension. You can find more detailed information about the Plan in the *HOOPP Plan Text*, the official Plan document, which is available on **hoopp.com**. In cases where the information provided in this booklet, by an employer or by any other source differs from that contained in the *HOOPP Plan Text*, the *HOOPP Plan Text* will govern.

Copies of HOOPP member booklets are available at **hoopp.com**.

Pour obtenir la version française du présent livret, veuillez communiquer avec le HOOPP.

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