

Backgrounder – OTSB Group

Ontario Teachers Survivor Benefit Group

- The OTSB Group was formed more than 10 years ago to advocate for amendments to the Ontario Teachers' Pension Plan that would ensure that post-retirement spouses are eligible for survivor benefits.
- It is made up of about 125 retirees, widows and widowers who represent a broader group of teachers who are unable to secure full spousal survivor benefits despite a career of contributing to the pension plan.

Current Survivor Benefit Rules

- OTPP's current rules only provide a survivor benefit to a spouse who was already married to the member at the time of retirement.
- OTPP plan members who marry for the first time or re-marry after retirement can only secure a survivor pension if they are willing to take a reduced pension.
- The amount of the deduction is based on the age of the plan member and the spouse. It varies, but one example in the OTPP's guidelines reduced the pension by 13%.
- This reduction is permanent. The original pension is not reinstated if the retired teacher outlives their spouse.
- Municipal employees in Ontario, who belong to the OMERS pension plan, do not face this double standard. OMERS recognized post-retirement spouses in 1991 in the interest of fairness. OMERS is not alone. A growing number of teacher pension plans in other provinces have amended their plans to end discrimination against those who get married after retirement.

The OTPP Response

- The Ontario Teachers' Pension Plan is jointly managed by the Ontario Teacher's Federation (OTF) and the Ontario Ministry of Education (Ministry). As co-sponsors of the plan, the OTF and the Ministry have the authority change the Plan by agreement.
- Over the last decade the OTSB Group and other plan members have appealed to the OTF, the OTPP Board and Ministry through letters, phone calls and presentations to emphasize the need to amend eligibility rules.
- The Ministry, OTF and OTPP Board view changes to survivor benefit eligibility as a "plan enhancement" and have therefore refused to take up the issue. They contend that a plan enhancement can only be considered if there is a pension surplus, which is not anticipated.

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Next Steps

- Regrettably, the OTSB Group has no other choice but to seek redress through the Human Rights Tribunal of Ontario.
- More than 80 applications have been filed. These applications contend that current rules discriminate based on marital status, given that they penalize those married after retirement.
- The applications also argue that the rules discriminate based on gender – given the fact that women are more likely to be widowed and left without the survivor pension. About 80 per cent of OTSB Group members are women.
- It is expected that the Human Rights Tribunal will consolidate the applications into a single application.
- The OTSB Group believes that the Human Rights Tribunal of Ontario will find that the current OTPP restrictions on spousal survivor benefits are discriminatory, and that all spouses of teachers who paid into the pension plan should be treated equally.

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