

# Introducing the first and only ONN-recommended sector-wide pension plan for Ontario nonprofits

ONN recommends  
OPTrust Select.

Nonprofits can  
demonstrate they are  
sector leaders and  
decent work champions  
by joining this pension  
plan.



# A first for the sector

As part of our efforts to champion a decent work movement in the nonprofit sector, we have been working since 2015 to develop a sector-wide pension plan for Ontario nonprofits. This work has included setting up task forces of sector leaders who examined options, explored possibilities for new options, and ultimately tried to find a pension plan good enough to recommend to the sector. They found one.

ONN recommends OPTrust Select.

OPTrust Select is a new option for nonprofit workplaces, inspired by our work.

OPTrust Select is a defined benefit pension plan. This plan is open to employers and employees across the sector.

**Pension plan:** Pensions are different from simple savings plans like group tax-free savings accounts (TFSA) and registered retirement savings plans (RRSPs). Those plans are geared towards accumulating capital but don't promise how big a retirement pot you'll have at the end of years of saving. And research shows people withdraw money from savings plans long before retirement. But with a pension, contributions are locked away so that they are ready for you at retirement, and for the whole of your retirement, no matter how long it lasts.

**Defined benefit:** The 'benefit' – income, in other words – that you receive in retirement is defined in advance.

## This plan is a great fit for sector employees

The plan is open to:

- Unionized and non-unionized employees
- Full-time and part-time employees
- Permanent and contract employees
- Small workplaces and large workplaces.

The plan is affordable for those on modest incomes, as you contribute 3% of your salary. For many in the sector, 3% is about the price of a daily cup of coffee. And your contribution is matched, dollar for dollar, by your employer.

Your pension will be paid to you for the whole of your retirement, no matter how long your retirement lasts.

## This plan is right for sector employers

This plan provides a great entry point into a pension plan for the vast majority of sector employers.

For employers, this plan:

- Involves a contribution rate that is set and is affordable to even small employers
- Is easy to participate in, since OPTrust administers it
- Can be relied on to deliver secure, predictable retirement income to your staff. Because you aren't alone in this and multiple employers are paying into the plan, the plan's ability to pay out future commitments is solid
- Moves you along in your journey towards becoming decent work employers by complementing other recruitment and retention strategies

## This plan strengthens the sector as a whole

**This plan helps to strengthen the sector.** By offering this pension, the sector will attract and retain more high-calibre professional staff with the skills and knowledge to deliver huge public benefit to the people of Ontario for years to come.

Once many workplaces offer this plan, the sector will become increasingly thought of as one composed of decent work workplaces. Workers in nonprofits are drawn to the sector through their commitment for their communities. And organizations that support decent work for their employees strengthen the sector as a whole.

This plan gives the sector a greater voice. With this plan, the nonprofit sector will be able to offer advice on how its pension plan should be run.

This plan is available now.

## This pension plan is an example of what we can accomplish when we work together.

This plan adds to the list of services ONN has brought to the sector, extending our commitment to providing programs and services created by the sector, for the sector, through the only sector-wide network in Ontario.

We will continue to advocate for funders and donors to support decent work in the Ontario nonprofit sector, including by funding decent wages, benefits, and pensions.

## **The relationship between OPTrust and the ONN**

The ONN has been working for years to support Ontario's nonprofit sector to take a leadership role in championing decent work, including by exploring sector-wide pension plan options. The ONN and its two pensions task forces held discussions with several plans between 2015 and 2018 to understand what they could offer the sector. In September 2018 ONN's board, on the recommendation of the ONN pensions implementation task force, knew it had found a plan it could recommend: OPTrust Select.

OPTrust and the ONN are pleased they have a collaborative relationship, based on the shared aim of supporting nonprofit workers while limiting the risks for nonprofit employers that provide pensions for their workers. The two organizations are separate and independent of each other, with no organizational overlap or influence. ONN has no involvement in the administration or management of OPTrust Select.

## **About OPTrust**

With net assets of over \$20 billion, OPTrust invests and manages one of Canada's largest pension funds and administers the OPSEU Pension Plan, a defined benefit plan with over 92,000 members and retirees. OPTrust was established to give plan members and the Government of Ontario an equal voice in the administration of the Plan and the investment of its assets through joint trusteeship. OPTrust is governed by a 10-member Board of Trustees, five of whom are appointed by OPSEU and five by the Government of Ontario.

## **About the ONN**

The ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. The ONN works to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organization across Ontario to work together on issues affecting the sector and channel the voices of our network to government, funders, and other stakeholders.

### **Learn more about OPTrust Select**

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<http://optrustselect.com/>

### **Join the ONN**

Nonprofit employer do not need to be members of the ONN to join this pension. But please consider joining and supporting our vibrant network.

[theonncan.ca/join](http://theonncan.ca/join)

Ontario Nonprofit Network: Strengthening the sector, creating thriving communities  
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