

PHASE I: CERTIFICATION AND SETTLEMENT APPROVAL HEARING NOTICE MATERIALS

NOTICE OF PROPOSED SETTLEMENT IN THE ONTARIO SALES TAX ADMINISTRATION REFORM ("OSTAR") PENSION TRANSFER CLASS ACTION

This lawsuit affects individuals who transferred their pensionable service from either the OPSEU Pension Plan or the Ontario Public Service Pension Plan into the Federal Public Service Superannuation Plan, as part of the Ontario Sales Tax Administration Reform and who experienced increased transfer costs as a result of transferring their pensionable service **after November 1, 2012**. If you have received this notice directly from Canada, you are already considered a Class Member. If you have not, you should contact Class Counsel as soon as possible. Please read this notice carefully.

The Ontario Superior Court authorized this notice. This is not a solicitation from a lawyer.

This notice relates to the transfer of pensionable service from either the OPSEU Pension Plan or the Ontario Public Service Pension Plan, into the Federal Public Service Superannuation Plan, for individuals who became employees of the Canada Revenue Agency before November 1, 2012. Employees received an initial estimate of the cost to transfer their pensionable service into the federal government pension plan. For many employees, however, the cost to transfer their pensionable service increased because they did not submit their Appendix B1 forms to the Government of Canada ("**Canada**") before November 1, 2012. Five employees initiated a class action lawsuit against Canada, the OPSEU Pension Plan Trust Fund ("**OPTrust**")¹ and the Ontario Public Service Pension Board ("**OPB**") (collectively, the "**Defendants**") regarding this issue, claiming the difference between the amount required by the federal pension plan on the basis of the November 1, 2012 actuarial assumptions and the amount that would have been required by the federal pension plan on the basis of the actuarial assumptions before November 1 2012.

The Defendants have agreed to a settlement regarding a class action lawsuit for current and former employees who transferred their pensionable service from provincial pension plans to the Federal Public Service Superannuation Plan as part of the Ontario Sales Tax Administration Reform ("**OSTAR**") process and who experienced increased transfer costs due to transferring their pensionable service after November 1, 2012. The Defendants do not admit any liability.

¹ Incorrectly named in the title of proceeding as "Ontario Public Service Employees' Union Pension Plan Board of Trustees."

All persons who became employees of the Canada Revenue Agency before November 1, 2012 and who experienced increased transfer costs when they transferred their pensionable service after November 1, 2012 may receive compensation.

The class is defined as:

All persons who became employees of the Canada Revenue Agency prior to November 1, 2012, as part of the Ontario Sales Tax Administration Reform ("OSTAR") process, who transferred their pensionable service from the OPSEU Pension Plan or the Public Service Pension Plan to the Public Service Superannuation Plan, and whose pension transfers were completed on the basis of the actuarial assumptions that took effect in the Public Service Superannuation Plan on November 1, 2012.

A hearing to determine if the proposed settlement is fair, reasonable, and in the best interests of the Class Members is scheduled to take place in Ottawa or by videoconference on June 12, 2024 at 10:00 a.m.

If approved, the settlement provides that you will receive compensation which is related to the amount that your federal pension transfer amount changed as a result of actuarial changes made by Canada on November 1, 2012. If the Ontario Superior Court approves the settlement, you will receive a preliminary estimate of the payment that you may receive along with an explanation of how that payment was calculated. Once the payment amounts are finalized, you will receive a cheque with your compensation amount.

What are your legal rights and options?

1. Do Nothing	If you support the settlement agreement, you do not have to do anything right now. Please note that by doing nothing, in exchange for the compensation you are eligible to receive under the settlement, you will give up any right to object to the settlement and you will give up the right to sue Canada, OPTrust, OPB, or others on your own in relation to your pension transfer.
2. Opt Out	If you do not want to be bound by the proceeding and the settlement if it is approved by the Ontario Superior Court, you can Opt Out of the class action at that time. More information about how and when to Opt Out will be provided if the settlement is approved. If you Opt Out you will not receive any compensation from the settlement, but you will keep whatever right you may have to sue Canada, OPTrust, OPB or others on your own in relation to your pension transfer. You would be responsible to retain your own counsel, at your own expense, in respect of any such proceedings, and pay any adverse order of costs ordered by the Court if you were unsuccessful.
3. Submit a statement of support	If you do not wish to attend the hearing, but you would like to explain why you support the settlement, you can complete a Participation Form. This form will include your name, address and the reasons why

	you support the settlement. The Participation Form is enclosed. You must mail this form to RavenLaw LLP and it must be received or postmarked by no later than June 3, 2024 .
4. Object to the proposed settlement	If you do not wish to attend the hearing, but you would like to object to the settlement, you can also complete a Participation Form. This form will include your name, address and the reasons why you object to the settlement. The Participation Form is enclosed. You must mail this form to RavenLaw LLP and it must be received or postmarked by no later than June 3, 2024 .
5. Participate at the settlement hearing	You can attend the approval hearing of the Ontario Superior Court on June 12, 2024 at 10:00 a.m. to participate in the proceeding and seek permission to voice your support or objection to the proposed settlement. The Court will decide if you will be permitted to make oral submissions at the time of the hearing. The hearing will take place either in Ottawa or by videoconference.

How much compensation am I eligible for?

Under the proposed settlement, the amount of compensation you receive will be calculated based on the difference between the amount required to transfer your pensionable service from the provincial pension plan to the federal pension plan after November 1, 2012 and the amount that would have been required if you had elected to transfer your pensionable service before that date. The level of compensation will also depend on: (1) where you were in the pension transfer process as of November 1, 2012, and (2) the effect of any delays on the part of the Defendants under the applicable pension transfer agreements in processing your pension transfer.

The settlement agreement includes the following allocation of settlement funds:

Group 1: Any Class Member who signed their Appendix B1 form before November 1, 2012, or, all else being equal, would have signed their Appendix B1 form before November 1, 2012 if all timelines under the Pension Transfer Agreement had been met by the Defendants.

By way of example, a Class Member who signed their Appendix B1 form on November 9, 2012 but for whom one or more Defendants exceeded timelines in the Pension Transfer Agreements by a total of 10 days would fall into Group 1.

It is anticipated that members of Group 1 will receive approximately **85%** of the difference between the amount required by the federal pension plan on the basis of the November 1, 2012 actuarial assumptions and the amount that would have been required by the federal pension plan on the basis of the actuarial assumptions before November 1 2012, as at the Payment Date.

Group 2: Any Class Member who is not part of Group 1 and whose Appendix B1 form was issued before November 1, 2012, or, all else being equal, whose Appendix B1 form would have been issued before November 1, 2012 had all timelines under the Pension Transfer Agreement been met by the Defendants.

By way of example a Class Member whose Appendix B1 form was issued on November 9, 2012 but for whom one or more Defendants exceeded timelines in the Pension Transfer Agreements by a total of 10 days would fall into Group 2.

It is anticipated that members of Group 2 will receive approximately **65%** of the difference between the amount required by the federal pension plan on the basis of the November 1, 2012 actuarial assumptions and the amount that would have been required by the federal pension plan on the basis of the actuarial assumptions before November 1 2012, as at the Payment Date.

Group 3: Members who do not fall into one of the above categories.

It is anticipated that members of Group 3 will receive approximately **50%** of the difference between the amount required by the federal pension plan on the basis of the November 1, 2012 actuarial assumptions and the amount that would have been required by the federal pension plan on the basis of the actuarial assumptions before November 1 2012, as at Payment Date.

Note: The above amounts are inclusive of all pre and post judgment interest. The percentages identified above may need to be adjusted up or down in light of the \$2.8 million aggregate cap on payments in the settlement. If you have already received compensation from one of the Defendants with respect to the issue raised by this class action, the amount of that compensation you previously received will be deducted from the amount you are entitled to under this agreement. A copy of the agreement is available at ravenlaw.com, psacunion.ca, and pipsc.ca.

The Defendants have agreed to pay legal costs in the amount of \$250,000, inclusive of any taxes and disbursements. Legal fees will not be deducted from amounts to be paid to Class Members.

If you are a Class Member, you must ensure that your contact information is up to date with the Government of Canada Pension Centre. If you need to update your current mailing address or email address please email the Pension Centre at SPAC.SHERecoursSHEAction.PSPC@tpsgc-pwgsc.gc.ca.

If you have any questions, please direct all inquiries to Class Counsel at the following contact information. Please do not contact Canada (other than to update your contact information), OPTrust or OPB.

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