PENSION I

A NEWSLETTER FOR ONTARIO TEACHERS

FALL 2013

Occasional teaching and your pension

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Photography: Gerald Allain

INSIDE THIS ISSUE

SUPPLY AND DEMAND

Susan volunteered with Girl Guides of Canada, her local church and in schools. "Teaching is my passion. Working with kids in any capacity kept me in the teaching head space and helped me put some of the skills I learned in teachers' college into practice," she says.

"It took me one year just to get an interview with the school board to be placed on the occasional teacher list," she continues. "When I got the call, I was working at my part-time clerical job. I was so excited. I called everyone I knew to share the exciting news."

Susan made the occasional list last June, and immediately started taking placements. She says she's been lucky because she gets called on a steady, regular basis.

Each evening, between 6pm and 10pm, Susan waits for the call from the board's automated system telling her where she's been placed for the next day. If she doesn't get the call in the evening, then she knows there's a good chance it'll come between 6am and 9am the next morning.

"If I get a call to go to a new school, I have a hard time sleeping the night before. What will the students be like? Will I be able to find my way around? What should I expect?"

Once she arrives, and the bell rings, her nerves settle and she hits her stride. She considers the exposure to the vast array of GTA schools a learning experience unto itself. While she hones her teaching skills and makes connections across the school board, there was an element of occasional teaching that caught her off guard.

"It took me a bit by surprise when I saw the deduction for my pension off of my first paycheque. It never occurred to me that without a contract in place or a full-time position that I would be paying into the pension plan," she admits.

"But I know that every little bit counts. It's better to start building toward my future now, rather than putting it off."

Every little bit counts

Susan is right in her thinking that every little bit counts. Every day that an occasional teacher works counts toward a retirement benefit. And it doesn't take long before the credit in the plan starts to add up.

Last year, 15% of the members that joined Teachers' were 24 years old. On average, they worked 50 days throughout the school year. Even by working roughly one-quarter of the school year, those members will have earned a pension value of about $1,600.

THEN AND NOW:

Whether it's emailing you an article from Pension News Online that we think is relevant to your personal situation, or having a "conversation" with you on one of our social media channels, you now have more flexibility than ever in how you choose to receive news about your pension plan.

Emails

Our Pension News Online and promotional emails got a new look, but the improvements go beyond aesthetics.

You received text-only messages, with no images. To read a story, you likely had to cut and paste a link to the story into your browser.

Now: You will be able to click straight through to content, directly from the email. The emails will also be mobile friendly, so you can keep up with plan news on-the-go. You'll have a much more visually appealing experience, with the addition of colours and images. You can opt to receive news about the plan electronically by logging into *i*Access Web, our secure member website, and updating your preferences under "My Profile". When sending you a Pension News Online email, we do our best to tailor the content to what we believe is most relevant to your personal situation.

FAST FACT: More than 170,000 of our members opt to receive updates and plan news through email.

Social media

This summer we celebrated the one-year anniversary of www.facebook.com/myOTPP. Pop quizzes, You Asked Us... videos, and links to relevant articles from trusted sources are just a few of the features you'll find on the page. Dialogue continues with topics ranging from buybacks, funding and retirement planning.

Up until the summer of 2012, Teachers' didn't have a social media presence. We were the first public sector pension plan in Canada to launch a Facebook page for its members.

Now: We've expanded our social media presence to include Twitter (@OTPPinfo) and a YouTube channel (www.youtube.com/OTPPinfo) to give you more options to keep up-to-date with plan news. Our YouTube channel has playlists dedicated to answering your FAQs and videos that lay out need-to-know information.

FAST FACT: Our Facebook community has grown to about 3,000 members. More than half of those people are between the ages of 25 and 54.

Pension News Online

There's no need to log in when reading content at www.otpp.com/PensionNewsOnline. The site launched in 2012, and is updated weekly with new and original content.

Prior to the launch of Pension News Online, you could only download PDF copies of our newsletters.

Now: While you can still find electronic versions of the newsletters, you'll also find breaking plan news, interactive features and articles, exclusive to Pension News Online. We've added an RSS feed to your *i*Access Web homepage and tagged stories by topic and life stage, so you can see the articles that matter to you, as they're posted.

FAST FACT: In 2012, www.otpp.com/PensionNewsOnline garnered more than 90,000 hits. So far, in 2013, the page has had more than 87,000 visits.

GOING MOBILE

Teachers' has launched into the mobile app space, marking a major step in the continuous evolution of our service to members.

"We recognize that more and more of our members are coming to rely on their mobile devices. By developing mobile apps, we are ensuring that we offer service in the channels that are best suited to their preferences," says Tracy Abel, Vice-President, Member Services. "The pension plan is complex. We're creating simple tools that will help our members navigate that complexity, while they work towards their secure retirement."

Why did we go mobile?

Roughly 70% of Canadians use mobile devices. Of those, 97% use their mobile phone at home, and 83% use mobile on the go. The vast majority of these mobile users, about 80%, are using smartphones.*

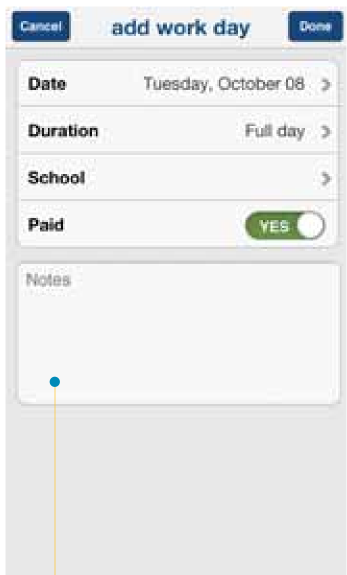
How does it work?

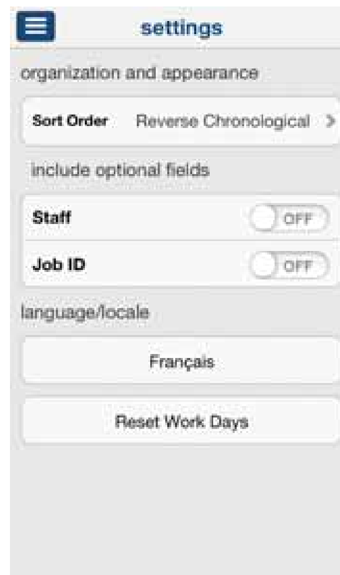
Classtime does not report service to Teachers' or your employer. It's solely intended for your personal use to allow you to keep track of the days you've worked, where you've taught, and whether you've been paid for your time.
The app features helpful tips and answers to your FAQs to help you build credit in the pension plan. If you have questions about how your work days are reported to Teachers', please contact your employer.

*Google Engage Canada Conference, September 2012.

Your tally for the number of days you've worked. This is an easy tool for you to keep track of the amount of time you've worked, and a great resource to cross-reference with your Service Record in *i*Access Web.

Choose the length of work day. Select a full day, half a day or 2/3 of a day.





The log of days you've worked. Scroll through them and select a date if you have additional notes or edits to make.

Tap this icon to add a day.

Track when you've been paid for your work.

Use this section to enter observations or reminders.

Input the name of the staff member you substituted for.

Add the job ID number for each day worked.

GET IT ON Google play

Want More?

www.otpp.com/Worklog

WHEN INTEREST RATES RISE

Each fall, we prompt you to do a pension check up. What's involved? Once a year you receive a Personal Statement of Benefits (PSOB). This statement reflects what you've earned in the pension plan so far, and may include a projection of your future pension benefits.

If you're a typical working plan member, there's a good chance that you have another full year of service under your belt and that your average salary is higher than the year prior. Keeping this in mind, common sense would dictate that the commuted value of your pension, or the lump sum needed today to replace your future pension, would also increase.

This isn't necessarily the case, though. When interest rates increase, your pension's commuted value decreases.

Here's why:

Think of a pension income stream as a mortgage spread out over 20 years, (not taking into account any indexing that would be applied to your pension).

You go to the bank and tell them you're comfortable paying $2,000 a month towards a mortgage for the next 20 years. At a 4% interest rate, you would be able to buy a house worth about $332,000.

If the interest rate increases to 5%, you would only be able to afford a home around $306,000.

Our pension plan is highly sensitive to fluctuations in interest rates. When rates go up, our liabilities — i.e. pension values — go down. Just like when bank mortgage interest rates go up, the value of the home you can afford to buy goes down.

How will this affect you?

Ups and downs in your commuted value between now and retirement will not affect how your pension is calculated. If you're like the vast majority of our plan members, you'll retire and collect a monthly pension benefit. Since our plan is a defined benefit plan, your monthly pension benefit is calculated based on a formula that takes into account the average salary of your "best 5" years and the number of years that you've contributed to the plan. Unless you're planning on leaving your career in education before retirement and cashing out the commuted value of your pension, you won't be affected.

ONLINE **BRIEFS**

Go behind the numbers and see who is taking a leave, and when. While September is traditionally thought of as the start of a new school year, it's also the most common month for maternity leaves to start. Considering a leave? Get some tips on how to plan for it.

www.otpp.com/PensionNewsOnline/CommonLeaves

Do you have credit in another pension plan that's eligible to be transferred to Teachers'? Read our two-part series to learn why you should consider maximizing your credit in your pension plan, and the steps you'll need to take to do it.

www.otpp.com/PensionNewsOnline/Transfers

In this three-part series we explore scenarios of pre-retirement death beneficiaries. If the unthinkable happens to you, what should your loved ones expect from the pension plan? What can you do to ensure that they are able to collect their survivor benefit with as little red tape as possible?

www.otpp.com/PensionNewsOnline/Beneficiary

The conversation continues at
www.facebook.com/myOTPP

With the start of a new school year, we also welcome new members to the pension plan. This year, we've added a special section for new members. By clicking the "Your Life" tab at the top of our page, newcomers to Teachers' can explore content tailored to them, with links to pertinent information about their pension plan, an interactive feature, and highlights from the conversation at www.facebook.com/myOTPP.

On our timeline, members of our community showed a great deal of pride when it came to Teacher Appreciation Day. Twenty-six people shared our post to show their colleagues just how grateful they are.

In a pop quiz we asked if a certified teacher works as a secretary in a high school, is he a member of OMERS, Teachers' or neither plan. Less than half of respondents knew the correct answer – if you're a certified teacher and working in any capacity for a participating employer in our plan, you're automatically a member of Teachers'.

NEWS BRIEFS

CEM Benchmarking Inc. has ranked our pension service first in the world, for the second year in a row. CEM is an independent research firm that annually measures the performance of pension plans.

Using 2012 data, CEM compared us with 44 other pension systems from around the world. Of these, Teachers' belongs to a "peer" group of 12 pension plans based in North America.

Our total service score was 92 out of 100. Our peers' media score was 82. In particular, our member statements, pension estimates, newsletters, website and satisfaction surveying earned top marks in our peer group.

Teachers' celebrated the opening of our subsidiary, Ontario Teachers' Pension Plan (Asia) Limited, based in Hong Kong.

The office is staffed by local and Canadian investment professionals from the plan's private capital and public equities departments.

"The official opening of the Hong Kong office is an exciting and important milestone for Teachers', reflecting the importance of the Asia-Pacific region to our future growth," said Teachers' CEO Jim Leech. "We are here because we believe there are strong benefits to being closer to current and future partners."

In their new book, *The Third Rail: Confronting our pension failures,* Teachers' CEO Jim Leech and *Globe and Mail* Senior Writer Jacquie McNish analyze problems in the Canadian pension system and propose some enterprising ways to address them. The authors argue that changes must be made now – by employers, government and unions – to evolve the system and keep it sustainable. Sales of *The Third Rail* began Oct. 29.

The Colleges of Applied Arts and Technology (CAAT) and Ryerson University have decided to terminate their participation in the reciprocal transfer agreement with major Ontario pension plans (MOPPs). Here's what you need to know:

CAAT – termination effective Oct. 1, 2013. If we did not receive your application to transfer prior to Oct. 1, 2013, you may still be eligible to buy back your CAAT pension credit in our plan.

Ryerson – termination effective Dec. 31, 2013. Any reciprocal transfer requests made on or before Dec. 31, 2013 will be completed under the terms of the MOPPs Agreement. After this date, you will not be eligible to transfer the commuted value of your accrued benefits/contributions but may be eligible to buy back your Ryerson Plan pension credit.

If you have credit in the Ryerson Plan that you would like to transfer to Teachers', or buy back your CAAT pension credit, please call our Member Hotline (1-800-668-0105) to discuss your options.

Pensionwise™ is published for members of the Ontario Teachers' Pension Plan.

We appreciate your comments about anything you read in *Pensionwise*. Please e-mail: member_communications@otpp.com

Ce bulletin est disponible également en français.

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