

PENSIONWISE

A PUBLICATION FOR ONTARIO TEACHERS

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SWITCHING KEYS

Joel Corriveau took a chance when he switched careers to become a music teacher

Image: Gerald Allain

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SWITCHING KEYS

A second-career teacher talks about his first long-term occasional (LTO) placement.

Music and kids have always been the refrain of Joel Corriveau's working life. Before becoming an occasional teacher with the Toronto District School Board, he taught at a Toronto-based music program for toddlers and pre-schoolers.

The decision to switch careers wasn't an easy one, he admits. He and his wife are raising two young daughters in Toronto, where the cost of living is weighty. But, the long-term security of a defined benefit pension plan helped to tip the scale. "I'm winning both ways, because I am investing in my future, but I am also loving what I am doing each day at a time," Joel says.

Joel reflects on his first career, which gave him a chance to sing with kids, parents, caregivers and grandparents. "I would see some of the kids on a regular basis from when they were babies to pre-schoolers. It was pretty awesome to see that development happen."

A vocal injury forced Joel to hit pause and take a three-month break. "When that was my sole source of income that was terrifying. It was right around the time that teachers' college applications were due," he said. "I had always thought about applying to teachers' college, but never made the leap. At that time, it seemed like my body was telling me it was time to change."

Family members and friends warned him that starting a teaching career wouldn't be an easy road to take. "But, I maintained a sense of optimism and volunteered to build experience and relationships," he says.

Finding a full-time permanent position is tricky. Roughly 1-in-5 of our working members are occasional teachers. In 2015, shortly after he graduated, he landed an LTO position teaching music in an elementary school.

"A lot of what I'm doing as a first-year teacher is finding out what works. So, I feel like I'm learning as much as the students are," he says.

"If I had a lesson plan on paper and it's not going where I want it to go, I'm going to change it to what my students need, rather than ride that lesson plan right into the ground. There is so much room for improvisation in teaching. I love it," Joel continues.

"I really want to continue to be a music teacher. There is so much uncertainty about where I'll be next year, but to know that there is some financial certainty at the end of my career, that's a bonus of the investment of my time and experience."



GET TO KNOW JOEL:

Age: 34

Band currently on his playlist:
The Strumbellas

Guilty pleasure: Dancing to Taylor Swift with his daughters who are 2 and 3 years old

Musical history: At age 7 he took classes where he "played recorder, ate poppy seed muffins with warm water and danced around a May pole." In high school, friends taught him to play guitar. He studied Electroacoustics at Concordia University

Nods and accolades: Joel produced two Splash 'N Boots albums, Coconuts Don't Fall Far From the Tree and Songs From the Boot. Both picked up Juno nominations for Children's Album of the Year (2014 and 2016, respectively)



The onus is on you to apply for your pension. If you wait to apply until after your resignation date, you may lose pension payments.

PENSION APPLICATIONS MADE EASY

You're in the home stretch. You've worked hard your entire career and now you're counting down the days until that final bell rings on the last day of school in June.

Take these four steps to ensure you don't have any hiccups when you apply for your pension online.

1. **Make sure you submit a resignation letter to your employer.** You need to give this letter to your employer before your last day of work.
2. **Upload all of your documents to your online account.** You can do this at any point during your career, even if you're years away from retiring.
3. **Think about the survivor pension level you'll want to select if you have an eligible spouse or dependent children.** The default is 60%, but this isn't necessarily a one-size-fits-all situation. If you expect your spouse to outlive you, and they're financially dependent on you, you may want to select a higher level (or a lower level if the opposite is true for your situation).
4. **Apply for your pension.** Have a cheque handy when you do. We'll need your banking information so that we can set you up for direct deposit.

TIP: You can select a higher level at any time during your career. You can always change it back to 60% when you apply for your pension.

TIP: Don't use cheques? Not a problem. Get a direct deposit form from your bank (some will even let you download it directly from their website). You can upload the form to your online Ontario Teachers' account, fax (416-730-7807) or email (inquiry@otpp.com) it to us.

PENSION APPLICATIONS BY THE NUMBERS:

98%

98% of applications for a July pension are done online. Not registered for an online account? Give us a call and we'll set you up. Register between Feb. 1 – March 31 to be entered into a draw.

Check out
www.otpp.com/contest2016
to learn more.

10

It takes about 10 minutes to apply for your pension online.

1,000

March is the most popular month for pension applications (we typically receive about 1,000). You can apply for your pension up to four months before you retire, and July is our most popular month to start retirement.

Want More?



reel Retirement
MARION'S STORY

Check out Reel Retirement, our series that follows Marion, a member of our plan, as she retires. Learn how she decided when it was her time to retire, and get practical tips to help you through the process.

Watch her journey at www.youtube.com/OTPPinfo

UNDERSTANDING INFLATION

In Part 2 of our Science of Sustainability series, we explore how inflation protection keeps your plan strong. Visit www.otpp.com/PNOL to read Part 1, the Demographic Balancing Act.

Inflation adjustment is a feature of your plan that will help you keep up with the cost of living during your retirement. It's also a tool we use to keep your pension healthy by adapting to the ever-changing economic and demographic tides.

The big picture

Every year we check the financial health of our plan to make sure we can pay pensions for the next 70 years and beyond.

Inflation protection is a lever that can be adjusted by our plan sponsors, the Ontario Teachers' Federation and the Ontario government, in the event of a funding surplus or shortfall.

Inflation protection on pension credit you earned after 2009 will depend on these financial checks. Protection on credit earned between 2010 and 2014 can range between 50 and 100% of the rate, and between 0 and 100% for credit earned in 2014 and beyond.

These adjustments have a big impact on the plan's sustainability. Take a look at how inflation protection has helped us keep the plan strong:

- In 2012, we projected a **\$9.6 billion funding shortfall**. As a result, inflation protection levels were scaled back to 50% for pension credit earned between 2010 and 2013 and 45% for post-2013 credit. If we had provided full inflation protection on all credit, we would have faced a **shortfall of \$14.8 billion**.
- In 2014, we projected a **\$5.1 billion funding surplus***, so the inflation protection level for pension credit earned after 2009 was increased to 60%. If we provided full inflation protection on all credit, we would have faced a **\$13.6 billion shortfall**.
- And in 2015, a portion of the **\$6.8 billion funding surplus*** was used to increase inflation protection to 70% for pension credit earned after 2009. If we provided full inflation protection on all credit, we would have faced an **\$8.7 billion shortfall**.

* A portion of the surpluses was used to restore pensions to the level they would have been at if full inflation protection had been provided at Jan. 1, 2014 and 2015, respectively.

Finding your footing

We can't predict the future, or what our funding status will be when you are retired.

We do know you'll still receive a solid pension based on how long you worked and how much you earned.

If the bulk of your career spans before 2010, then the majority of your pension will receive the full inflation adjustment.

If you're midway through, or just starting your career, then chances are a considerable portion or the bulk of your pension credit will be earned after 2009, and inflation protection won't be guaranteed.

You still have plenty of time to plan for your retirement. Make sure you understand all the sources of your retirement income – your Ontario Teachers' pension, personal savings and government pensions.



Explore inflation online at
www.otpp.com/inflation-pw

While you're there, take our quiz to
see how ready you are to retire.



THE BUYBACK DECISION

Having kids and juggling a career is a bit like walking a tightrope. There's a myriad of decisions you need to make during those early years, and sometimes it feels like if you make the wrong one, you'll stumble off of that wire and come tumbling down.

When it comes to deciding whether or not to buy back your leave, we know that your situation is unique. Here are three things to consider when weighing your options:

1

It's a sound investment.

Knowing where to park your money is tricky when volatility in the markets has become the new normal. Your Ontario Teachers' defined benefit pension will provide you with a monthly retirement income that is determined by a formula based on how much you earned and how long you worked, not investment performance.

TIP: Check out the Buyback Centre in your online Ontario Teachers' account to explore different payment options and timelines. You can buy back a portion of the credit if you feel the total sum is out of your financial reach, and you have five years to pay from the time your leave ends.

2

Keep your buyback simple.

Tell us you intend to buy back by April 30 of the year following the end of your leave. For example, if your leave ended in January 2015, you have until April 30, 2016. This won't lock you into a buyback – you can still decide not to – but it will ensure a less complicated tax situation.

TIP: You can give us your intent in the Buyback Centre of your online Ontario Teachers' account, or by calling us. If you waited until after April 30 of the year following the end of your leave, then give us a call.

3

Download BabySteps, our app.

Track your buyback and important deadlines.

TIP: Read exclusive blogs about balancing life as a new mom and a teacher and learn more about buybacks.



BabySteps turns one! It's been a big year since we launched our first secure app. Here are some highlights:

- More than 2,300 new moms have downloaded the app
- Our top users are, on average, 36 years old with a maternity leave from the past three years
- We've published 36 exclusive blogs from parenting pros
- Oxford, our buyback expert's mini video series has garnered nearly 5,000 views on www.youtube.com/OTPPinfo and www.facebook.com/myOTPP

DIGITAL BRIEFS



Keep up-to-date with plan news, as it happens.

Subscribe in your online Ontario Teachers' account.



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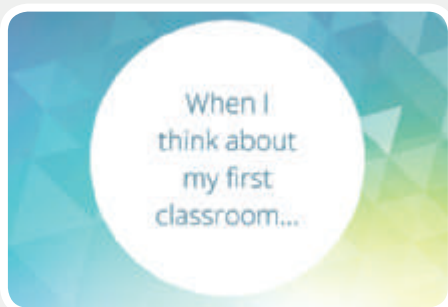
STICK A PIN IN IT

We're on Pinterest

Pinterest puts you in the driver's seat. As you explore www.pinterest.com/myOTPP, you'll find pins that are helpful or that resonate with you about life as a teacher. By re-pinning these to your own boards, you'll build a personal library of what you want to read (or watch).

Top Facebook Post

More than 70 members of www.facebook.com/myOTPP helped to finish this sentence:



Janis: I smell freshly sharpened pencils and feel the pages of brand new text books.

Shirley: My first teaching assignment, morning kindergarten in one town, drive on lunch to another community 30 min. away to teach JK afternoon... Loved my job and the kids until I retired last year.

Register online to attend our Annual Meeting

Want to learn more about your pension plan, our 2015 results and our investment program?

Come to our Annual Meeting.

Date: Thursday, April 7

Time: 4:45 p.m. – 7 p.m.

Place: The Carlu (444 Yonge Street)

Register at www.otpp.com/AnnualMeeting by April 5.

If you can't make it, we'll be live tweeting (@OTPPinfo) and will have a live webcast (www.otpp.com/Webcast).

Registration contest

Register for an online Ontario Teachers' account between Feb. 1 and March 31 for a chance to win an

**Apple iPhone 6,
iPad Air, or CF SHOP! Card.**

Check out

www.otpp.com/contest2016
to learn more.

NEWS BRIEFS

Win an Apple iPhone 6, iPad Air or CF SHOP! card®



Call 1-800-668-0105 between Feb 1 – March 31
to register for an online account and a chance to win

See www.otpp.com/contest2016 for more details

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

We appreciate your comments about anything you read in *Pensionwise*.

Please email: member_communications@otpp.com

This newsletter does not create any right to benefits. Your entitlements and those of your survivors are and will be governed by the language of the pension plan text. The information contained in this newsletter is not intended to be relied upon in relation to any particular circumstance.

Ce bulletin est disponible également en français.

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NEW CIO APPOINTED

Bjarne Graven Larsen joined Ontario Teachers' on Feb. 1 as our Executive Vice-President and Chief Investment Officer.

Bjarne is the former CIO and executive board member of ATP, Denmark's largest pension plan and the fourth

largest in Europe. He was most recently Chief Financial Officer at Novo A/S in Copenhagen.

You can meet Bjarne at our Annual Meeting, on April 7 in Toronto. Register at www.otpp.com/AnnualMeeting

Return undeliverable Canadian addresses to:

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