TEACHERS' PENSION PLAN ONTARIO

PENSION UPDATE

MARCH 2004

Strong partnership gets results at Thames Valley

The Thames Valley District School Board is our latest employer to be recognized for their excellent pension reporting practices—congratulations!

Let the party begin—Thames Valley is ready to celebrate! That's how excited they were to hear the news that they are this year's recipient of our employer excellence award.

"We're just absolutely thrilled," exclaimed Karen Meeson, Manager of Payroll Services, when we called to tell her the good news. "I know how hard my staff works and it's great to see them acknowledged in this manner."

Fast facts...

- ✔ 6,500 members are employed at 186 schools serving more than 80,000 students
- ✔ located in London, it's one of the largest public boards in Ontario, serving an area that spans 200 km and 7,000 sq. km
- ✔ six staff deal with teachers' pensions (one full-time)

Left to right: Brian Greene, Executive Superintendent and Bill Bryce, Director of Education, present the Award of Excellence to Karen Meeson, Sharon Piwowarczyk and Lisa Newton.

Largest board honoured so far

Thames Valley is the largest board we've recognized for their excellent reporting practices—that's what makes their responsiveness and accuracy even more impressive.

They went through a very difficult amalgamation—bringing four different payroll systems into one was especially challenging. Karen credits their amalgamation success, and their ability to maintain clean member data, to her staff's tireless efforts during that transition period.

Continued on page 2

What's inside

Spotlight on Thames Valley DSB

Continued from page 1

"Today, when we see a lot of names on our outstanding requests, we get really nervous," says Sharon Piwowarczyk, Supervisor of Payroll Services.

Lisa Newton is the one full-time staff dedicated to pension reporting and has been working with TPP for three years. Both Karen and Sharon have been working with TPP in one way or another for over 12 years. Karen was an Internal Auditor for the former Board of Education for the City of London; Sharon was the Payroll Supervisor at the former Middlesex County Board of Education. Both have noticed big changes, especially in the past few years.

Reporting excellence

Below are some examples of Thames Valley's commitment to excellence:

- ✔ 7-day average response time to requests for information
- ✔ Strong supporter and active user of TIM
- ✔ Proactive in finding solutions to improve pension reporting
- ✔ Send all required information and payments promptly (e.g., new grids provided immediately following changes to collective agreement)
- ✔ Hosted employer workshop in fall 2003

> *"Understand reporting, learn TIM and what all of the messages mean. If you catch things early, you can avoid bigger problems. TPP has come a long way to listen to us and try and understand our needs better—turnaround is fair play."*
>
> **Karen Meeson, Manager of Payroll Services**

"Processes like payroll-based reporting and TIM provide us with much more detailed data and information. This enables us to pinpoint and resolve reporting issues much faster and more efficiently," says Sharon.

"In addition, the communication between school boards and TPP has come a long way. We're kept well informed of changes to reporting procedures—communications like bulletins and special notices help clarify specific areas and head-off larger problems."

Sharon also enjoys the opportunities to meet some of the people from TPP. "It gives us a chance to put faces to the names of the people we talk to regularly. We couldn't resolve things quickly unless we have good people to work with—we really enjoy working with Jeff and his team."

Active TIM users

Not only has Thames Valley contributed to the development, testing and ongoing improvement of the Teacher Information Management (TIM) system, they are now one of its most active users.

"Thames Valley often has questions about how to resolve issues in the most effective way. They are very proactive in trying to solve problems and prevent them from occurring in the first place," says Jeff Billard, regional team leader.

"From our perspective, we need to learn more about what TIM can do for us. With regular enhancement releases, TPP has been responsive to requests for ongoing improvement to this valuable tool," commented Sharon.

Award is motivating

When dealing with pension reporting, all employers face many of the same challenges. "We always strive to be accurate and timely—that will continue to be our greatest challenge," adds Karen. "By being recognized in this manner, we know that our efforts are not going unnoticed—this will help motivate us to continue doing a good job."

Congratulations to Karen, Sharon, Lisa and everyone at Thames Valley for a job well done!

Previous selections...

Rainbow DSB (Sudbury)

Hastings and Prince Edward DSB (Belleville)

Algoma DSB (Sault Ste. Marie)

New manager, new teams

A new year has brought changes to the face and structure of Employer Information Services.

Jennifer Atkinson is new manager

We're pleased to announce the appointment of Jennifer Atkinson (nee Ash) to Manager, Member Data and Employer Reporting.

With one regional team reporting directly to her, Jennifer joins Lorie Bissonette and Greg Carroll as managers in Employer Information Services (EIS).

Always worked with employers

Jennifer has been with Teachers' for almost six years. She began her career working on the historical data quality (HDQ) project then moved on to the former Data Services area. Jennifer held the position of team leader in EIS from 1999 until her recent promotion.

Please join us in congratulating Jennifer! ■

Jennifer joins Lorie and Greg as an EIS Manager and is looking forward to the challenges ahead.

Meet your team leaders

(Left to right) Sandra McHugh, Rita Panici, Lorena Ludena, Tricia Kole and Jeff Billard are the current team leaders in EIS.

Fewer regional teams = better support

We believe one of the most important elements to providing your employees with accurate and timely pension benefits is to establish and develop a strong partnership with you. To help us accomplish this, we recently announced some organizational changes that affect your regional team support.

To ensure we always have staff available for you to contact, we increased the number of staff on each regional team by reducing the total number of regional teams (from six to four). In early February, we sent a message introducing the new teams to all of our contacts who have provided us with their e-mail address.

If you need assistance, please contact any member of your new regional team. ■

Click "Contact Us"
on our secure Web site (employers1.otpp.com) to see all of the individuals who share responsibility for supporting your pension reporting needs.

IT ALL ADDS UP TO GREAT SERVICE:

Your employees expect outstanding service from their pension plan—we strive to deliver this level of service every day. 2003 was another great year—find out how you contributed to our strong results.

Teachers' is at the forefront of customer service and is driven by its mandate—to provide immediate, personalized service to its members. Each year, we challenge ourselves to improve our service by setting aggressive goals and objectives. Based on our year-end results and several survey results (see box on page 5), we continue to move in the right direction—up!

Of course, none of our success is possible without your cooperation and support. As we continue to look for ways to maximize the speed and value of the information we provide to members, you will continue to play a large role in our accomplishments.

TRACKING PRODUCTION EFFICIENCY

Member data is what drives our ability to continue improving service to our members. Better data and faster employer response is making a difference!

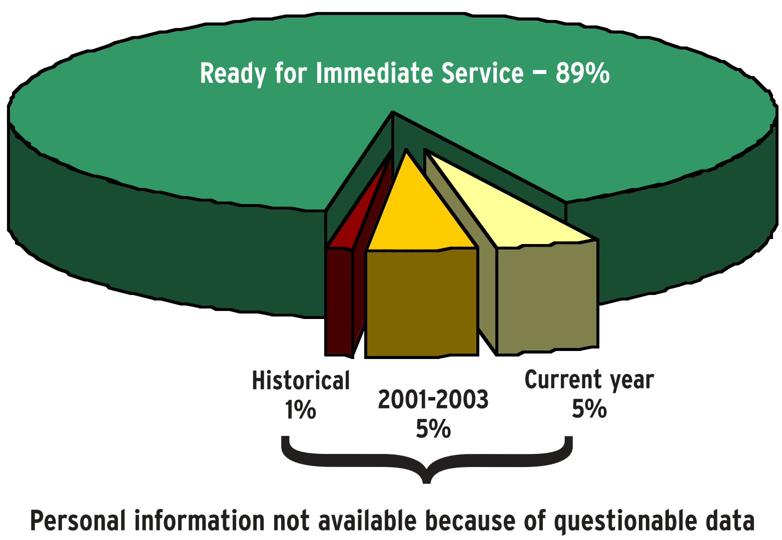
One of the most important statistics our organization tracks internally is called Client Readiness—this measures the number of members that could receive immediate and personalized service if they contacted us today. We ended 2003 with the highest tracking ever—89% of our members had current and accurate data to end the year.

This number has grown considerably over the past few years, thanks in large part to payroll-based reporting. The accuracy and frequency of data reporting is critical to our ability to provide prompt personal service.

2003 BY THE NUMBERS

$700M	CONTRIBUTIONS COLLECTED FROM EMPLOYERS
83%	MEMBERS WHO RECEIVED ANNUAL BENEFIT STATEMENTS REFLECTING SERVICE TO AUGUST 31, 2003
161,429	ANNUAL STATEMENTS ISSUED (MOST EVER)

READY TO SERVE



As you can see in this chart, reconciling 2001 and 2002 will go a long way toward increasing the number of members that are able to receive immediate and personalized service.

FAST FACT

IN 2003, WE RECEIVED 39,900 INQUIRIES FROM MEMBERS THAT REQUIRED USE OF PERSONAL DATA. BECAUSE OF OUR EFFORTS TO MAKE DATA "READY", WE ONLY NEEDED TO CONTACT YOU 15% OF THE TIME TO PROVIDE SERVICE TO THESE MEMBERS.

Reconciliation critical to success

Survey says...

CEM

The Cost Effectiveness Measurement (CEM) is an independent organization that surveys various types of pension plans to provide insight into their cost, return, risk and liability performance.

A large component of this annual ranking is based on service to clients—in the latest study, we ranked second in our peer group (19 plans, including OPTrust and Ohio State Teachers') and fourth overall (62 plans from Canada, U.S., Australia and the Netherlands).

We also scored very well on our technological capabilities, specifically:

- electronic collection of member data,
- access to member data and calculations during phone calls, and
- systems to detect and correct service errors.

QSI

An independent research firm also provides us with a Quality Service Index (QSI) rating. This index, compiled using direct feedback from members, measures how they rate our performance on a broad range of services.

The external firm conducts surveys regularly throughout the year, by telephone and through the mail, to assess the speed and quality of our services as well as the communications we send to members. In 2003, we maintained our high overall rating.

9 OUT OF 10

Reconciliation goals for 2004

Over the next few months, we will be working closely with you to reconcile your 2001 and 2002 accounts.

The reconciliation process is critical to ensuring the accuracy of data and confirming the member contributions you sent us during previous calendar years. It directly impacts the levels of service we can provide to members.

We have already begun the review process with many of you (i.e., sent reports for your review and contacted you to discuss your preferred timelines). Our target for completing this process is August 31, 2004.

Please contact us if you need any assistance meeting this target. Let's work together to ensure members receive the service they've come to expect! ■

Reconciliation tips

TIM, the Teacher Information Management system, is the backbone for our service system.

The data you send to us through TIM feeds the up-to-date member information we need.

Use TIM to help meet this year's reconciliation objectives. Specifically:

- ✔ **If you reported on a payroll basis in 2001 or 2002, you can correct data and provide resolutions online.**
- ✔ **Use the reconciliation page to view details regarding your remittance information and details on issues that need to be resolved.**
- ✔ **All LTIP information is available online under the "LTIP Summary".**

Reminders

Cessation of Employment

Since September 1, 2001, members have been able to become re-employed prior to receiving their first pension payment. However, it is still critical that a complete termination of employment occurs prior to, and independent of, any plan for re-employment.

Checklist

To determine if a bonafide cessation of employment has occurred, ask yourself:

- Has a retirement gratuity been paid?
- Have the employee's benefits ceased?
- Is employee replacing themselves?
- Is there an arrangement to settle up?
- For LTIP members, have LTIP payments to employee and us ceased?

Valid Resignation/Termination

For a "bonafide cessation" to occur, members must terminate their employment contracts with you. For a valid termination, the following must occur:

✔ your Board of Trustees has approved the formal resignation and it has been accepted without conditions;

✔ you have paid, or have made arrangements to pay, any gratuity the member is eligible to receive;

✔ employee benefits associated with the original position have ceased; and

✔ any implications arising from termination of employment under the Collective Agreement are invoked.

An immediate return to the same position does not constitute a valid resignation because no cessation of employment has occurred. As long as members meet the above conditions, they have established a valid resignation and current re-employment guidelines will apply.

While employees may return to employment after retirement, they cannot pre-arrange the continuation of employment. However, there is no specified time period members have to wait to return to employment after they have resigned.

Re-employment Reminders

- The current re-employment limit is a maximum of 95 days in any school year.
- Employment prior to retirement in a school year does not count toward the 95-day limit for the same school year.
- Re-employed pensioners must notify you and us if they exceed the 95-day limit. ■

Secondment Changes Effective for 04/05

Effective September 1, 2004, borrowing employers will be removed from the actual reporting process—the lending employer will be solely responsible for all pension reporting requirements for seconded employees.

Detailed Agreement Must Exist

In addition to changes in the reporting procedure, there are two conditions that must be met for seconded employees to continue contributing through their employer:

✔ a written agreement exists between the lending and borrowing employer, clearly indicating the employee will return to work for the lending employer, and

✔ the secondment arrangement is for a fixed period of time—there must be a start and end date identified on the agreement. ■

How to Report Secondments

Lending Employer

The lending employer is responsible for all pension reporting. If you have employees who meet the two conditions:

- Provide calendar details for the employee's seconded position (i.e., work days).
- Report all service and contributions for the duration of the secondment.
- Ensure all reported earnings are pensionable.
- Use Event Code 30 to identify the secondment on your payroll transmission (if you report annually, contact us when you make an arrangement).

  Event Code 30

- Report the pension adjustment (PA).

Borrowing Employer

Do not report any service or contributions—make contribution remittance and reporting arrangements directly with the lending employer.

Briefly…

Avoid interest, help improve service

Something "outstanding" is not always a good thing. Take contribution discrepancies for example.

If you receive a contribution discrepancy invoice from us, the easiest way to avoid interest charges for outstanding contributions is to review your invoice as soon as you receive it. If you have any questions about member information appearing on the invoice, please contact us immediately.

All underpayments are subject to standard rate plus 4% interest charge from the original due date to the date of payment.

In addition to avoiding interest charges, making payment prior to the due date enables us to provide your employees with immediate service. ■

TIM and confidentiality

Protecting the confidentiality of our members' personal information has always been fundamental to the Teachers' Pension Plan.

In our last issue, we discussed our new privacy code (December 2003, "Protecting Privacy"). In developing our Privacy Code, we conducted a thorough review of our practices and re-examined why we collect, use and retain certain personal information.

When using TIM

As we continue to expand our various reporting tools, we anticipate that you will spend more time using the Teacher Information Management (TIM) system. As this system displays members' personal data, safeguarding the information that appears online is critical to protecting their privacy. ■

Using TIM? Please remember to do the following to ensure confidentiality:

- Never leave your computer unattended with work displayed on the screen—logoff when you're not using the system.
- Ensure you store, transmit and dispose of all forms of your employees' personal information in a secure manner (e.g., locked cabinets for storage, shredding machine or locked recycling bins for disposal).

Wanted: 2004/2005 Calendars

If you haven't already done so, please send us your 2004/05 school-year calendars and/or payroll schedules as soon as possible. Although we prefer to receive your calendars via e-mail or fax, you can provide this information in the most convenient method for you.

If you have any questions, or need our assistance, please contact Lorena Ludena at 416-228-6803 or 1-877-812-7989, extension 6803.

Importance of calendars

Capturing your specific calendar properties enables us to provide your employees with accurate pension credit and benefit accrual.

They are not only an important component of our numerous online reporting tools, but they are also critical to many of our member Web service features (i.e., pension estimates, purchases, etc.). ■

Benefit questions?

If your employees have questions about their pension benefits, please ask them to contact our Client Services department.

For example, employees may have questions about their survivor benefit options, specifically naming beneficiaries or choosing whether to increase the benefit amount.

Whenever your employees need help making these types of decisions, a pension benefits specialist will provide personal customer service by phone, letter or e-mail. Here's how they can reach Client Services directly. ■

Member hotline
(416) 226-2700
1-800-668-0105
(toll free)

E-mail
inquiry@otpp.com

2003 INVESTMENT RESULTS: THIRD BEST RETURN IN FUND'S HISTORY

BY THE NUMBERS

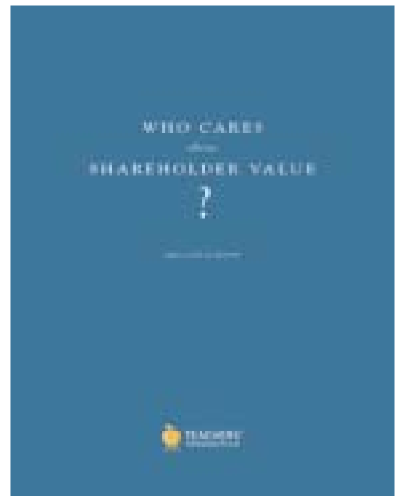
18%	RATE OF RETURN
11.1%	RATE OF RETURN SINCE 1990
$75.7B	NET ASSETS
$11.4B	INCOME FROM INVESTMENTS (MOST EVER)

We recently released our *2003 Annual Report*. The box shows some highlights from last year's investment performance.

COPIES AVAILABLE

We included a copy of the *Report to Members*, the abbreviated version of our annual report, with this newsletter.

If you would like a copy of our full *2003 Annual Report*, please e-mail **linda_keon@otpp.com**. ■



How to reach us

Our business hours are Monday to Friday, 8 a.m. to 5:30 p.m.

Please contact us whenever you need assistance or if you experience any technical difficulties while using our web applications.

Employer Information Services
Ontario Teachers' Pension Plan Board
5650 Yonge Street
Toronto, Ontario
M2M 4H5

Employers

Toronto area	(416) 227-7525
Toll-free	1-866-867-9147

Members

Toronto area	(416) 226-2700
Toll-free	1-800-668-0105

E-mail	eisinquiry@otpp.com
Employer Website	employers1.otpp.com
Corporate Website	www.otpp.com

Toronto area	(416) 730-7807
Toll-free	1-800-949-8208