TEACHERS' PENSION PLAN ONTARIO

PENSION UPDATE

MARCH 2006

Hastings and Prince Edward does it again

This year, we are once again recognizing Hastings and Prince Edward DSB for their commitment to reporting excellence. We also have two honourable mentions for 2006 – Halton DSB and Simcoe County DSB.

Talk about not resting on your laurels! Four years since being honoured, the Hastings and Prince Edward District School Board has done it again.

"It is so great to receive recognition for our efforts and once again be recognized as one of the best in the province for pension reporting," said Arlene Dagenais, Manager of Payroll and Benefits.

Reporting excellence

- ✔ **3-DAY** average response time to requests for member information
- ✔ **98%** of data received is reliable for use in benefit calculations—no additional validation work is required
- ✔ **98%** of employees have no data issues—we can process most service requests immediately

"When I told our team about the award, it was a huge boost to morale at this busy time of year."

TIM makes a difference

Hastings has consistently improved their results over the years by regularly resolving issues in TIM. For example, they go to their Work Centre after every payroll production run—it's the last step in their processing schedule. This has proven to be very efficient use of their time—dealing with issues when they are fresh in everyone's minds.

TIM has also eliminated a lot of waiting around. "With various reports now available on TIM, we control when we start the reconciliation process," added Lori Thompson, Payroll Coordinator. "We can start without having to request and then wait for reports to be produced and sent."

Continued on page 2

Coming soon...

Over the next two months, we will be travelling across the province to conduct employer workshops.

See page 3 to find out where we will be holding our 11 sessions in April and May.

■

What's inside

Employer excellence for 2006

Previous selections...

- Rainbow DSB (Sudbury)
- Hastings and Prince Edward DSB (Belleville)
- Algoma DSB (Sault Ste. Marie)
- Thames Valley DSB (London)
- York Region DSB (Aurora)

Continued from page 1

Another feature of TIM that Hastings regularly uses is Instant Messaging (IM). "We find IM to be a valuable tool when checking outstanding issues. I get immediate feedback from our EIS team," said Lori.

Valuable feedback

Hastings continues to be an active participant in all workshops and always volunteers to participate in focus groups. They regularly provide us with feedback, especially when it comes to pension management tools in TIM.

Team effort

Everyone at Hastings is grateful to the EIS team they work with on a regular basis. "They are always helpful and we really enjoy being part of the team," added Arlene.

Their EIS team would like to mention that Hastings has already reconciled their 2004 accounts. Congratulations to Arlene, Lori and the rest of the pension reporting team at Hastings: Christine Bell, Sharon Kennedy and Christine Uens. ■

Honourable mention

Halton DSB

Changes to their routines have paid great dividends for Halton. For example, by focusing on ways they can impact service, they decreased their average response time by 10 days in 2005 over 2004! This dramatically improves the service we can provide to their employees.

"We try to be perfect all of the time," says Chris Duncan, Payroll Manager. "While this is a lofty goal, setting internal targets has helped us reduce our overall error rate with our data."

Halton is always looking for ways to improve their reporting processes. "By increasing our awareness of what TIM has to offer, we've made huge strides over the past few years," added Chris.

Dedicated staff

Chris would like to recognize his staff for their efforts: Ina Gratoni, Pam Hutton, Laurie Renaud and Kim Van Zuylen have worked hard to turn things around at Halton. Mayleen Morrison, who has moved on to another position with the board, also contributed greatly to 2005 results.

Fast facts...

- ✔ 3,600 members—office located in Burlington
- ✔ Key stat—Halton employees able to receive immediate service has increased by 5% since year-end 2005!

Simcoe County DSB

Being new to the world of pension reporting hasn't hindered the payroll staff at Simcoe County.

One-year employee Joanne Gemus, Payroll Manager, nor two-year employee Shelley Dahmer, Assistant Payroll Manager, had pension or school board experience prior to working at Simcoe County. This is the main reason the board's recent turnaround deserves special recognition.

"Reconciling 2003 was really tough because neither Shelley or I was around then—we had no payroll experience to fall back on," says Joanne. "We committed to regularly resolving issues in TIM to help make future reconciliation easier."

Great support

In addition to Shelley's tireless efforts, Joanne says that the EIS team she works with is very knowledgeable and always willing to help. Ongoing training and support are the keys to getting even better results.

"All of the changes to TIM have been good ones—it's become very user friendly and has helped make our job easier."

Fast facts...

- ✔ 4,200 members—office located in Midhurst
- ✔ Key stat—97% of Simcoe County employees able to receive immediate service in 2005!

On the Road Again

Back by popular demand…workshops to help you learn more about TIM, discuss common concerns and challenges with your peers, and give us feedback on the pension management tools we provide.

This spring, we're excited to be going places we've never been before—Kenora, New Liskeard and Peterborough to name a few. We will be travelling from one end of the province to the other to help meet the needs of as many of you as possible.

Our focus will be hands-on training for TIM—we introduced a lot of new functionality in 2005 and want to ensure everyone knows how to effectively use our pension management tools. Specifically, we will discuss issue resolution, reconciliation and the purchase verification process. In addition to the training, we'll open the floor to discuss any concerns and suggestions you may have.

Date	Location
April 6	Mississauga
April 10	Toronto
April 12	Thunder Bay
April 20	Kitchener
April 21	Ottawa
May 1	Toronto
May 4	Peterborough
May 5	Kenora
May 11	New Liskeard
May 12	Sudbury
May 19	St. Catharines

As you can see, we have an ambitious workshop schedule this spring—11 sessions in less than two months. With our focus on hands-on training, we need the proper facilities to ensure they are successful—most of the workshops are being hosted by a local school board. Thanks to all those employers who have offered to help us over the next few months.

Space is limited

Since the workshops will focus on TIM, we encourage all regular users, and future users, to attend. Many of the locations can only accommodate 15 to 20 people. Space will be limited and registration will be on a first-come, first-served basis.

Please e-mail **wendy_walker@otpp.com** as soon as possible to register. Remember to include the date and location you wish to attend. ■

2005 Survey Results

The results are in – thanks to everyone who completed our annual survey.

Overall, employers continue to report they are satisfied with our working relationship and the support they receive from our team – this area received the highest overall rating at 98%.

The area scoring the lowest continues to be existing reporting processes (81% satisfied, down from 89% in 2004).

We introduced a lot of new functionality on TIM in 2005. Regrettably, we weren't able to provide workshops as we had in previous years.

In 2006, we aim to spend more time working with you directly to help you take advantage of the many new reporting tools available on TIM. As you know, our workshops kick-off this spring and we plan to support training through additional on-site visits.

What you had to say

Specific comments on reporting processes included:

- TIM slow or resolutions not as efficient as expected,
- reconciliation is difficult, and
- the plan is complex.

We value your feedback and will look for opportunities to make reporting easier.

Verifying purchases through TIM

Last year, we moved several paper and fax-based processes and reports online. One of these was the monthly fax we sent you to verify your employees' leave of absence information.

Triggered by a member purchase request, the leave verification process validates your employees' eligibility and calculations for purchases made through us.

We've designed the online model to compare information supplied by the member to the information we receive from you via payroll reporting or TIM events. If there are no significant discrepancies, we automatically approve the absence.

Where the comparison identifies a difference, we will send you an issue to resolve in the Work Centre. As our systems get better at understanding the integration of employment service and absence events, we will need to contact you less for confirmation.

While the communication level will drop, we will always have questions when:

- information is complex or doesn't integrate properly,
- high risk situations/scenarios,
- your information conflicts with information member supplied, and
- to confirm results.

Tips and reminders

- ☑ Accuracy is critical—double check the contract information and leave dates; ensure they apply to the correct leave.
- ☑ Include the entire leave period (i.e., start date of maternity leave up to the end date of the extended portion of the leave, if applicable).
- ☑ Select "Leave Not Granted" when an employee was absent without your approval.

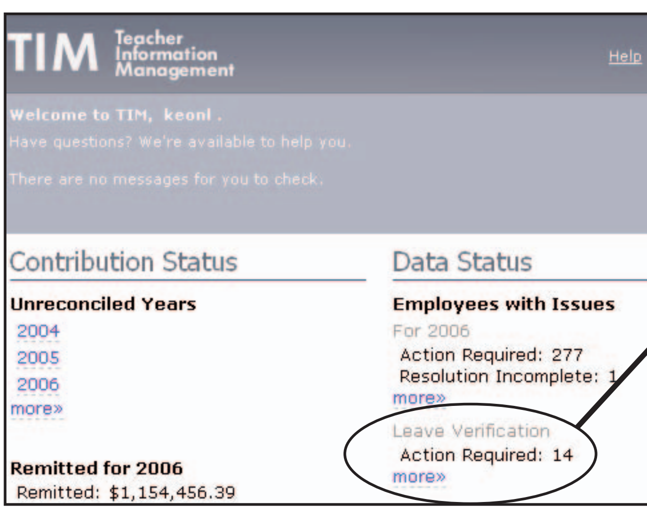
Work Centre

When the "Verify leave information" issue appears in your Work Centre, you can confirm or adjust the contract information, service totals and leave details online.

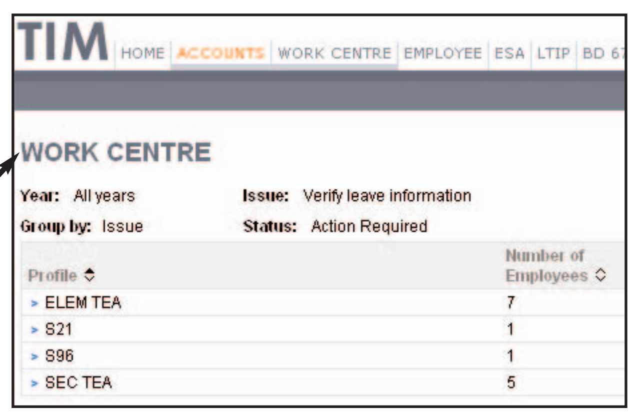
We realize confirming leave information is very different from the other items found in your Work Centre: it's not related to reconciliation and not really calendar-year based. Future TIM releases will provide more effective handling of these requests to make them easier to identify and process.

Feedback

This is a new process and we continue to look for enhancements. We will be discussing it at our upcoming workshops and encourage you to call us if you have any comments or suggestions. ■



New online leave verification process



Closing the books on 2004

Our annual reconciliation is well underway. Over the next few months, we will work closely with you to complete all phases of this important annual process.

Go online for 2004

Late last year, we released new functionality in TIM that enables you to reconcile your accounts online. Many of the new features are based on direct feedback we have had from our employers over the past few years.

The new "Reconciliation At A Glance" page provides a summary of the information and links you need to settle your accounts for all unreconciled years. In addition to new page views and more links to provide you with direct access to the various information you need to reconcile, all applicable member reports for the calendar year are now available online.

They include the most up-to-date version of the following:

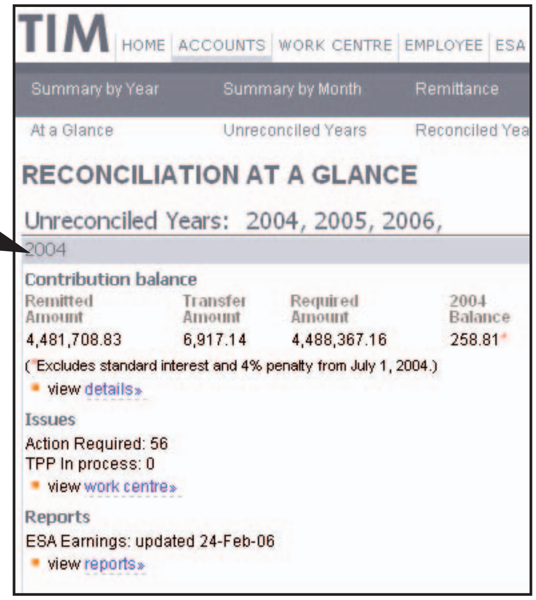
- **Deleted Service**—employee records that have been deleted, including unqualified employees and contributions for re-employed pensioners working under the limits.
- **Member Earnings**—current summary record for each employee reported.
- **ESA Earnings**—current summary record for each employee reported online under "ESA" with service related to a pregnancy or parental leave under the *Employment Standards Act*.

When you make changes to service, the values in the reports will change. Contact us and we will update them online within 24 hours—old versions will not be available. If you want to keep old versions of these reports, you can save them as an Excel file for your reference.

Although we have moved reconciliation online, the process remains the same. You still need to validate service, LTIP, ESA and confirm the final balance to settle your account for unreconciled years.

Reconciliation at a glance

- **Account balances** – view your account balance and track amounts transferred between your accounts.
- **Issues** – those appearing in your Work Centre must be resolved to complete reconciliation.
- **Reports** – ESA, LTIP and member earnings reports, as well as deleted service reports.
- **Checklist** – brief description of all components required to reconcile your account.



Let us help

As always, we want to support you in any way we can during this process. By now, many of you have likely had preliminary discussions with your team and established milestones for completing specific tasks.

If you need us to come out and assist with reconciliation, just call one of your team members and set up a visit.

■

2006 Target

Our goal is to reconcile your accounts by August 31st, including:

- 2004 employment records,
- LTIP and ongoing contributions for ESA leaves (both for the 2004/2005 school year).

REMINDERS

SEND 2006/07 CALENDARS

Your school-year calendars enable us to determine accurate benefits for your employees. As we continue to expand online functionality for both employers and members, our ability to provide useful and reliable tools on our websites relies heavily on having current information on our files.

We collect work days for teachers (elementary/secondary) from the Ministry of Education directly each year. However, we rely on you to provide us with the information for positions that fall outside the regular teaching calendar.

In addition, we need to collect school-year calendars directly from all designated private schools and designated organizations each year.

Thanks to those who have already sent us their 2006/07 calendars. If you have any questions or need our assistance, please contact us.

TIP: DETAILS, DETAILS

The level of detail we need depends on whether the pay group or profile already exists in our database.

EXISTING

Changes to previous school-year calendar that may include:

- pay frequency
- first pay date in school year
- start and end date of first pay period
- pay percentages

NEW

Separate pay schedule for each unique group that includes:

- list of all pay dates
- start and end dates of each pay period
- payroll formula (i.e., monthly, semi-monthly, bi-weekly, work days per period, pay percentages, etc.)

RESPOND IN ORDER OF URGENCY

Each week, you may receive a faxed report called *Outstanding Requests by Priority*. These reports contain detailed summaries of requests where we cannot respond to a member's inquiry until we receive information from your office.

Over the past few years, we've seen a steady decrease in the total number of requests we need to send you. While this has been a great trend, we still need to focus on responding to most sensitive requests first, as quickly as possible.

PRIORITY 1 MOST IMPORTANT

Please respond to outstanding requests in order of urgency. How quickly you respond directly affects how long your employees or their survivors have to wait for important benefit information.

If you need clarification or assistance, contact us immediately so we can avoid delays in responding to our members.

PRIORITY #1:

If you receive a request with a priority 1 code, please respond to us as soon as possible. Here's a guideline for responding to the various codes.

1 **Highest sensitivity**—respond as soon as possible

2 Urgent (overdue entitlement, survivor benefit, legal action)

3 Member awaiting a response (usually to an inquiry)

4 Reporting anomaly (proactive request to solve a discrepancy)

LET US KNOW

Changes in any of the following can have an impact on day-to-day pension reporting. Informing us of changes *before* they happen will help reduce miscommunication.

PAYROLL SYSTEM/PROVIDER

The earlier you inform us, the better. We need to test your data to ensure successful downloading of your transmission after the change. This will help avoid interruptions to the high service levels we provide to your employees.

STAFF

If you hire someone new, or if someone with pension reporting responsibilities leaves or changes jobs, contact us. Help us ensure we communicate to the right people, protect the security of your data and reduce the number of returned communications (i.e., e-mails and regular mailings).

Briefly...

MOPPS change

Earlier this year, we announced a policy decision benefiting members with service in plans covered under the MOPPs (major Ontario pension plans) transfer agreement.

Now, when members have to switch pension plans because of a change in their eligibility status, they don't have to terminate their employment to transfer their credit from one plan to another. This situation has usually involved our plan and OMERS (it does not impact employees enrolled in error).

Application deadlines

Service in more than one MOPPs plan before December 31, 2005 ✏ **June 30, 2006**

Change MOPPs plans after December 31, 2005 ✏ **Six months from date they begin contributing to new plan**

Example

Suzanne works for ABC school board as a head secretary—she contributes to OMERS. During the 2005 March break, the school's French teacher broke her leg in a skiing accident. Having a difficult time finding a qualified supply teacher, the principal asked Suzanne, who is bilingual, to replace Madame while she recuperated.

Suzanne worked under a Letter of Permission effective April 3, 2005 until June 30, 2005—she must contribute to the Teachers' plan during the three-month period. Suzanne has until June 30, 2006 to apply to transfer her three months of credit from our plan to OMERS. By transferring this credit, Suzanne may be able to retire earlier with a larger pension. ■

2005 investment results

17.2%	Rate of return (vs. benchmark of 12.7%)
$96.1B	Net assets
$14.1B	Income from investments

Leaving SINs behind?

When we communicate with you, we rely on Social Insurance Numbers (SINs) to identify your employees. As you know, SINs are one of the most sensitive pieces of personal information and if not handled correctly, your employees' privacy may be at risk

In 2006, we are developing a plan to transition our systems and processes from SIN to an alternative identifier. We will use the upcoming spring workshop sessions to solicit your input—we will rely on your feedback to help us determine the best way to minimize disruption while better protecting our members' privacy.

Once we determine the best alternative, it won't mean that SIN use will disappear altogether. We will continue to use SINs for payroll reporting, but need a better identifier for our day-to-day interaction.

If you have any ideas or suggestions regarding this initiative, please contact us. ■

Mandatory retirement

While your employees can now choose to work past the age of 65, the rules for participation in pension plans are not affected by the provincial government's elimination of mandatory retirement (effective December 2006).

Generally, employees can continue to accrue benefits in a pension plan until the end of the calendar year in which the employee reaches age 69. They must start their pension even if they continue to work past age 69—no contributions are allowed for these employees after November in the year in which they turn age 69.

Fast Facts...

Less than 1%
Members working until age 65

57
Average retirement age

■

Members using *i*Access Web to retire

The first phase of this year's iAccess Web registration campaign targeted potential retirees. With the launch of an online retirement process in December, we aim to get as many members as possible using the new tool.

If you have employees planning to retire in June, they can now apply for their pension online. All they have to do is register for *i*Access Web, the secure members-only portion of our corporate website.

Registration campaign

To help promote *i*Access Web and its new features, we mailed letters to approximately 2,500 unregistered members that may be eligible to retire this summer. In only a few weeks, over 200 members have applied for pension online!

Here are just a few samples of the information available on *i*Access Web to help members make retirement decisions:

- Pension estimates to determine when to start pension
- Survivor benefit scenarios
- Audio-visual presentations on survivor benefits, buybacks and re-employment
- List of personal documents required to process pension applications

Member stats

- 74,132 registered for *i*Access Web
- 92,444 e-mail addresses on file

How to register

Encourage your employees to call 416-226-2700 or 1-800-668-0105 to instantly register for *i*Access Web.

They can also download and complete the *i*Access Web registration form found on our corporate website (www.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.

Address:

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

Phone:

Employers

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

Members

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

Internet:

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

Fax:

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