TEACHERS' PENSION PLAN ONTARIO

PENSION UPDATE

OCTOBER 2006

DETAILS CRITICAL FOR BUYBACKS

When members take time off, they may be eligible to buy back credit for the time they are away. Not only will this maximize the value of their pension, they may be able to retire earlier.

Thanks to *i*Access, the secure members-only portion of our corporate website, deciding whether to buy back credit has never been easier for your employees. By using the buy-back calculator, they can instantly determine the cost and benefit of buying back eligible service.

For this tool to be useful, the leave information needs to be accurate – that's where you come in.

INFORM US THROUGH PAYROLL OR TIM

The sooner we know an employee is absent from work and understand the absence details, the better our service to members. Inform us of absences through your payroll or by submitting events through TIM.

PAYROLL

There are specific events for you to populate when an employee is absent. The codes vary based on the type of leave:

006 – ESA Pregnancy or Parental Leave Begins

010 – Absence Due to Deferred Salary Leave Begins

016 – Employer Approved Leave Begins

065 – Emergency Leave

070 – Adoption

071 – Parental Male

072 – Maternity

083 – Return from Employer Approved Leave

TIM

When an employee begins or returns from a leave of absence, you can also notify us through TIM. When you reach the employee page (search using SIN), select the link "Notify us of an event". Use the picklist to select the reason for the employee's absence and provide the required details.

Last year, we also introduced a new online leave verification process through TIM.

When members apply to buy back credit, we compare the information we receive from the member with the information we've received from you through your payroll or TIM. If we identify a difference during this comparison, an issue will appear in your Work Centre.

When the "Verify leave information" issue appears, you need to confirm or adjust the contract information, service totals and leave details. For example, double check the contract information and leave dates and ensure they apply to the correct leave.

TIP

Check the homepage to quickly identify the total number of issues related to leaves.

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WHAT'S INSIDE

GETTING TO KNOW...

MORE ABOUT YOUR TEAM

Our second of four profiles on a regional EIS team.

SUSAN REYNOLDS

Born and raised – Toronto

Which one word best describes your personality? – Helpful

Years at TPP – 18.5; started in Client Services, project work, last 6 years with EIS

“Having been here for so many years, EIS and Teachers' has become my second family.”

ENZA BUSCEMI

Born and raised – Toronto

Which one word best describes your personality? – Creative

Years at TPP – 8; started with projects, last 6 years in EIS

“There is never a dull day when you work in EIS, my co-workers make every day interesting.”

LORENA'S TEAM AT A GLANCE

- More than 35 years of combined experience amongst 4 members
- Work with 61 employers, representing 45,000 members (half at one board)
- Greatest challenges – working with Toronto DSB data, the largest school board in Ontario (22,260 members). Because a payroll issue at Toronto DSB can have an impact on thousands of members, we need to react quickly.

Left to right: Susan, Enza, Lorena and Bridget

LORENA LUDENA

Born and raised – Toronto

Which one word best describes your personality? – Calm

Years at TPP – 8; started with projects, last 6 years in EIS

“Putting things in perspective always puts a positive spin on things for me. I try not to sweat the small stuff.”

BRIDGET GERVAIS

Born and raised – Pembroke

Which one word best describes your personality? – Thorough

Years at TPP – 1.5, the rookie

“While the constant changes in EIS can be challenging, it's great being part of a progressive company that's always looking for ways to make things better.” ■

WELCOME BACK!

Jennifer Atkinson, Manager of Member Data and Employer Reporting, recently returned from her one year maternity leave.

Jennifer has assumed responsibility for the two regional teams previously lead by Greg Carroll – the other two continue to be lead by Lorie Bissonette.

For the next year, Greg will work with a team focussed on enhancing key business processes. Good luck Greg!

Getting ready to hit the road

As you settle into a new school year, we're gearing up to hit the road on two fronts in the next few months: our fall series of workshops and personal visits to your offices.

Workshops

Unfortunately, we had to cancel six workshops due to the work stoppage this past spring. We apologize for the inconvenience and disappointment this may have caused.

We recently sent an e-mail to all of our primary contacts to announce this fall's workshop schedule.

Date	Location
November 9	Dryden
November 14	Mississauga*
November 15	London
November 20	Ajax*
November 21	Belleville
November 24	North Bay

* For designated private schools and organizations, your reporting challenges are different than larger employers. We encourage you to attend either the Mississauga or Ajax workshop – we will divide participants based on their similar reporting practices.

If you haven't already registered, please e-mail or phone Wendy Walker as soon as possible:

wendy_walker@otpp.com

416.730.6177 or 1.877.812.7989, x6177

Revised format

Over the past few years, the majority of each session featured hands-on training for TIM. While we conducted some group discussions, our main goal was to teach you as much about the fundamentals of TIM reporting as we could in a single day.

So this fall, we want to shake things up a bit. Our upcoming workshops will be larger and more interactive amongst participants – we will focus on best practices in specific reporting areas and form groups to work on tasks/exercises.

While we will definitely discuss TIM, we will not conduct hands-on instruction in training facilities.

Personal Visits

Spending a day or two with employers has proven to be a very successful way to build our working relationship and learn about your systems, processes and any specific challenges you face in pension reporting.

While we focused on developing TIM and completing some of our long-standing initiatives – catching up on reconciliation being one of the main ones – our staff had less opportunity to visit with you. Between now and the end of the year, we plan to change that.

Many of our larger employers continue to work hard toward this year's reconciliation target. We will focus on visiting those employers as we aim to reconcile all 2004 accounts by year end.

This fall we will also focus on employers who have attended one or more of our workshop sessions, enabling us to tailor our visit to their specific needs.

What you can expect

The main purpose of our visit is to leave you with the confidence and knowledge you need to report effectively using TIM. Once we learn more about your office set-up, we can help you with the reporting requirements you find most challenging.

Our goal is to leave you with a better understanding of how to meet your reporting requirements using the online tools and resources available to you. Contact your team leader to discuss a possible visit.

We will work with you to establish priorities for the day and prepare any necessary information before meeting you.

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LEAVE DETAILS CRITICAL, CONT'D.

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REDUCING QUESTIONS

A better understanding of how to populate specific fields in TIM resolutions goes a long way to avoiding questions in the future.

Below is clarification for some of the key fields you need to complete when resolving leave issues in TIM.

1. CONTRACT INFORMATION

SALARY DURING LEAVE

This is the salary the member would have earned had they continued to work.

We normally expect that a member will receive a rate of pay increase at the start of each school year, even while they are on a leave. When reporting salary during the leave, include any rate increases to which the employee would have been entitled.

For leaves that span more than one school year, providing the annual rates of pay for each year will help minimize any follow-up questions we might ask and improve service to your employees.

FTE%

This is the full-time equivalency (FTE) contract percentage the member would have been expected to work had they not gone on a leave.

EXAMPLE

- Brett was hired on a 100% contract as of the 2001/02 school year
- He took a reduced workload (50%) during the 2004/05 school year
- His employer approved a leave of absence during the 2005/06 school year

What should Brett's FTE% be while on leave in 2005/06?

If Brett had only reduced his workload for the 2004/05 school year, expecting to return to 100% in the 2005/06 school year, his employer should report an FTE% of 100 for the leave period.

If he permanently reduced his contract in September 2004 (i.e., no expectation that the reduced workload was temporary), then his employer should report an FTE% of 50 for the 2005/06 leave period.

2. SERVICE TOTALS

SERVICE CREDIT

You can help reduce questions by verifying that the reported service credit around the leave period is accurate and lines up correctly with the absence dates. This is important both at the start and end of the leave, as any disjoint can cause problems with excess credit or a gap in service within the school year.

3. LEAVE INFORMATION

When submitting resolutions, provide the effective (start) and expiry (end) dates to cover the entire period the employee did not work (i.e., entire absence).

HIGH VOLUMES

With over 8,000 buy-back quotes processed each year, we're working hard to improve the quality and minimize the administrative effort for employers. ■

USING THE "EXTENDED" OPTION WHEN VERIFYING LEAVE INFORMATION

Extended maternity, parental or adoption leaves occur when you have approved additional time off for employees who have reached the leave limits legislated under the Employment Standards Act. For example, an "extended maternity leave" would be when an employee takes a year off after the birth of a child and receives approval from you to extend her leave past the 52-week limit. Follow the guidelines below when verifying extended leaves through TIM.

Employment and Leave Pattern:				Select:
Employment	Parental Leave	Employer-approved Leave	Employment	❍ Extended parental
Employment	Maternity Leave	Employer-approved Leave	Employment	❍ Extended maternity
Employment	Adoption Leave	Employer-approved Leave	Employment	❍ Extended adoption

Resolution effectiveness

When reviewing issues in your Work Centre, resolving some sooner than later can save you work down the road. It also helps provide more timely and accurate service to your employees.

Specifically, unresolved issues related to qualifications and re-employment can lead to additional work if they remain unresolved for an extended time.

Qualification issues

When the issue "No qualifications found on file" or "Service outside of qualification period" appears in your Work Centre, they may spawn additional messages. For example, if we don't have any qualifications on file for an employee, the message will appear on each pay of that employee's service record.

It's critical that we resolve all qualification issues. If they remain on your employees' records, they will not receive their annual statement or full service on our member website.

Missing LOP information

The qualification issue generally applies to employees teaching on a Letter of Permission (LOP) – it is the only resolution available through TIM.

You can remove these issues from your Work Centre by providing us with the missing LOP information (effective and expiry dates) through TIM. Simply go to your Work Centre and identify all employees that have this issue.

Go to each employee's service record, and do the following based on when the service occurred and whether it was reported correctly.

Service was incorrectly reported – if the employee is not qualified, the service is not eligible.

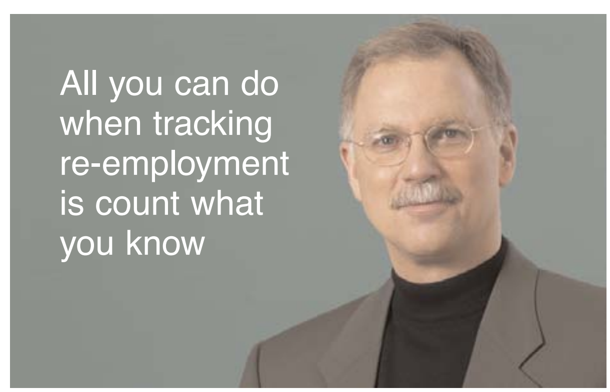
- **Click "Change totals" and adjust the salary, credit and/or contributions reported. Then click "Submit".**

Service was correctly reported – if the employee is qualified, the service reported is eligible (as long as it is worked within the qualified period).

- **Click "Resolve" next to the issue, select the resolution, enter the effective and expiry date of the LOP. Then click "Submit".**

Re-employment issues

We rely on retired members to keep track of their re-employment if they return to work. As their employer, you can only count what you know – unless the re-employed pensioner informs you, you may not know if they are working for another employer and accumulating additional days toward their limit.



We acknowledge that re-employment is one of the most challenging reporting areas. By resolving the "Verify contributions after retirement" issues quickly, you can save yourself some work in the future.

CV Reminder

The "Verify contributions after retirement" issue only applies to retired members who are receiving a monthly pension benefit. If you hire employees who have taken the commuted value (CV) of their pension, you should treat them like any new employee – deduct contributions as soon as they begin working for you.

Avoid T4 amendments

If the re-employment and qualifications issues are not resolved before the end of the calendar year, you may need to amend T4s for these employees.

By resolving these issues sooner, we not only confirm eligibility for plan participation, but your employees can receive a refund of any ineligible deduction. ■

WBR CLOSING IN ON CENTURY MARK

When we introduced our first annual reporting alternative over 10 years ago, it involved moving employers to a payroll-based process. Last year, we completed implementation for our last school board.

Since September 2005, the number of employers reporting using our latest reporting alternative, web-based reporting (WBR), has more than doubled (86 versus 40). By the end of this year, we hope to have 90% of our non-payroll reporting employers using WBR.

Our WBR users are mainly designated private schools and designated organizations. With fewer employees contributing to the plan than their school board colleagues, the resources required to implement payroll reporting was prohibitive for these employers. While they appreciated the need to switch to a more frequent reporting method, they needed a different option.

Best practices

By following some basic best practices, WBR employers can help ensure their employees receive the same level of service from us as those employed by larger school boards across the province.

For example, establishing monthly online habits will help ensure more current and reliable data is available for their employees' benefit calculations.

- ✔ Check contributions monthly – review required values to ensure contributions agree with your payroll records
- ✔ Report new employees – send us a New Employee form (0496) if they are eligible for plan membership
- ✔ Regularly update service for occasional/supply teachers
- ✔ Notify us of events as they occur (i.e., terminations, leaves of absence, new salary, etc.)
- ✔ If you're not sure, call

Kudos to...

We'd like to recognize the following employers for their eagerness to implement WBR and for their commitment to apply online best practices:

- Kidsability School Authority (Waterloo)
- Ontario English Catholic Teachers Association (Toronto)
- Upper Canada College (Toronto)
- Wesley Christian Academy (Markham)

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WSIB AND THE PLAN

On September 1, 2006, a plan amendment became effective for employees receiving payments for loss of earnings from the Workplace Safety Insurance Board (WSIB).

Employees who are injured and receiving payments from the WSIB now contribute as long as they continue to receive payments for loss of earnings from the WSIB. Prior to this plan amendment, they were only eligible to contribute for one year from the date of their injury. ■

Reporting procedure

Other than extending the limit, your reporting procedure does not change with this plan amendment:

- Calculate contributions based on what the employee would have earned had they not been injured.
- Report the contributions as regular employment with salary and credit based on the member's pre-injury contract percentage.
- If an employee begins a WSIB-sponsored, return-to-work program while receiving WSIB payments, report as above until the employee ceases to receive all payments from the WSIB for loss of earnings.

REMINDERS

CHANGE TO RE-EMPLOYMENT LIMITS

The five-year window has officially closed – we have now returned to permanent plan provisions that limit how much pensioners can work after retirement without affecting their pension.

Effective September 1, 2006:

RE-EMPLOYMENT LIMITS	
Maximum of 95 days per school year	**For first three school years worked (three years do not have to be consecutive)**
Maximum of 20 days in any school year	**All subsequent school years**

FIRST THREE YEARS

To clarify how we define the "first three school years," we include/exclude the following:

Exclude:

- school years worked during the five-year temporary provisions window (September 1, 2001 to August 31, 2006).

Include:

- school years worked as a pensioner before the window, and
- school years they will work after August 31, 2006.

NEW PAYROLL SYSTEM?

If you are considering a change to your current payroll system or provider, let us know as soon as possible.

Since changes to your system or provider can have an impact on your day-to-day pension reporting, the earlier you inform us, the better. We can test your data to ensure your transmission will successfully download after the change.

CHANGE AT TDSB

For example, our largest employer, the Toronto District School Board (22,260 members), is changing their payroll system in November.

We are working closely with them over the next few weeks to ensure a smooth transmission and avoid interruptions to the high service levels we provide to their employees.

BRIEFLY...

2006 PERSONAL STATEMENTS

Now that teachers are back in the classroom, they may be more anxious than ever to see how much closer they are to retirement!

If you have employees registered for *i*Access, the secure members-only portion of our corporate website, they can now access an up-to-date personal statement of pension benefits. In a few weeks, those not registered will begin receiving their paper copies in the mail.

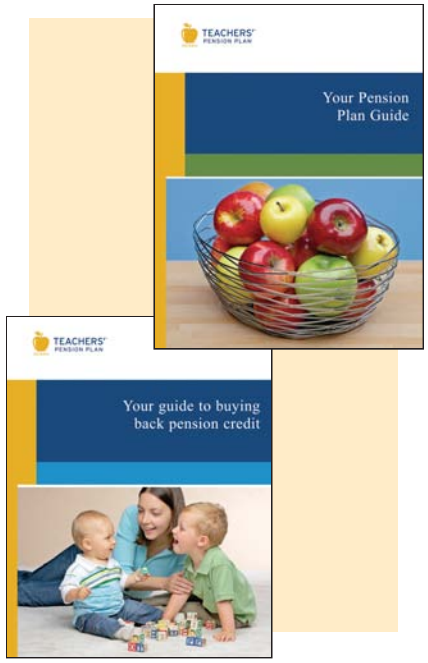
The statement provides your employees with information regarding their accumulated credit and contributions to our plan. For your reference, there is an updated sample of the statement available on the Resources homepage of TIM (also under Resources > Forms).

QUESTIONS?

When we distribute these statements, it often generates inquiries from members. As a result, we may need to contact you to confirm data.

If your employees have any questions about the statement, ask them to call our Client Services Department directly.

MEMBER BROCHURES REDESIGNED



We have recently revised and redesigned two of our most widely-used brochures for plan members. One of these has arguably been the most recognizable over the past decade.

Known by many as "the pencil brochure," Your Pension Plan Guide now features a basket of apples on its cover. This brochure provides members with essential information about the plan – it's the first brochure new employees receive when they enrol.

In addition to this primary brochure, we have redesigned the Buybacks for Absences brochure (now called Your guide to buying back pension credit).

THROW OUT OLD BROCHURES

If you (or your HR department) has any copies of the old brochures, please discard them immediately. Both brochures are available on our corporate website (www.otpp.com). Simply go to Publications > Brochures to view these and all other brochures and publications.

We will be informing members of the redesigned brochures in the next issue of Pensionwise, scheduled for release in late October.

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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