

2006 WAS QUITE A YEAR!

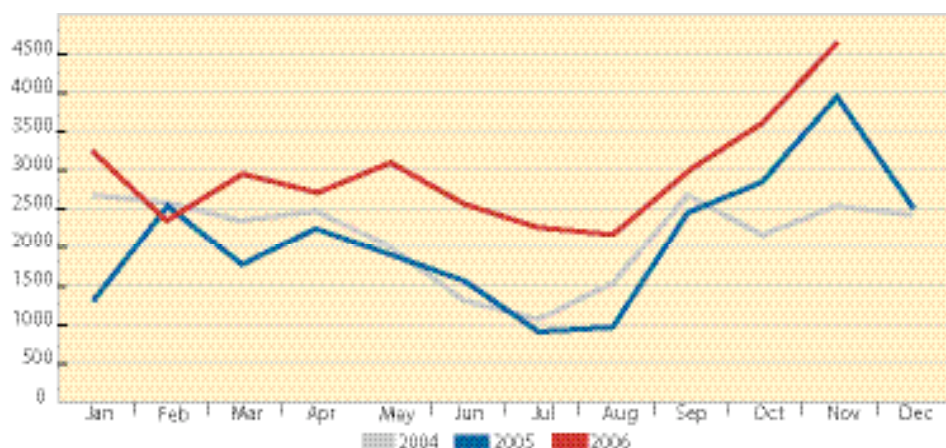
A work interruption at TPP and the announcement of the first contribution rate increases since 1990 made for interesting times.

The past year has been an extremely challenging one. First, the work stoppage at Teachers', and then the announcement of the first contribution increase in over 15 years. Two big events that impacted everything we did in 2006.

OBJECTIVES DEFERRED

Unfortunately, we didn't have the opportunity to introduce several items that we had hoped to this year. After the six-week work stoppage, we reassessed objectives across the organization and deferred several of this year's initiatives into 2007.

BIG GAINS IN SERVICE RECORD ADJUSTMENTS



2006 EMPLOYER HIGHLIGHTS

- Improved service to your employees by reducing average response time by 4 days!
- Adoption of online communication and data management:
 - 8,750 initiated instant messages (IMs)
 - Average over 400 unique users each month
 - 31% increase in service record adjustments
- Over 100 employers now using web-based reporting
- 218 employers attended workshops (11 sessions)

Compared to 2005, we made few enhancements to the Teacher Information Management (TIM) system. We are developing improved functionality in the accounts section of TIM – watch for major changes in the next few weeks.

USE OF TIM AND IM GROWING

One of the most encouraging trends in TIM usage related to service record adjustments. Not only have we seen an overall increase (31% over last year), there were substantial increases in activity in three specific months: January (146%), July (155%) and August (130%).

This is a testament to employers implementing regular, monthly procedures for reviewing their Work Centres and resolving issues in TIM.

Continued on page 8

WHAT'S INSIDE

Getting to know another EIS team, page 2

Making the most of a pensionable salary review at Upper Grand DSB, page 4

GETTING TO KNOW...

MORE ABOUT YOUR TEAM

Our third of four profiles on a regional EIS team.

IMELDA KWA

Born and raised – Philippines, in Toronto since 1984

Which one word best describes your personality? – Compassionate

Years at TPP – 19; started in Central Records, 15 years working with employers

“ I really like the people I work with and building relationships with employers. I especially enjoy the ever-changing challenges of my job – it’s never boring. ”

DANIEL NEWMAN

Born and raised – Colchester, England

Which one word best describes your personality? – Thinker

Years at TPP – 2.5, all in EIS

“ One of the things I like most about Canada is the people, so it’s great to work with a bunch of them. When I am given orders it’s still very easy to smile and do my job. ”



Left to right: Imelda, Daniel, Carol-Anne and Jeff

CAROL-ANNE DAVIES

Born and raised – Scarborough

Which one word best describes your personality? – Thorough

Years at TPP – 5.5, all in EIS

“ I’ve always enjoyed variety in my working career – that’s what brought me to Teachers’. In EIS, I work with a variety of teammates, school boards and contacts, and take pride in meeting a variety of challenging responsibilities. ”

JEFF BILLARD

Born and raised – Digby, Nova Scotia

Which one word best describes your personality? – Outgoing

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

“ TPP, and EIS in particular, is a great place to work. The job has a lot of variety: it’s different from one day to the next, and trying to understand employers’ various reporting nuances keeps us on our toes. ”

JEFF’S TEAM AT A GLANCE

- More than 35 years of combined experience amongst 4 members
- Work with 54 employers, representing 40,000 members
- Greatest challenge – trying to keep up with the high volumes of proactive requests from our employers, especially those who work hard clearing out their Work Centres in TIM

WORKSHOPS WRAP-UP IN NORTH BAY

Six cities in 16 days – our workshop team had a busy November!

The first workshop in Dryden had its share of roadblocks. The team's connecting flight to Dryden was cancelled due to fog, so the group had to rent a vehicle to make it from the airport in Thunder Bay.

When the workshop ended, the timelines were tight to return the rental and catch the flight back home. It all worked out and our Dryden group couldn't have been more appreciative that we made the trek up north.



Over the next two weeks, we also traveled to Mississauga, London, Ajax, Belleville and North Bay. Over 140 employers attended our recent workshops, 40 of those participating in workshops designed specifically for designated private schools and designated organizations (one in Mississauga, the other in Ajax).

FORMAT WILL CONTINUE TO EVOLVE

For these sessions, we had less hands-on training for TIM and more group exercises. This format enabled

WHAT PARTICIPANTS HAD TO SAY

"Very informative and fun. The format was excellent."

Diane Dubois, Conseil scolaire publique du Nord-Est de l'Ontario (North Bay)

"I liked the way we got to choose what we wanted to discuss and before we ended, made sure that we discussed all of our issues."

Joanne Kendall, Hamilton-Wentworth DSB (Mississauga)

"I am now motivated to use TIM so that I can better understand the issues our Board has and help find solutions."

Marsha Cresswell, Near North DSB (North Bay)

"The material covered was helpful, but we would have liked more information on WBR and how to actually work our way through TIM."

Vivian Pengelly, Niagara Christian Community of Schools (Mississauga)

"Wonderful, friendly staff and very eager to help us out. Thanks for a lovely, informative day."

Teresa Larson, Atikokan RCSS Board (Dryden)

"Excellent presentation for someone like me who knew absolutely nothing at the beginning of the day but not boring for people who work in this environment every day."

Anonymous (Belleville)

"Using our own information for hands-on, online reconciliation/WBR would have been beneficial."

Anonymous (Ajax)

us to accommodate more participants and allowed for more interaction amongst the groups.

Judging by the feedback, many liked the change, though many still want more on TIM. Though we didn't focus on specific TIM

training this fall, it continues to be important and will be incorporated into next year's workshops.

Thanks to everyone who participated in this fall's workshops – we look forward to getting back on the road next spring.

WHAT A DIFFERENCE A REVIEW MAKES!

Things have really turned around at Upper Grand District School Board since undergoing a pensionable salary review.

Finding out your work was going to be reviewed with a fine-tooth comb would be enough to make anyone nervous. At Upper Grand District School Board, they made this a positive experience.



FAST FACTS...

- ✓ 2,500 members
- ✓ Office located in Guelph

"The external consultant we worked with was very satisfied with what they found, or should I say didn't find, at Upper Grand," said Lorie Bissonette, manager in Employer Information Services (EIS). "While they identified a few minor issues, they didn't find any systemic problems with their pensionable salary reporting."

Part of the challenge at Upper Grand was dealing with some of the staffing changes. Tracy Mltschek, their pension administration officer, was just getting her feet wet with teachers'

KEY TO SUCCESS

"This was a total team effort, we couldn't have made such great strides without the support and assistance we received from our regional team at Teachers'."

**Tracy Mltschek,
Pension Administration Officer**

pensions and was busy implementing changes to Upper Grand's reporting practices.

Denise Buhrow worked directly with the consultant throughout the review process (Denise also changed positions during this time).

TEAM EFFORT

Everyone at Upper Grand was very cooperative throughout the review. Janet Robinson, one of our most experienced EIS analysts, worked closely with Tracy to find ways to improve Upper Grand's reporting.

"This was a total team effort, we couldn't have made such great strides without the support and assistance we received from our regional team at Teachers', said Tracy. "They were awesome."

Going through the review process helped Upper Grand learn how to manage their work more efficiently. "Tracy always asked how they could do things better, and was eager to find solutions," added Lorie.

"The positive attitude from everyone at Upper Grand, and the collaboration with EIS staff, was the key to making this process run smoothly."

ONE NEW PROCESS HAS MADE A HUGE IMPACT

NEW PROCESS...

- Review bi-weekly pay files the day after they are transmitted to TPP – once reviewed, investigate issues in Work Centre and resolve in a timely manner

DIRECT RESULTS...

- Response rate for outstanding requests – reduced to 7 days (current) from 30 days (2005)
- Issue resolution – by focusing on resolving issues, 99% of employees currently do not have issues on their records (increase from 79% in 2005)

The dramatic turnaround in response time and issue resolution means almost all employees at Upper Grand are now able to receive immediate service when they contact us.

They can also rely on up-to-date and accurate information when they use the online services available on iAccess, our secure member website.

PENSION REPORTING COMPLIANCE: OVERVIEW

In 2004, we introduced two new processes with three specific goals:

- raise awareness of the importance of data accuracy,
- confirm pension reporting is well understood and guidelines are being followed, and
- provide organizations with the confidence that their employees are accruing benefits to which they are entitled.

The first process, *Pension Reporting Certification*, involves all employers – each year, you must submit a document confirming pension reporting complies with the terms of our plan. We only ask a few employers each year to participate in a more detailed assessment, *Pension Reporting Review*.

The main goal of the *Pension Reporting Review* is to work with employers to ensure they are enrolling members and making the proper exclusions when calculating and reporting pensionable salary. It goes hand-in-hand with certification by confirming their processes result in accurate reporting.



EXTERNAL CONSULTANTS

We work with an external firm to conduct these reviews. Specifically, the review focuses on plan eligibility and pensionable salary reporting for all positions, including employees covered by personal services contracts. This includes ensuring vacation pay, bonus payments and different types of allowances (i.e., car, meeting, living, professional development) have been properly excluded.

Once the review is complete, the consultant provides us with a detailed report. We provide a synopsis of the results to the employer, to confirm that they are compliant or identify any changes that need to be made.

Where changes are required, we work with the employer to establish reasonable time frame for resolution.

PROPER EXCLUSIONS

Remuneration for employment is much broader than the Plan's definition of pensionable earnings. While we do not want to interfere with the arrangements for remuneration which employers make with their employees, we must be sure that benefits are not falsely inflated.

BENEFIT CREDITS AND PERQUISITES NOT ELIGIBLE

Over the past few years, benefit credits and perquisites have become more common. When remuneration originates in this manner, it is not eligible and cannot be included with pensionable salary, regardless of how it is paid (lump sum or part of regular earnings).

The Contributions section of our *Employer Handbook* provides a more exhaustive list of pensionable and non-pensionable types of earnings.

If you intend on eliminating a perquisite/allowance in favour of an increase to base salary, problems occur if the perquisite or benefit credit continues to be uniquely identified in the terms of the agreement.

RETIREMENTS AND TERMINATIONS

Remember, an employer cannot in any way alter pension reporting in the final years of employment to influence a pension benefit. Remuneration which originates as benefit credits or perquisites must always be excluded from the pensionable salary reported to us, and anything in excess of the normal requirements of an individual's position is not eligible.

Continued on page 7

REMINDERS

A NEW YEAR, A NEW TAX SEASON

Here are a few things to remember when preparing your pension adjustments (PAs) for the 2006 calendar year.

✓ Send us PA amounts for all of your employees who will have contributed to the plan in 2006 (exception – employers who use Ceridian and ADP, as these payroll providers send us PA info directly).

✓ Go to TIM for:

- **LTIP pensionable earnings (PE) information** – Remember to provide end dates for LTIP claims – this has an impact on the PE values we provide for use in your PA calculations. The sooner you can review your LTIP members, the more prepared you will be to complete your calculations in February.
- **Creating spreadsheets** – Use the “Create an Excel File” button in the LTIP and ESA applications to copy LTIP pensionable earnings and PAs for ESA leaves directly into a spreadsheet.
- **Section 9 of the employer handbook** – The November 2006 version has all the information you need to calculate your 2006 PAs, including updated PA tables. It is now available under “Resources” in TIM.

RATE INCREASE IN 2007

As announced this past June, contribution increases will be phased-in over a three-year period, beginning in January.

The 2007 YMPE for calculating contributions is \$43,700 – here’s a summary of the contribution formula for the next three years.

Year	Teachers		Employers	
	Up to YMPE	Above YMPE	Up to YMPE	Above YMPE
2007	9.3%	10.9%	9.3%	10.9%
2008*	9.6%	11.2%	10.4%	12.0%
2009	10.4%	12.0%	10.4%	12.0%

* In 2008, employer matching rates will increase by 1.1%, compared to 0.3% for teachers. The OTF is subsidizing teacher contributions in 2008 with a credit reserve from the 1998-2001 pension negotiations.

TELL US WHAT YOU THINK

A few weeks ago, we sent our annual survey to a primary contact at your organization. We also included a covering letter that requested confirmation of those currently registered for TIM at your organization.

Thanks to everyone who has already returned a completed survey and/or confirmed their TIM registrants. The more completed surveys we receive, the better we can assess the service we provide to you.

If you have a light purple sheet floating around your desk, simply take a few minutes to complete all questions and return it to us. There are questions on both sides of this



year’s survey – by responding to the additional questions, you will help us develop future TIM enhancements.

We included postage-paid envelopes for you to return the survey and covering letter in. If you prefer to fax them to us, see page 8 for numbers.

BRIEFLY...

HOLIDAY HOURS



For the 2006 holiday season, we will be closed on the following days:

- Monday, December 25
- Tuesday, December 26
- Monday, January 1

Everyone from Employer Information Services wishes you a safe and happy holiday season!

DECEMBER REMITTANCE

This year's December remittance is due on Friday, December 29.

If your office is going to be closed and you plan to remit early, please contact your team and let them know.

NOON DEADLINE

Remember to provide both your back-up information and contributions by noon of the day you make your remittance.

PROPER EXCLUSIONS

Continued from page 5

It is critical to ensure that you make the proper exclusions when reporting pensionable salary. This minimizes problems during validation and reconciliation and avoids creating false expectations for your employees.

We welcome the opportunity to provide pension reporting guidance when contracts are negotiated or new concepts are being explored. When new arrangements are identified and assessed for pension eligibility, we add this information to our handbook. ■

2006 PENSIONS AND ANNUAL STATEMENTS

Of the 3,184 pension applications we received in June, only one wasn't processed on time for a July 2006 inception – that's as close to 100% as you can get!

For the first time, members could apply for retirement online through iAccess, the secure members-only portion of our corporate website. Approximately 40% of this year's retirees applied online.

In addition, the number of members able to view an online personal statement of benefits increased by more than 40%. This number will continue to grow as more members register for iAccess. In fact, we have already surpassed our 2006 new registrant objective by more than 7,000 members!

FAST FACTS...

104,100

TOTAL PENSIONERS

\$315,000,000

MONTHLY PENSION PAYROLL

188,084

PERSONAL STATEMENT OF BENEFITS SENT THIS FALL

88,500

REGISTERED iACCESS MEMBERS ABLE TO VIEW AN ONLINE, INTERACTIVE PENSION STATEMENT

Once again, we couldn't have done it without your assistance. Thanks! ■

TYPICAL QUESTIONS ASKED BY EMPLOYERS



Q I work at a university and we don't employ anyone who belongs to the Plan. Why do you keep sending me information?

A Since you may hire teachers in the future who already belong to our Plan, this information will keep you up-to-date on any changes that may occur.

While no new hires can be enrolled, employees on leave from a school board, who are hired by a faculty of education, do require you to report service and remit contributions for their employment.

Therefore, you will remain an active employer and be required to complete a certificate of compliance each year.

NEW CHALLENGES, CONTINUED

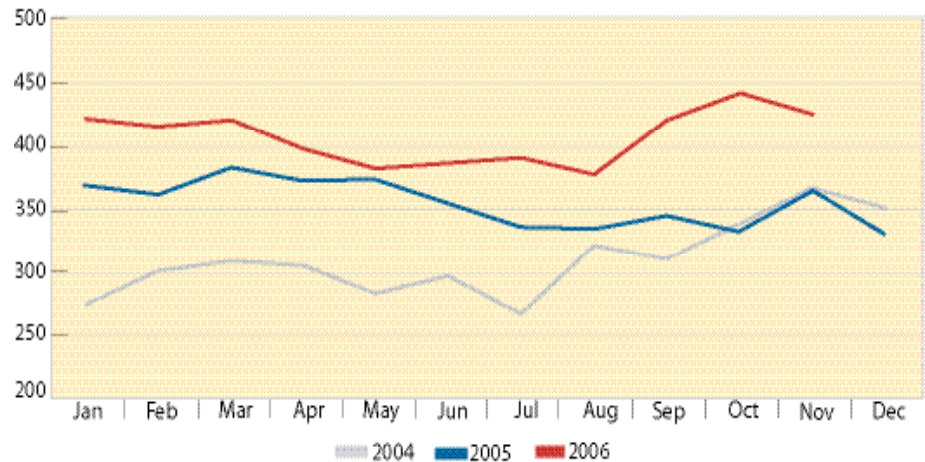
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The number of unique monthly users continues to grow as well. This is largely due to the number of employers that have switched from annual to web-based reporting.

Another online communication tool that became very popular with employers this past year was Instant Messaging (IM). Employers are contacting us an average of 35 times per day via IM.

Thanks again for your patience and support during this past year. We look forward to making some exciting changes in 2007.

UNIQUE MONTHLY USERS INCREASING



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