TEACHERS' PENSION PLAN ONTARIO

PENSION UPDATE

JUNE 2007

Annual certification = Reliable pension information

Are you confident that your employees are accruing the benefits to which they are entitled? One of the key ways to maintain confidence is to carefully complete the annual pension reporting certification process.

Introduced three years ago, this process continues to raise awareness of the importance of data accuracy and aims to confirm that pension reporting is well understood at employer organizations. To ensure that guidelines are being followed, each employer must submit a document confirming that pension reporting complies with the terms of our plan.

We will soon be sending this year's package to a senior financial officer at your organization. Here are a few key things to remember about the certification process.

Secondary signature req'd

We often have to follow up with employers to get the "right" signature on the document. Given this program's goal is to ensure a second level of financial and operational accountability, we require the most senior financial officer at your organization to complete the certification document. Therefore, our primary contact, the person we work with on a regular basis, is not authorized to sign the certificate.

If the most senior financial officer of your organization is also our primary contact, please ensure the document is also signed by the person to whom they report (i.e., Director of Education or the Headmaster).

No eligible employees

Some designated private schools or designated organizations may not have eligible employees for the reporting period (September 1, 2006 to August 31, 2007). If you fall into this category, you are required to return a completed certificate each year as long as you remain designated. See page I of the brochure for specific completion instructions.

Due date

We request that all certificates be returned by August 31 each year. By meeting this deadline, you can help ensure that your employees will receive the most accurate information on their personal statement of pension benefits that we send each fall. Please take advantage of the slower summer months to complete and return your certificate.

Copy on TIM

For your reference, you can always find a copy of the most recent certification brochure on the Teacher Information Management (TIM) system. We will send an e-mail once all packages are mailed and TIM is updated with the new brochure.

By working together to ensure the highest quality of data is reported, your employees will receive pension information they can trust and the service levels they have come to expect. ■

What's inside

TIM UPDATE

Since launching the Teacher Information Management (TIM) system, we have worked closely with you to develop and enhance functionality.

Now that we're into our busy pension season, we're introducing a new feature that will help you manage the retirement gratuity process and determine whether re-hired employees should start contributing:

- as soon as they start working (transferred commuted value of their pension or went to work for another organization) or
- when they have exceeded their re-employment limits (pensioner).

Here's a summary of this new feature, as well as what else is new and upcoming with TIM.

PENSION INCEPTION CONFIRMATION

We often receive calls from our members looking for a retirement statement, or something they can show you so any retirement gratuity owing to them can be released.

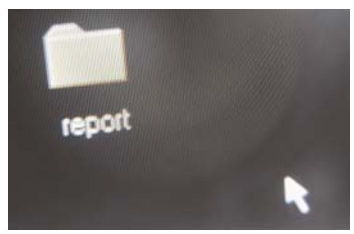
Unless the employee informs you directly, there hasn't been an easy way to determine who has applied for pension. A new feature in TIM will help make this process easier to manage.

To determine whether a former employee is eligible to receive their gratuity payment, you will soon be able to check their employee record page to confirm their pension inception.

A pension identifier will only appear for retirement pensions once the first payment is scheduled to be paid – we will not identify members who have transferred the commuted value of their pension.

RECONCILIATION AID

To help you reconcile your account, you can now ask us to create a service change report and send it to you through TIM.



The report will identify what you originally reported and its status on the day the report is generated. Similar to the members' earnings report, it will identify service credit, pensionable salary and contributions.

If you want a service change report, contact us and we will generate the report, create a file and post it on TIM – you can download the report directly from TIM.

ESA ENHANCEMENT

When working with ESA reports, you can now link directly to individual ESA quotes by clicking on the employee's name. This feature became available in mid-May.

Since removing SINs from the month-end ESA reports earlier this year, some employers have found it time consuming to retrieve quotes. This enhancement will help make the quote retrieval process more efficient.

FAXED INQUIRIES AND REPORTS BEING PHASED OUT

We continue to upgrade our internal systems and processes to help improve overall efficiency.

Over the past few years, we have made significant changes to the manner in which work flows through our organization to improve member service. In the next few months, these systems will be enhanced to incorporate communication to employers via TIM.

Every week, we send out approximately 60 member inquiries and, where required, an *Outstanding Requests by Priority* report by fax. These inquiries and reports contain requests where we cannot respond to a member's inquiry until we receive information from your office.

Incorporating these inquiries into TIM is part of our plans to reorganize your Work Centre and consolidate all our communication within TIM.

We are currently in the initial design stage – faxed inquiries and reports should be non-existent by the end of the year.

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GETTING TO KNOW...

MORE ABOUT YOUR TEAM

Meet your EIS management team – next issue we'll focus on a few people who work behind the scenes.

MILA BABIC

Born – Vinica (small town on the border of Croatia and Bosnia); raised in Toronto

Which one word best describes your personality? – Enthusiastic

Years at TPP – 17; spent time in Client Services, Projects, Quality Assurance and Testing

Greatest challenge – Finding ways to provide opportunities for new, value-added services to our members while decreasing pension reporting complexity.

“Everyone benefits from improved efficiency, so looking for ways to achieve this has been known to keep me up at night!”

JENNIFER ATKINSON

Born and raised – St. Catharines

Which one word best describes your personality? – Outgoing

Years at TPP – 9; all in EIS

Greatest challenge – Coming back from maternity leave last October, in the middle of the year-end rush – trying to instantly catch up on everything that happened.

“I joined TPP right out of university so the people I work with have become my second family. I am constantly learning something new and try to ensure that I enjoy every day.”

EIS management team (l to r): Catherine, Jennifer, Mila, Greg and Lorie.

LORIE BISSONETTE

Born and raised – Etobicoke

Which one word best describes your personality? – Determined

Years at TPP – 9; all in EIS

Greatest challenge – Trying to consistently bring business solutions to a very diverse group of employers.

“I really enjoy meeting and working with employers, especially helping them solve their reporting challenges.”

GREG CARROLL

Born and raised – Toronto

Which one word best describes your personality? – Methodical

Years at TPP – 14; currently in Business Solutions

Greatest challenge – Balancing the workload to support both Client Services and employers while working on projects to introduce new or better ways of doing things.

“Keep it real!”

CATHERINE PANISALES

Born – Manila; raised in Toronto

Which one word best describes your personality? – Optimistic

Years at TPP – 12; spent time in Projects and Plan Policy

Greatest challenge – Balancing three very different support teams and keeping current with EIS issues.

“My first project as a team leader in EIS was PBR implementation. It's been extremely satisfying to witness the positive impact PBR has had on the services we can provide to members, including iAccess Web.” ■

MANAGING DATA: PAYROLL AND TIM

We receive over 4.5 million payroll records each year – managing all of this data effectively is one of our most important responsibilities.

PAYROLL: IMPROVING DATA THAT COMES IN

Currently, there is a wide disparity between the quality of information reported by employers – some employers' data comes in 98% accurate and others as low as 84%.

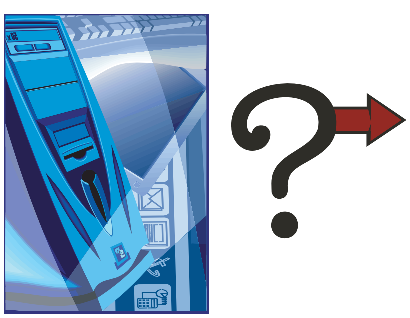
To see where you fall, go to TIM and check Trends & Measures – the "Data Management" measurement identifies the percentage of service data that was reliable for use in benefit calculations.

REVIEW DATA BEFORE IT BECOMES AN ISSUE

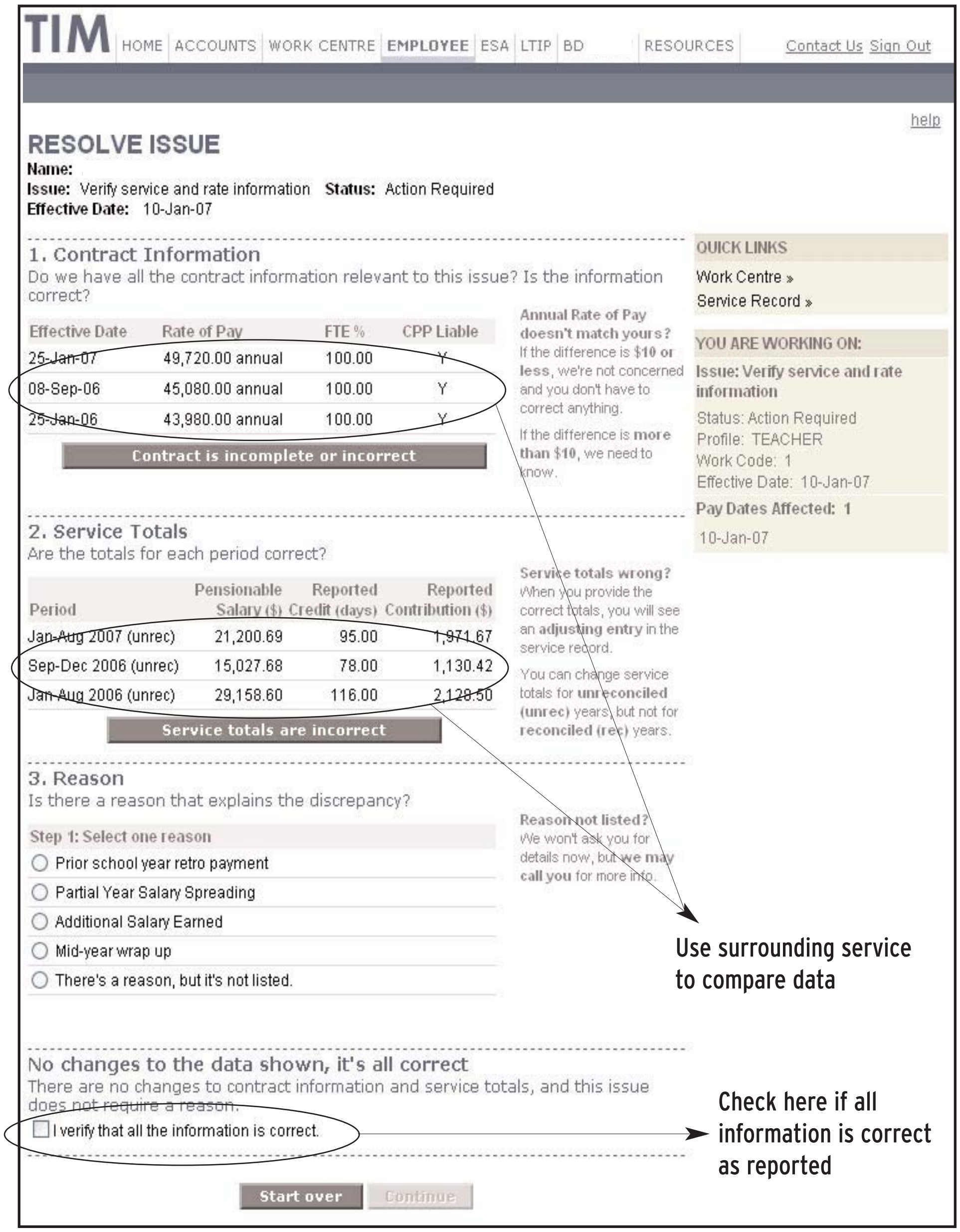
We have built our validation systems for two main purposes:

1. Assess what data is "good as reported".
2. Interpret data to help minimize questions and manual work.

Our sophisticated validation programs store and analyze all of the information you have provided (i.e., calendars, pay schedules and patterns, etc.). We then present questions to you only on those records we were unable to solve through formulas and analysis.



DETAILED RESOLUTION PAGE ON TIM



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help

RESOLVE ISSUE

Name:

Issue: Verify service and rate information Status: Action Required

Effective Date: 10-Jan-07

1. Contract Information

Do we have all the contract information relevant to this issue? Is the information correct?

Effective Date	Rate of Pay	FTE %	CPP Liable
25-Jan-07	49,720.00 annual	100.00	Y
08-Sep-06	45,080.00 annual	100.00	Y
25-Jan-06	43,980.00 annual	100.00	Y

Contract is incomplete or incorrect

Annual Rate of Pay doesn't match yours? If the difference is $10 or less, we're not concerned and you don't have to correct anything.

If the difference is more than $10, we need to know.

QUICK LINKS

Work Centre »

Service Record »

YOU ARE WORKING ON:

Issue: Verify service and rate information

Status: Action Required

Profile: TEACHER

Work Code: 1

Effective Date: 10-Jan-07

Pay Dates Affected: 1

10-Jan-07

2. Service Totals

Are the totals for each period correct?

Period	Pensionable Salary ($)	Reported Credit (days)	Reported Contribution ($)
Jan-Aug 2007 (unrec)	21,200.69	95.00	1,971.67
Sep-Dec 2006 (unrec)	15,027.68	78.00	1,130.42
Jan-Aug 2006 (unrec)	29,158.60	116.00	2,128.50

Service totals are incorrect

Service totals wrong? When you provide the correct totals, you will see an adjusting entry in the service record.

You can change service totals for unreconciled (unrec) years, but not for reconciled (rec) years.

3. Reason

Is there a reason that explains the discrepancy?

Step 1: Select one reason

- Prior school year retro payment
- Partial Year Salary Spreading
- Additional Salary Earned
- Mid-year wrap up
- There's a reason, but it's not listed.

Reason not listed? We won't ask you for details now, but we may call you for more info.

Use surrounding service to compare data

No changes to the data shown, it's all correct

There are no changes to contract information and service totals, and this issue does not require a reason.

I verify that all the information is correct.

Check here if all information is correct as reported

Start over | Continue

NOT ALL SECTIONS MUST BE COMPLETED TO RESOLVE AN ISSUE

JUST BECAUSE THE INFORMATION IS DISPLAYED, IT DOESN'T MEAN YOU HAVE TO CHANGE INFORMATION IN ANY OR ALL SECTIONS.

KEYS TO PROVIDING IMMEDIATE SERVICE

TIM: Tackling issues in your Work Centre

We continue to focus on improving our response time to TIM resolutions submitted by employers.

Our work in this area has uncovered a common myth, so we thought we'd offer some tips to help you tackle issues in your Work Centre.

Myth: I have to complete all sections to resolve an issue

We provide a great deal of information to assist you when the following issues appear in your Work Centre:

- Verify service and rate information
- Verify retro payment
- Verify adjustment record

For these issues, you can review contract information, change service totals and submit resolutions all from the same page. However, just because the information is displayed, it doesn't mean you have to change information in any or all sections.

For example, some of the service totals shown in section two are the surrounding service for the period in question – we are not asking you to change it, we provide it only for comparison purposes. We generally display the service totals for the period in which the issue falls, plus one reporting period.

Best practices

Ensuring data accuracy before reporting it to us will help reduce the number of issues appearing in your Work Centre.

When issues do appear, here are some tips for resolving them.

- ✔ Work the earliest/oldest issues first.
- ✔ Tell us if you know why a group of employees all have the same issue – we may be able to solve it systemically, so you don't need to resolve one at a time.
- ✔ Let us know if an explanation you require to resolve the issue does not exist in the list of resolutions.

If you don't make changes to the data shown in any of the three sections because it is accurate as reported, simply check the box at the bottom of the page to verify that all information is correct. However, if you edit any of the top three sections, the "Verify all information is correct" option will not be available.

Collaboration is key

We haven't been able to consistently achieve our goal of 48-hour turnaround for submitted resolutions – it remains one of our greatest challenges.

While we continue to look for opportunities to enhance our back-end systems to improve our response time, the best solution involves improving payroll extracts wherever possible – avoiding the cycle altogether.

We want to work more closely with you to promote understanding of what payroll changes could help avoid issue generation and also how to use the issue resolution system to get the best possible results. We would like to develop a plan tailored to your organization to make pension reporting easier.

Someone from your regional team will soon be contacting you by phone to discuss the areas of greatest opportunity. We encourage you to ask questions, suggest changes and let us know if there are specific areas that you find especially difficult.

As we compile your feedback, it will help us develop future enhancements that will benefit everyone.

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Briefly

Paid suspensions

We have discovered reporting inconsistencies for members who receive payment while suspended from teaching. Some employers have reported paid suspensions as regular employment while others have treated them as employer-approved leaves.

In the past, we have instructed you not to report service during a paid suspension. Since a member's employment was not terminated during a paid suspension, the member had the option of purchasing credit as an employer-approved leave.

During a policy review, we determined that members who are suspended with pay are often required to perform duties at the discretion of their employer.

For example, they may be asked to work on curriculum from home or perform administrative duties at the board office. The fact that employees who are suspended can be called into work at any time distinguishes paid suspensions from employer-approved leaves, where there is no requirement to work.

New policy effective 2007/08 school year

To ensure consistent reporting practices, report all paid suspensions as regular employment beginning September 1, 2007.

While you may not always require suspended employees to work, they are receiving full salary and there is an expectation that they could be called into work at any time.

Effect on re-employment

Since paid suspensions will now be treated as regular employment, the days will count toward re-employment limits.

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Does it count?

Re-employment continues to be one of our most challenging reporting areas. In addition to accurately tracking re-employment days to determine when limits are passed, there is often uncertainty about the pensionable status of specific duties that take place outside of the classroom.

We have recently been asked to confirm a few specific cases. The following duties may count toward re-employment limits:

- ✔ **Volunteer work**
- ✔ **Marking papers**
- ✔ **Meeting attendance**

If you are unsure of what counts toward re-employment limits, please contact us for clarification.

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Fall workshops

Sharing your specific pension reporting challenges with other employers is a great way to learn how to do things differently. Attending one of our upcoming workshops is the ideal way to obtain helpful advice from both your peers and us.

Plans are underway for our next series of workshops. We plan to travel to numerous locations across the province in October and November. Watch your inbox for specific dates and locations.

We welcome your input

If you have any ideas or suggestions for the workshop content or format, please contact Lorie Bissonette, Manager of Member Data and Employer Reporting.

You can reach Lorie at:

lorie_bissonette@otpp.com

416.730.6327 or 1.877.812.7989, x6327

We want the workshops to meet your needs and will develop them accordingly.

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Still time to retire online

With *i*Access Web, the secure members-only portion of our website, your employees still have time to retire and receive their first pension payment in July. If they haven't registered for *i*Access, they can do so immediately by phone – it only takes a few minutes.

If your employees know they are retiring, the sooner they contact us, the better. If they file their application late, they may risk missing a pension payment(s).

Once their resignation date has passed, we can't backdate applications to enable members to recoup missed pension payments.

Boosting *i*Access Web

We recently broke through the 100,000 mark for *i*Access Web registration. Since *i*Access Web is your employees' primary resource for personalized, pension-related information, we continue to look for ways to increase both registrants and usage.

To help promote *i*Access Web, several boards have volunteered to participate in a pilot project. We are working with these boards to determine new ways to target specific demographic groups. For example, when employers have orientation sessions for their new employees, it would be an excellent opportunity for us to register them immediately for *i*Access Web.

Once we complete and assess the success of our pilot project, we will determine the best way to roll out to all employers.

Member stats

- 100,818 registered for *i*Access Web
- 116,465 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).

Summer hours?

Do you change your office hours during the summer? If so, please let us know – it will help us manage our members' expectations.

For example, we may receive rush requests that require your immediate review. If we know you are unavailable on certain dates or times, we can more effectively set our timelines for responding to our members.

Typical questions asked by employers

Q Sarah received an Interim Certificate of Qualification effective June 19, 2004 and it was cancelled effective June 19, 2005. Is she only eligible to contribute for the one-year period?

A No, Sarah is eligible to contribute from June 19, 2004 onward. Once teachers become eligible for plan membership by having obtained teaching certification, they remain eligible for plan membership as long as they remain employed in education in any capacity.

Who is eligible?

Plan membership is mandatory for any employee of a school board who has obtained teacher certification or who is teaching under a Letter of Permission (granted by the Minister of Education on their behalf).

- **Permanent eligibility –** they have obtained teacher certification from either the Ministry of Education or the Ontario College of Teachers.
- **Temporary eligibility –** members teaching on a Letter of Permission are required to contribute during the period for which the letter is issued. Once the letter expires, they once again become ineligible to contribute to the plan.

Corporate update: Claude Lamoureux retiring and survey follow-up

Lamoureux preparing to retire in 2007

After a long and distinguished career in the financial services industry, Claude Lamoureux, President and CEO of the Ontario Teachers' Pension Plan, will be retiring later this year.

Claude joined Teachers' in 1990 after the province established an independent corporation to manage the pension plan. Under Claude's leadership, the plan has become one of the largest and most well-respected plans in the world.

Succession plans are currently underway. The board, along with the Human Resources & Compensation Committee, is responsible for identifying Claude's successor.

2006 Investment results

13.2%	Rate of return (vs. benchmark of 9.4%)
$106.1B	Net assets
$12.3B	Income from investments

Survey results being reviewed

As we told you in the March issue of *Pension Update*, Teachers', the Ontario Teachers' Federation (OTF) and the Ontario Government recently commissioned POLLARA, an independent research firm, to conduct a telephone survey of working members.

The random survey was completed in early May. POLLARA is compiling the results and will present their findings to all three groups later this month.

The OTF and Ontario Government will consider members' preferences for possible changes in future contribution rates, benefit levels or both if such action is required down the road to keep the pension plan financially healthy.

How to reach us

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Toll-free
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Hours
8 am to 5:30 pm, Monday to Friday

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