TEACHERS' PENSION PLAN ONTARIO

PENSION UPDATE

Season's Greetings from EIS!

DECEMBER 2009

EXCITING TIMES AHEAD!

2010 is expected to be the first of several years of significant and exciting change that will revolutionize pension reporting and member service.

As we reported in our final newsletter of 2008, our organization has aligned behind a new strategy to provide the next level of service excellence to our members. We want to provide more customization, more counseling and more member choice.

This may all be well and good, but you may be thinking: How will this impact pension reporting?

To truly 'Wow' our members, we need to anticipate their pension requirements and customize an experience that will suit their needs.

This requires a better understanding of what is going on in their careers—better contract management (rate of pay, position, etc.) and more timely and reliable absence details.

CHANGING

We have not undertaken such a large initiative since we introduced payroll-based reporting in the mid-1990's. For this initiative to be successful, it will require careful planning and effective change management processes.

We know that by continuing to consult with employers, we can ensure a smooth transition to this new world of pension reporting.

In the September 2009 issue of our newsletter, we highlighted the work to improve our data assessment capabilities and redesign our reconciliation model.

In addition, we anticipate changes will be coming soon to our buyback process. We have already spent significant time and intellectual effort to develop the initial framework. Our next steps include modeling the new rules and exploring how to improve the absence collection process.

Continued on page 2

2009 HIGHLIGHTS

Year 2 of Strategy:

- ✔ Focus on gathering information, planning and developing infrastructure
  - Data Assessment
  - Reconciliation
  - Buyback

Reconciliation Results:

- ✔ 2007 – complete
- ✔ 2008 – more than 70 employers completed

TIM:

- ✔ Refreshed Newsletter page (under Resources)
- ✔ Sametime upgrade – allows use by employers in French
- ✔ Time out extended to 45 minutes

LOOK INSIDE FOR YOUR 2010 CALENDAR

WHAT'S INSIDE

LOOKING INTO THE FUTURE

Continued from page 1

Over the years, we have found that obtaining absence information from pay systems does not deliver the reliability that would help us make this process more efficient for employers. It also doesn't allow us to use absence information in a way that would anticipate members' needs and provide a 'wow' experience.

NOT CHANGING

Our success over the past 10 years has strong roots in our commitment to partner with employers on initiatives that will make progressive improvements to our systems and processes.

Your continued support of our goals and consultation through this period of change will form the foundation of the next generation of pension reporting.

2010

Our focus in the coming year will be to introduce our new data assessment model and support the development required to introduce changes to the member buyback process.

2009 TIM HIGHLIGHTS

Reporting and communication hub:

- **160 log-ins each day**
- **+45,000 issue resolutions**
- **+10,000 IM communications**

There was an 8% drop in IMs from 2008, which is good! Employers are making better use of correspondence, which is monitored for response and archived for future reference.

Data assessment will introduce year-over-year validation that will reduce some of the noise associated with our existing pay-basis validation system.

While the new approach is expected to introduce some new requirements, there will be long-term efficiency gains from capturing better contract and pay interruption information.

Member buyback process changes are expected in the fall of 2010. While the details have not yet been finalized, ESA management for employers may become dramatically easier.

Stay tuned for more information early in the new year.

2011+

Once the new data assessment model is in place, and working as we expect it to, we will shift gears to focus on better event reporting and the next stage of our reconciliation remodeling.

Change can be difficult, but we know there are wonderful consequences of going through such a process. The end result will be greater efficiency for employers and it will move us to the next level of service excellence for your employees.

THANK YOU

During the holiday season, our thoughts turn gratefully to all those who make our progress possible.

In this spirit, we would like to thank you for all of your support in 2009 and wish you all the best in the coming year. ■

TIM UPDATE

Latest changes made to protect and improve.

New password protocol

Many of our daily activities now require a password—banking, online shopping, etc. Strong passwords protect your personal information.

This is even more important in TIM where personal information on many employees is stored. While it can be challenging to try and remember every different password created, it's the reality of our every-day life and business environment.

We're committed to protecting the privacy of our members' personal information. To further enhance our security, we have introduced stronger password protocol for TIM users.

Review and update all passwords

By the end of 2010, we will ensure that all passwords meet the new standards.

We will schedule system enhancements to identify passwords that don't meet the criteria and to prevent the creation of non-compliant passwords.

In the meantime, we encourage all current TIM users to:

- create and maintain strong passwords;
- not share your username or password with anyone; and
- if a colleague requires access to TIM as part of their job responsibilities, they should contact us directly to register.

Thanks for helping us protect members' information!

Mandatory password requirements

- **Minimum 8 characters**
- **Must be combination of letters and numbers**
- **Must have at least one lower case and one upper case character**

The new standards will apply immediately for the following:

- **new users, and**
- **users who forget their password and contact us to reset it.**

Improvements to IM

We recently upgraded to a new version of Sametime, the software used for Instant Messaging (IM). As a result of this upgrade, your EIS team can now initiate chats with you in TIM.

This upgrade also resolved compatibility issues that had prevented employers with French operating systems from using IM. Our bilingual employers can now use IM in their language of choice.

Auto sign out extended

Based on feedback received at the latest workshop sessions, we've extended the time out feature of TIM by 15 minutes.

If you sign in to TIM and it remains inactive for 45 minutes, you will automatically be signed out and lose any work you have not submitted.

■

Employer workshops: Celebrating

2009 workshop campaign wrapped up in October.

Like a fine wine, our workshop program has gotten better with age. Launched in 1999, we've worked closely with you to shape the program into what it is today.

"One thing that I really enjoy seeing is how comfortable people have gotten," said Lorie Bissonette, Manager in Employer Information Services. "Some of our less vocal employers have gotten much more involved over the years—they are now more confident offering their opinions during group discussions."

Fall sessions well attended

More than 130 people joined us in one of six cities from late September to early October. By announcing the complete 2009 schedule early in the year, employers were able to plan ahead by registering months in advance.

The feedback from the fall was consistent with other comments we've received over the years. Employers value the chance to offer their input, especially on proposed changes to rules and processes. They also enjoy the networking opportunities, meeting others who face the same reporting challenges. And it's always great to hear a lot of different opinions.

"Next year, we'll revamp the program again," added Lorie. "We'll investigate the logistics of having some more hands-on training sessions as it's been requested several times for the past couple of years."

That was then

April 1999 — Our first series of workshops featured four stops across the province, including this one in London.

This is now

Fall 2009 — Maryse Godhue (l) and Nathalie St. Pierre (r) of Conseil scolaire de district du Centre-Sud-Ouest attended one of our most recent sessions in Toronto.

Successful debut

A special thanks to all participants for welcoming our three new presenters.

"The first time in front of a crowd is always the toughest," said Lorie. "Participants were very supportive as Maria, Caroline and Fernando worked through their first-time jitters."

The rookies fit right in—survey results were highest in the presenter category:

- 98% agreed or strongly agreed that the presenters were knowledgeable
- 94% agreed or strongly agreed that the presenters kept them engaged

We value your continuous feedback and always try to incorporate your suggestions into future workshops. Watch your inbox in early spring for our 2010 schedule.

■

A DECADE OF LEARNING

SURVEYS SAY...

Here's a sampling of what attendees told us this fall — the positive and the constructive:

What you like:

"Enjoyed the session and brainstorming to see how we feel about the changes."

"I came away with some ideas on how we may be able to improve our reporting."

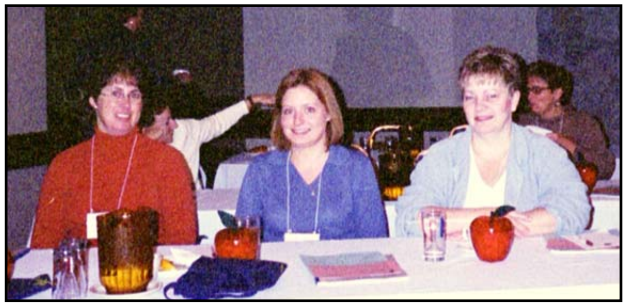
"I stayed engaged throughout and appreciated the invitation for input into plan change processes."

And our challenges:

"In Toronto, too large a group — hard because independent schools are so different from boards."

"Keep in mind that all attendees will have different experience levels and some terminology and procedures are not as understood by all at the same level."

10 YEARS OF MEMORIES



FALL 2001
LONDON

SPRING 2002
TORONTO

FALL 2004
TORONTO
(DESIGNATED EMPLOYERS)

FALL 2007
SUDBURY

Briefly

2008 reconciliations off to a flying start

Several large boards already done.

Your support and willingness to reconcile 2007 and 2008 has been incredible this year. We've challenged all of you and the results speak for themselves—2007 is complete and more than 70 employers have already reconciled 2008!

A special round of applause

Several large boards (1,000+ members) have already reconciled their 2008 accounts. Here are a few we'd like to applaud:

- **Toronto Catholic DSB** is the largest board—they closed their 2008 account for over 7,000 members on November 4!
- **Halton Catholic DSB** is another large employer—they closed their 2008 account for close to 2,200 members on November 3.
- **Hastings and Prince Edward DSB, Simcoe County DSB and Thames Valley DSB** continue to maintain high standards—they closed their 2008 accounts, totaling more than 12,000 members, in November as well.

Seeing the pay-off

Based on this year's great start to 2008, it appears that ongoing data management has started to pay off.

Working in TIM regularly enables you to review and clean employee records throughout the year, thereby making year-end reconciliation smoother.

We're closer than we've ever been to making "current" reporting a reality. Keep up the great work!

■

Congratulations to these "big" district school boards for reconciling 2008!

Toronto Catholic
Halton Catholic
Hastings and Prince Edward
Simcoe County
Thames Valley
Grand Erie
London Catholic
Peterborough Victoria Northumberland and Clarington Catholic

MCDs—It's not your fault!

The difference a word makes.

One word can really change the meaning of something. Case in point: *employer* contribution discrepancy (ECD) versus *member* contribution discrepancy (MCD).

- **ECD**—occurs when we receive information from you and need to adjust an employee's pensionable salary or CPP status for a previously reconciled year.
- **MCD**—may occur when an employee works for more than one employer in a calendar year.

For ECDs, you may receive an invoice (underpayments and outstanding balances) and/or cheque (overpayments).

We issue ECDs every other month—payments for ECD invoices are due the end of the month following the month the invoice is sent.

For MCDs, we contact members directly throughout the year. They will receive a letter along with an invoice (contribution shortfall) or refund cheque (over payment).

Continue doing what you're doing

Despite the fact that each employer follows the same (correct) reporting practice—calculating contributions required based on earnings at their organization—they cannot anticipate or avoid a possible MCD.

We can only determine MCDs once we have reconciled all of an employee's service in a specific calendar year. Members who work for more than one employer often get billed for MCDs because additional contributions are required based on their total earnings.

If you receive any inquiries from an employee or former employee about an MCD, ask them to contact our Client Services department directly. ■

ECD

OR

MCD?

Typical questions asked by employers

Q Do I have to report re-employment service?

A No, do not deduct or remit contributions for pensioners exceeding the re-employment limits unless they are working toward a recalculation of their pension.

The plan change that became effective Jan. 1, 2009 removed your requirement to report re-employment service. Note that it did not remove the limits—pensioners are still responsible for tracking their days and notifying us if they exceed the limits. Employers must ensure their practices encourage plan compliance.

Q Can new employees choose not to belong to the plan if they work at a designated private school?

A No. Effective Sept. 1, 2008, all employees with valid teaching qualifications, hired to work in any capacity, must be enrolled as soon as they begin working for any employer that is designated in the Teachers' Pension Plan.

Briefly, continued

Continued from page 7

2010 Contribution formula

YMPE
$47,200

Maximum pensionable salary
$283,200 (YMPE x 6)

Personal statement of benefits wrap-up

185,883 Total produced → **88,027*** Sent through *i*Access Web* → ***9% increase** compared to 2008

Holiday housekeeping

Hours

For the 2009 holiday season, we will be closed on:

- Friday, December 25
- Monday, December 28
- Friday, January 1

We will also close at 3 pm on both December 24 and 31.

December remittance

This month's remittance is due on Thursday, December 31. If you are closing your office and plan to remit early, please inform your EIS team.

Remember—send us your remittance details via TIM and deposit by noon on the same day.

How to reach us

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

E-mail
eisinquiry@otpp.com

Employer Website (TIM)
employers1.otpp.com

Corporate Website
www.otpp.com

Toronto area
(416) 227-7525

Toll-free
1-866-867-9147

Toronto area
(416) 730-7807

Toll-free
1-800-949-8208

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.