



Statistics

- 170,000 teachers in elementary and secondary schools in Ontario
- 108,000 pensioners – includes survivor pensions
- Plan originally created in 1917
- One of Canada's largest payrolls, paying \$4 billion in pension benefits annually

Financial

- Net assets: \$108.5 billion (December 31, 2007)
- Rate of return: 2007 = 4.5%; four-year average = 12.3%; since 1990 = 11.4%
- Asset-mix policy: 45% equities (public and private companies, derivative contracts), 22% fixed income and absolute return strategies, 33% inflation-sensitive (real estate, real-return bonds, infrastructure and timber, commodities)
- Until 1990, all funds invested in non-marketable Ontario debentures

Operation

- Mandate: to administer the pension plan and manage its investments to earn the best possible rate of return at an appropriate level of risk
- Co-sponsored by the Ontario government and the Ontario Teachers' Federation (OTF) with authority for plan changes delegated to the six-member Partners' Committee
- Overall policy direction provided by nine board members, four appointed by the Ontario government and four by OTF, with a jointly selected chairperson
- Responsibility for day-to-day operation delegated to Chief Executive Officer, Jim Leech, and his staff of approximately 700
- Provide services directly to all members and employers
- Regular communications for members: *Report to Members*, *Pensionwise* newsletter and *Personal Statement of Benefits* to teachers, and *Pension News* to pensioners
- Websites: www.otpp.com, news and reference material; members can access their personal pension file and use various tools on *iAccess Web*, a secure member website

Benefit Design

- Defined benefit plan: 2% x years of credit x average "best-five" salaries = annual pension
- Unreduced retirement with 85 factor (age plus qualifying years = 85)
- Partial years count as full years for determining the 85 factor, except for the first and final year of teaching
- Members can repay refunds and buy back service for leaves – cost is contributions plus interest and teachers have five years from the end of the leave to complete the purchase
- Partially integrated with CPP
- Fully indexed up to 8% per year based on changes in CPI, with carry-over provision

Contributions

- Average 10.3% of earnings in 2008
- The Ontario government and designated private schools and organizations match the teachers' contributions

Legislation

- *Teachers' Pension Act (Ontario)*
- *Income Tax Act (Canada)*
- *Pension Benefits Act (Ontario)*