
11. Disability


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Overview

Introduction Many employers provide benefits for members who become disabled while on the job. Long-term income protection (LTIP) provides a salary, from an insurance carrier, to members who are unable to work due to illness or disability.


When member should contact us  Please encourage members to contact the pension board directly to investigate their options if they become disabled and are no longer eligible for sick leave or LTIP benefits.

Valid LTIP Agreements There are important pension implications if an individual opts out of a group plan and purchases LTIP coverage on their own.

To be authorized under our plan, a valid agreement to provide LTIP is one that is entered into on a group basis between an insurance carrier and one of the following:

- Board of education,
- Minister of Education (as an employer for members who are employed by the Ministry),
- Ontario Teachers' Federation (OTF) or one of the teachers' unions (EFTO, OSSTF, OECTA, AEFO), or
- An authority approved by us (includes designated private schools, designated organizations, the Ontario Principals' Council and the Catholic Principals' Council of Ontario).

Employees receiving LTIP benefits will remain active members of the Teachers' Pension Plan when the benefits are being paid under a valid agreement as outlined above.

Important  **Opting out of valid agreements** Individual and supplemental insurance agreements are not considered valid for plan membership purposes. Therefore, if employees opt out of their group plans, they will not be eligible for active LTIP membership while they are absent from employment. They can apply for a purchase of credit under our ill health provisions.

Employees considering opting out of your group insurance plan should contact our Client Services department directly if they have any questions about the potential impact on their pensions.

Overview

Introduction

All members who receive LTIP benefits from their employer’s approved insurance carrier remain active in the Teachers’ Pension Plan—they continue to accrue credit and pensionable salary until the earlier of:

- the date they cease to receive payments under the LTIP agreement;
- the date they begin receiving a pension from the TPP; or
- the end of the year in which the member reaches 69 years of age.

We only need to receive pension contributions for members who first begin receiving LTIP benefits before September 1, 2001.

Current vs. Historical Provisions

Plan changes affecting LTIP became effective on September 1, 2001. As a result, there are now current and historical plan provisions for members receiving LTIP benefits.

Plan changes effective September 1, 2001



Period	Description	Contributions?
Historical	Members first began receiving 100% LTIP August 31, 2001 or earlier	Yes
Current	Members first began receiving any LTIP on or after September 1, 2001	No

In addition to LTIP benefits becoming non-contributory, below is a summary of other changes effective September 1, 2001:

Top-ups waived—LTIP members no longer have to top-up their contributions to keep pace with inflation (see page 14).

Start date redefined—the date *any* LTIP benefits become payable determines a member’s LTIP start date (see page 10).

Integrated sick leave and/or rehab—as a result of the redefinition of start date, members accrue LTIP credit for the duration of their claim, even if they’re on integrated sick leave or doing rehabilitative employment (see pages 10 and 11).

Important

When dealing with LTIP, please ensure your reporting procedure reflects the correct plan provisions. Members who were receiving LTIP benefits prior to September 1, 2001 will be processed under the historical plan provisions.

Overview

Current vs. Historical Provisions, cont'd.

We have revised this section to reflect the correct reporting procedures under the current plan provisions. Where applicable, we have highlighted the difference between the current and historical provisions. When referring to pension contributions, the reporting requirement identified only applies to those LTIP members falling under the historical plan provisions.

Tip 

To ensure you correctly report LTIP members falling under the historical provisions, please keep the original version of this section (February 1999) for reference.

Below are two examples to help you identify whether you should use the current or historical plan provisions for your LTIP members.


Example A

- John is receiving a mix of LTIP and integrated sick leave from April 15, 2001 to September 30, 2001
- Full credit is reported as regular employment until September 30, 2001
- As of October 1, 2001, John is receiving 100% LTIP benefits

Plan provisions  Historical (contributions required)

Example B

- Sarah's last date of regular employment is April 14, 2001
- She becomes ill on April 15, 2001
- Sick days benefits are paid from April 15, 2001 until October 18, 2001 when Sarah's sick leave bank runs out
- Full credit is reported as regular employment until October 18, 2001
- Sarah's LTIP benefit starts to be paid October 18, 2001

Plan provisions  Current (contributions not required)

For LTIP administration to run smoothly, it's critical for everyone involved in the process to understand their specific roles and responsibilities.

Overview

- Pension Board Role** We will do the following:
- collect monthly contributions and reconcile any differences with employers during the year-end process
 - where necessary, provide a tool to capture and report the detailed breakdown of contribution information for LTIP members
 - calculate top-up payments and mail top-up invoices to members*
 - provide the current pensionable salary to be used for the calculation of pension adjustments by the employer

Employer Role The employer for whom a member was working at the time they became disabled is responsible for sending us pension contributions.

Employers are required to do the following:

- send us a completed *LTIP Information Request (0466)* form for each member going on LTIP whose claim has been approved
- send us the required contributions on or before the end of the month in which you receive them from the insurance carrier on behalf of LTIP members
- send us a detailed breakdown of contribution information for LTIP members with your monthly contribution remittance
- inform us of any changes in members' LTIP status, retroactive adjustments or salary increases which apply to the school year members went on LTIP
- annually confirm the service credit LTIP members earned in our plan
- notify us when a member's LTIP claim ends or if the member resigns

Important 

- Member Role** Members receiving LTIP benefits are required to do the following:
- at the beginning of each school year, inform their employer whether or not they are still receiving LTIP benefits
 - send us their top-up payments (if they choose to make them) within the specified timelines*

* Beginning with the 2001/2002 school year, *all* LTIP members will have their salaries automatically adjusted each year.

Overview

Insurance Carrier Role

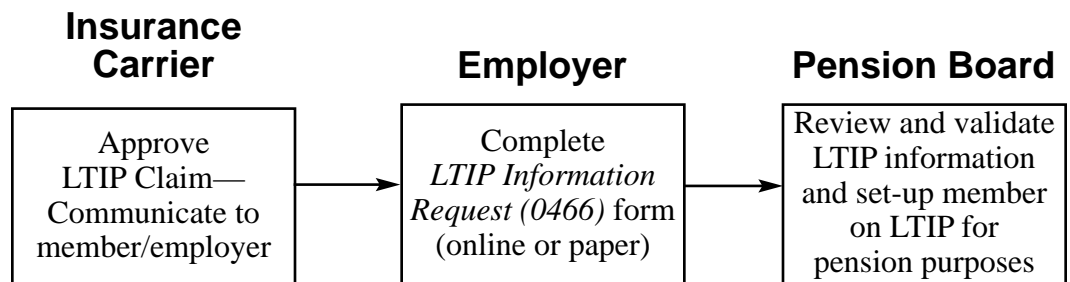
Insurance carriers are required to do the following for LTIP members that fall under historical provisions:

- remit contributions to employers the month following the month in which members receive LTIP benefits

Flow Charts

The following charts show how information and/or contributions flow through the insurance carrier, the employer and the pension board. The charts are broken down in the following order: new claim, monthly and annual processes.

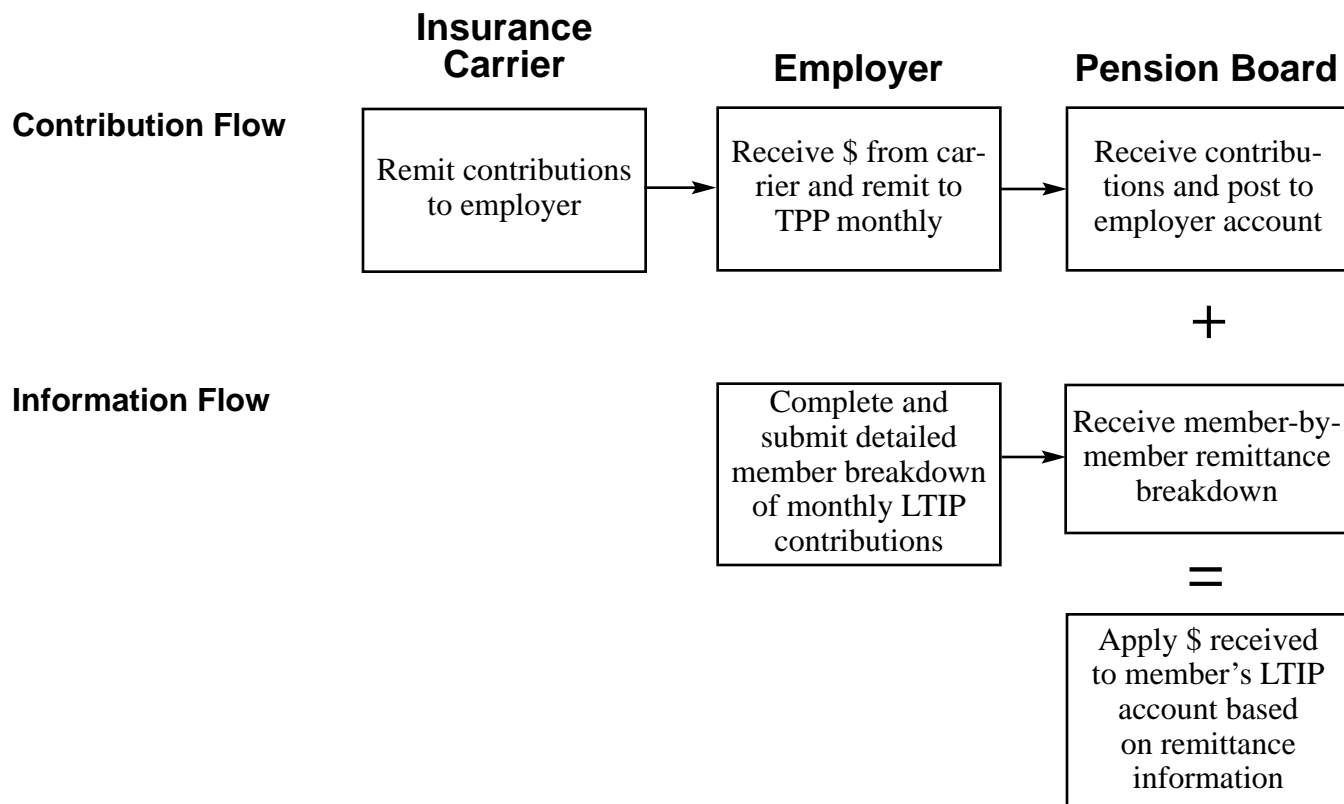
New Claim Process—Information Flow



Providing accurate and complete information is essential to ensure members receive the benefits to which they are entitled. In addition, it will help ensure pension reporting for the duration of the member’s LTIP claim runs smoothly.

Overview

Flow Charts, cont'd. Monthly Process



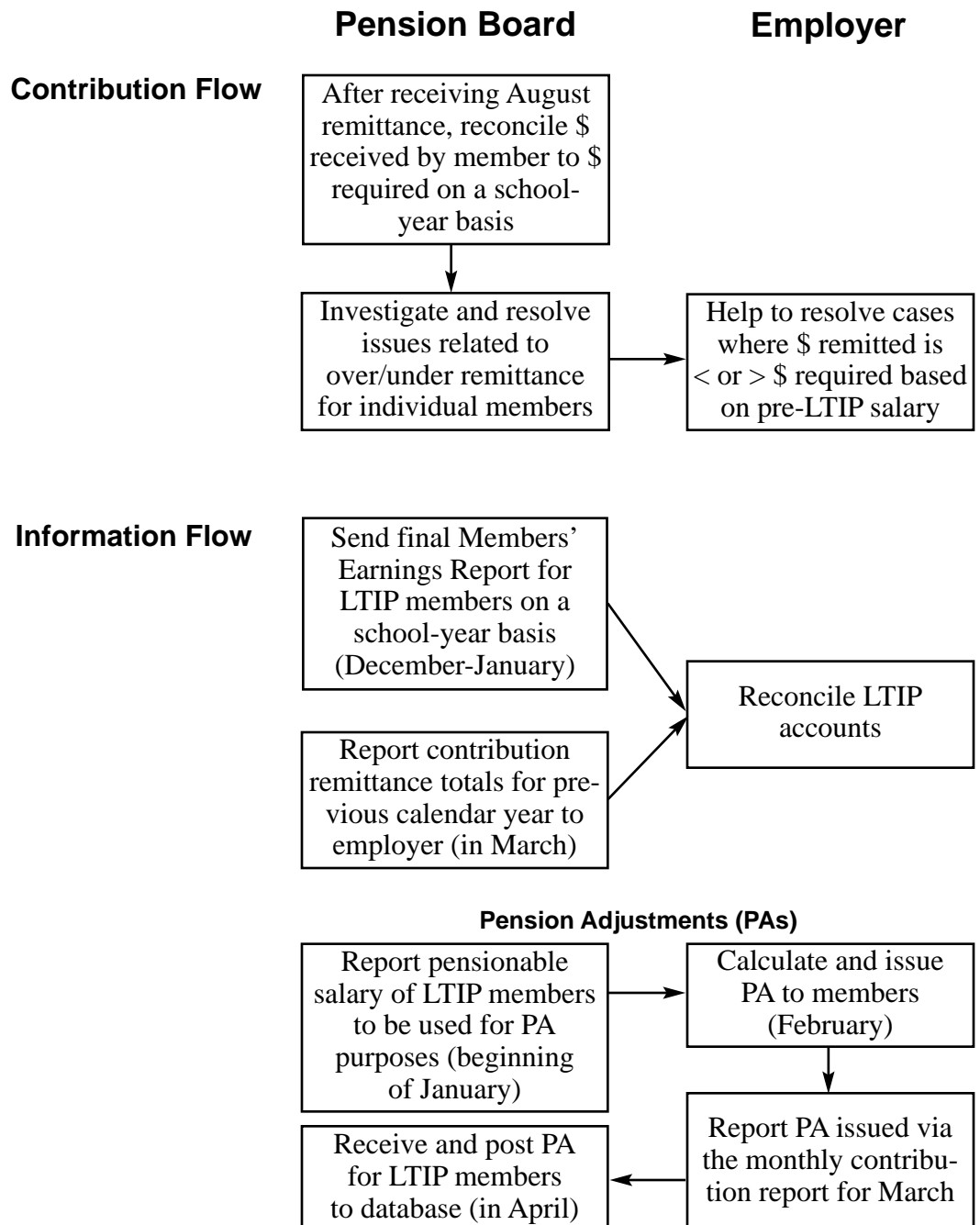
The monthly reporting process enables us to track the monthly remittance for all LTIP service and apply contributions directly to each member. It is very important that the information reported on the *Monthly LTIP Contribution Report* matches the information on the *LTIP Annual Summary*. This will help ensure contributions are applied correctly to each member. If the amounts differ, we will contact you to resolve the discrepancy.

If monthly reporting is done accurately, we will not need to include LTIP service when validating data on an annual basis.

Overview

Flow Charts, cont'd. Annual Process

The insurance carrier is not involved in the annual reporting process for LTIP members. Therefore, they are not included in the chart below.




Reporting Procedure

Contributions

LTIP is non-contributory for members who first begin receiving benefits on or after September 1, 2001. If members first began receiving LTIP benefits prior to this date, contributions are still required.

Important 

Summary of how to report contributions 


Period	Class Code	Contribution Rate	CPP Status
December 31, 1990 or prior	5	6.9%	Exempt
January 1, 1991 to August 31, 2001	6	8.9%	Exempt
September 1, 2001 to present	N/A	N/A	Exempt

All pension contributions for LTIP members employed by a university, community college, designated private school or organization must be matched.

Pensionable Salary

Pre-LTIP Salary—Minimum Pensionable Salary

Contributions should be remitted based on the member's pensionable salary. Here's a review of the changes to this definition over the past 10 years.

Summary of how to determine minimum pensionable salary 

Period	Pre-LTIP Salary
August 31, 1991 or prior	The salary the member was earning at the time of disability (i.e. the salary on which the insurance carrier was paying contributions).
September 1, 1991 to August 31, 1998	The salary the member would have earned if they had worked the full school year they began receiving LTIP benefits (i.e. includes any increases they may have received after they became disabled).
September 1, 1998 to August 31, 2001	The salary the member would have earned if they had worked the full school year they began receiving 100% LTIP benefits.
September 1, 2001 to present	The salary the member would have earned if they had worked the full school year they began receiving any LTIP benefits.

Reporting Procedure

Pensionable Salary,
cont'd.

As highlighted in the chart on the previous page, pre-LTIP salary is the pensionable salary an employee would have earned in the school year that LTIP benefits began had they worked the full year.

Pre-LTIP salary includes any salary increases members would have been entitled to if they had remained fully employed, i.e. grid increases, negotiated contract settlements, etc. Therefore, a member's salary during the first school year on LTIP must equal their pre-LTIP salary.

Important 


Where the pre-LTIP salary is higher than the salary upon which the insurance carrier is paying contributions, the employer is required to remit contributions on the full pre-LTIP salary. The employer should make arrangements to collect the difference directly from their employees.

Retroactive Salary Adjustments

This adjustment is usually the result of a contract settlement (i.e. collective agreement) after an LTIP claim begins. If a member's pensionable salary increases due to a contract settlement, pension contributions are required based on the new salary amount retroactive to the date the new salary would have been effective.

Maximum Pensionable Salary

For members receiving LTIP benefits, there is a maximum pensionable salary allowed under the *Teachers' Pension Act*. Any contributions received in excess of the maximum salary will be returned to the employer when we reconcile the members' LTIP accounts at the end of the school year.

Top-ups eliminated


As of September 1, 2001, members will have their pensionable salary increased up to the maximum level without paying additional contributions. The increase will be based on their pre-LTIP salary and the Consumer Price Index (see page 14 for details).

Reporting Procedure

LTIP Start Date

Effective September 1, 2001, the way we administer integrated sick leave plans and rehabilitative service will change. As of this date, a member will be considered an active member on LTIP once they begin receiving *any* LTIP benefits from their insurance carrier (i.e. integrated sick leave or rehabilitative employment is irrelevant).

Important

Therefore, when members begin receiving any LTIP benefits, please only report their LTIP information. No other service information or contributions are required until their claim ends.

For LTIP benefits that started August 31, 2001 or earlier, the date the member began receiving *100%* LTIP benefits is considered their start date.

Integrated Sick Leave Plans

Throughout their careers, members are allowed to accumulate a pre-determined number of sick leave credits. In addition to the regular sick day allotments, some employers have integrated sick leave plans which can supplement or pay a reduced salary benefit to their employees while their LTIP claim is being considered. Sick leave programs vary from employer to employer depending on each individual collective agreement.

When members first become disabled and unable to work, they will begin using their allotted sick leave credits. Members may begin receiving LTIP benefits before their sick leave plans have ended. When this occurs, they receive a portion of their salary from their integrated or accumulated sick leave plans and the rest from their LTIP benefits.

Wage Loss Indemnity

Many employers also provide another type of short-term sick leave plan called wage loss indemnity. In this type of program, the employee is paid by an employer, but the employee does not receive benefits from EI. This is usually depleted before the member begins receiving LTIP benefits.

If members participate in a wage loss indemnity program at a reduced rate of pay, they should receive full credit for the applicable period. However, they will accrue pensionable salary at the rate they are receiving wage loss indemnity.

According to the plan, members participating in a wage loss indemnity program *cannot* pay contributions on the difference between their regular and reduced salary. This could negatively impact a member's pension if it occurs in their best five years of salary.

Rehabilitative Employment

Some members may return to employment in an attempt to become rehabilitated while still receiving LTIP benefits.

Reporting Procedure

LTIP Start Date,
cont'd.

Important 

If a member begins a rehabilitative assignment while receiving LTIP benefits, they'll still be considered 100% LTIP. Therefore, for members required to make contributions, please remember to report all service as LTIP until LTIP benefits completely end, regardless of whether there is a mixture of LTIP and rehabilitative employment.

If the member falls under our current provisions (i.e. contributions are not required), you should not report any service until the LTIP claim ends.

Recurrence of an LTIP Claim

If a member stops receiving LTIP benefits and then begins receiving them again, the member will be subject to the rules in effect at the time the benefit was originally paid.

Therefore, any new LTIP applications for members with prior LTIP service will be subject to approval by the pension board. If you have any questions about recurrences, please contact us.

Retroactive LTIP Claim

At times, insurance carriers will approve an LTIP claim retroactively. Any amounts representing damages or financial settlement independent of a claim approval are not pensionable. To determine eligibility under the plan, we require a copy of the settlement terms before adding any LTIP service to a member's record.

If an LTIP claim is approved after the LTIP start or end date of benefit, the "Date LTIP benefits started" on the *LTIP Information Request (0466)* form is the date to which benefits are retroactive.

Important 

If the claim is retroactive to a date prior to September 1, 2001, the historical provisions apply (i.e. contributions are required).

When LTIP claims are approved through an appeal process, insurance carriers should include the interest payment in the settlement terms. The following interest rules and rates are used to determine the amount owing for retroactive or underpaid LTIP contributions:

Interest Start Date	Interest End Date	Interest Rate
October 1 st following the school year in which contributions were due	The day before payment is made	Standard interest rate, compounded annually each Dec. 31 based on the following rates: 1999 4.29 2000 4.48 2001 5.31

Reporting Procedure

LTIP End Date

A member's LTIP claim may end for one of the following reasons: retirement, death, return to work or termination of claim by the insurance carrier or member.

When one of the above situations occurs, please inform us of the LTIP end date. By doing this, we can identify a change in a member's LTIP status and be able to process any related benefits accordingly.

Important

Members are only eligible for a benefit (i.e. pension or commuted value) once they stop receiving LTIP benefits from the insurance carrier and have terminated their employment.

The member's LTIP end date is the date they stop receiving LTIP benefits (i.e. the date the claim ends).

True-up Payment

When an LTIP member is paid over a 12-month period and the claim ends, the insurance carrier often makes a final reconciliation payment (also referred to as a true-up payment). The purpose of the true-up is to reconcile the member's pension contributions back to a 10-month basis.

For example, if a claim ends in May, a member would only have received 5/12 of their salary—by reconciling their contributions back to a 10-month period, the member would be paid 5/10 of their salary.

Important

For LTIP members falling under our historical provisions, contributions on the pre-LTIP salary are mandatory regardless of whether the insurance carrier makes the true-up payment on behalf of the member.

Reporting Procedure

Service Credit

A member's service credit must represent their employment status prior to becoming disabled (i.e. if part-time prior to their illness, they must be reported with the applicable part-time service credit).

Member's employment status prior to disability remains the same while on LTIP.

If a full-time member receives LTIP benefits for an entire school year, they must have the equivalent of a full year of service credit.

Mid-month Start and End Dates

If members do not start or stop receiving LTIP benefits at the beginning of a month, their credit is calculated based on actual days (school-year calendar). You should report the actual number of days the members work in the month they are approved for LTIP benefits or in which their claim ends.

Part-time Teaching

If a member was a part-time employee prior to becoming disabled, they remain a part-time member while on LTIP. When sending us LTIP information (online or paper form), please indicate what percentage of time they worked prior to LTIP. In addition, when indicating their pre-LTIP salary, this salary should be their annual rate of pay.

Member's service credit is based on the actual number of days on LTIP.


For example, if the member was employed as a 67% teacher, then the pre-LTIP salary reported must be the salary the member would have earned had they continued to teach at 67% in the year LTIP benefits commenced. The member should also receive 67% service credit.

Breaks in Service

When a member has a loss in credit because their sick leave credits expired prior to the LTIP approval date, or they did not return to employment immediately after their LTIP ended, they may be eligible to purchase this time. Please advise your employees to contact our Client Services Department if they would like more information about this type of purchase.


Reporting Procedure

Top-up Payments Previously, top-up payments allowed LTIP members to optionally increase their contributions annually so their pensionable salary kept pace with the rate of inflation (see “Maximum Pensionable Salary”, page 9). Top-up payments are based on the Consumer Price Index (CPI), not on any contractual salary increases that may have been earned.

Top-ups eliminated  Beginning with the 2001/02 school year, LTIP members will no longer have to top-up their contributions to keep pace with inflation—the salary for all LTIP members will be automatically adjusted each year. Therefore, the 2000/2001 school year will be the last year members will need to decide whether or not to top-up their contributions.

Pension Adjustments (PAs) Under plan amendments, there are no contributions required for members who begin to receive LTIP benefits on or after September 1, 2001. However, employers still need to issue pension adjustments (PAs) for these members.

We will provide you with the member’s correct pensionable salary and service credit to be used in calculating their pension adjustment (PA) amount. Based on the salary we provide to you, please send us the pension adjustment (PA) amount you report on the member’s T4 for LTIP service.

Important  Please report the PA amount for LTIP members on your *Monthly LTIP Contribution Report*. You should identify the PA amount in the “Comments” section of the spreadsheet. If the PA is for combined service in a school year (i.e. regular and LTIP), also indicate this information in the “Comments” section.

Once you have reported the amount to us on the spreadsheet, you shouldn’t report a PA for LTIP service any other time.


Reporting Procedure


Current Process

When member becomes disabled

- report as regular employment until member begins receiving any LTIP benefits
- report as LTIP information as soon as member begins receiving any LTIP benefits

When member begins receiving any LTIP benefits

Send information electronically 

- send us the LTIP information using one of the following methods:
 -  *Web site (employers1.otpp.com)*—go to “Applications”, select “E-Forms” and then select “LTIP Request”

or

-  *Paper form*—complete the *LTIP Information Request (0466)* form and fax it to us at (416) 730-7807 or 1-800-949-8208

While member is receiving LTIP benefits

By sending us a report each month, you will help us track the monthly remittance for each LTIP member who began receiving LTIP benefits prior to September 1, 2001.

- send us a monthly report indicating the amount of LTIP contributions being remitted for each LTIP member *falling under our historical provisions* and the total LTIP contributions for that month—this will help us track the monthly remittance for each LTIP member
- you can send us this information on a spreadsheet you’ve already created, or we can send you a diskette containing a spreadsheet we’ve created for you
- if you’ve already created your own spreadsheet, you can send it directly to us (fax to the number above or mail) provided it contains *all* of the following information:
 - ✓ employer name and number
 - ✓ cheque number, where applicable (the number of the cheque being remitted for that month’s total contributions)
 - ✓ member name, SIN and class code
 - ✓ contributions for each LTIP member for that month
 - ✓ total LTIP contributions being reported for that month
 - ✓ start and end dates, if applicable
- if you wish, you can also include/provide the member’s employee identification number on the spreadsheet
- if you haven’t created your own spreadsheet, or if you prefer to use our version, contact us for a diskette—our spreadsheet will have fields for you to identify all of the above information (see sample on page 28)

Reporting Procedure

Current Process,
cont'd.

Important 

- send us your *Monthly LTIP Contribution Report* at the same time as your monthly *Contribution Remittance (0021)* forms—this will ensure the total amount of contributions you actually remitted for your LTIP members [as stated on the monthly *Contribution Remittance (0021)* form] equals the total amount of contributions you've indicated you're remitting for all of your LTIP members (as indicated on the spreadsheet)

When members' LTIP claim ends

- a member's LTIP claim may end for one of the following reasons: retirement, death, return to work or termination of claim by insurance carrier or member
- indicate the change in a member's LTIP status on the *Monthly LTIP Contribution Report* by identifying the end date

Sample—LTIP Information Request Form (0466)



**TEACHERS'™
PENSION PLAN**

LTIP Information Request

Complete for **each** employee when they begin receiving any LTIP benefits and fax to us at (416) 730-7807 or 1-800-949-8208.

Employer information

Name _____ Number _____

Member information

Name *last* _____ *first* _____
SIN _____ Employee Identification Number _____

Employment information

Regular service in school year LTIP started

	Actual days worked	Amount paid
September to December _____	_____	_____
January to August _____	_____	_____

Employment status Full-time Part-time ♦ _____ % of time worked
Please check (✓) one Other (please describe below)

Sick leave information

Did member participate in a sick leave plan prior to going on LTIP?
 No Yes If yes: Last day of paid sick leave ♦ _____
If there was a gap between the date sick leave stopped and the date LTIP benefits started, identify the following:
number of days lost ♦ _____ salary lost ♦ _____

LTIP information

Is this a new claim? Yes No

Important
Plan changes are effective September 1, 2001.

If LTIP benefits started **August 31, 2001 or earlier**, contributions are required from the date 100% LTIP benefits started.

Date 100% LTIP benefits started (mm/dd/yyyy)

If LTIP benefits started on or after **September 1, 2001**, contributions are not required. Please provide the LTIP start date for the member's record.

Date any LTIP benefits started (mm/dd/yyyy)

Pre-LTIP Salary (Pensionable salary the member would have earned in the school year their LTIP started, including split grid increases and retroactive adjustments)
\$ _____

Contact person

Please print clearly—we may need to contact you to clarify information

Name _____ Telephone () _____
Date _____

LTIP Information Request Form (0466)

Completing the Form Once a member begins receiving any LTIP benefits, you should complete and fax this form to us at the number indicated on the form.

Employer information

The first section of the form identifies the name and number of your board. Please enter the name of your school board/district and the five-digit account number/district number.

Complete for **each** employee when they begin receiving any LTIP benefits and fax to us at (416) 730-7807 or 1-800-949-8208.

Employer information	Name	Number

Member information

This section provides us with some of the member's personal information. Please enter the member's first and last name, SIN and their employee identification number (i.e. the number you use to identify them).

Member information	Name <i>last</i>	<i>first</i>
	SIN	Employee Identification Number

LTIP Information Request Form (0466)

Completing the Form, cont'd.

Employment information

This section provides us with the details of the member's employment status leading up to their disability. Below is a description of what you should enter in each specific area.

It is critical for employers to read and understand the following descriptions so you know what information we need to properly administer LTIP. Clearly understanding each field on the form will help reduce the need to contact employers to verify information.

Employment information	Regular service in school year LTIP started		
		Actual days worked	Amount paid
	September to December	_____	_____
	January to August	_____	_____
	Employment status	<input type="checkbox"/> Full-time <input type="checkbox"/> Part-time ♦ _____ % of time worked Please check (✓) one <input type="checkbox"/> Other (please describe below)	

Item	Description
Regular service in school year LTIP started	Indicate the number of actual days worked (i.e. the number of days the member was paid for) and the applicable amount they earned for the reporting period in the school year they began receiving <i>any</i> or <i>100%</i> LTIP benefits (current or historical provisions).
Employment status	Indicate what the member's employment status was before they began receiving LTIP benefits. If they were not full or part-time, describe what their status was in the space provided.

LTIP Information Request Form (0466)

Completing the Form, cont'd.

Sick leave information

This section informs us if the member participated in a sick leave plan before receiving LTIP benefits. If they did, they may not have begun receiving LTIP immediately. If there was a gap, the specific information concerning days and salary lost will help us verify that the regular service reported prior to going on LTIP is correct.

Sick leave information	Did member participate in a sick leave plan prior to going on LTIP?	
	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes: Last day of paid sick leave ▶ _____
	If there was a gap between the date sick leave stopped and the date LTIP benefits started, identify the following: number of days lost ▶ _____ salary lost ▶ _____	

Below is a description of what you should enter in each specific area shown above.

Item	Description
Did member participate in integrated sick leave plan?	Indicate if member participated in an integrated sick leave plan. If you check “No”, you do not need to complete the rest of this section. If you check “Yes”, complete the three fields as described below.
Last day of paid sick leave	Indicate the last day the member received benefits from an integrated sick leave plan. Example: If member’s sick leave ends on Nov. 20 and their LTIP start date is Dec. 20, their last day of paid sick leave would be Nov. 20.
If there was a gap between the date sick leave stopped and the date LTIP benefits started, identify the following:	<p>Number of days lost Indicate the actual number of days between the date the member stopped receiving benefits from an integrated sick leave plan and the first day they began receiving LTIP benefits.</p> <p>Salary lost Indicate the salary the member would have earned for the actual number of days between the date the member stopped receiving benefits from an integrated sick leave plan and the first day they began receiving LTIP benefits.</p>

LTIP Information Request Form (0466)

Completing the Form, cont'd.

LTIP information

This section provides us with specific LTIP information. Please ensure you identify if the member falls under the historical or current plan provisions by identifying the date *100%* LTIP benefits started **OR** the date *any* LTIP benefits started.

LTIP information	Is this a new claim? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Important Plan changes are effective September 1, 2001.	<i>If LTIP benefits started August 31, 2001 or earlier, contributions are required from the date 100% LTIP benefits started.</i>	<i>If LTIP benefits started on or after September 1, 2001, contributions are not required. Please provide the LTIP start date for the member's record.</i>
	Date 100% LTIP benefits started (mm/dd/yyyy)	Date any LTIP benefits started (mm/dd/yyyy)
Pre-LTIP Salary (<i>Pensionable salary the member would have earned in the school year their LTIP started, including split grid increases and retroactive adjustments</i>)		
\$ _____		

Provide one date based on whether the member falls under historical or current plan provisions.

If the pre-LTIP salary changes, send us the change on a new LTIP Information Request (0466) form.

Item	Description
Is this a new claim?	Indicate if it is a new claim (Yes) or a recurrence (No).
Date 100% LTIP benefits started	For members who began receiving LTIP benefits on August 31, 2001 or earlier, indicate the month, day and year the member began receiving <i>100%</i> LTIP benefits.
Date any LTIP benefits started	For members who began receiving LTIP benefits on or after September 1, 2001, indicate the month, day and year the member began receiving <i>any</i> LTIP benefits.
Pre-LTIP Salary	Indicate the pensionable salary the member would have earned in the school year they began receiving LTIP benefits (or the year the integrated sick leave expired) had they worked the full year. For members falling under historical provisions, it's the school year they began receiving <i>100%</i> LTIP. For members falling under current provisions, it's the school year they began receiving <i>any</i> LTIP. This figure should include any grid increases and/or retroactive adjustments.

Contact person

If we need to clarify any information, we will contact the employee identified.

Contact person	Name _____	Telephone _____
<i>Please print clearly—we may need to</i>	Date _____	() _____

Case Study—LTIP Start Date Prior to September 1, 2001

Background

Member information

Name: Cathy Smith

FTE %: 100 (full-time employee)

Salary as of beginning of 2000/01 school year (September 4): \$52,800

Salary as of January 1, 2001 (due to grid increase): \$54,200

Disability information

On October 20, 2000, Cathy Smith became disabled and stopped working for Anywhere Board Ontario (#01234).

Beginning October 21, 2000, she began receiving sick leave benefits and was being paid based on her annual salary rate of \$52,800. Effective January 1, 2001, Cathy received a grid increase—her annual salary rate increased to \$54,200.

On January 26, 2001, Cathy finished using all of her sick leave benefits. Between January 1 and January 26, she was being paid based on the new grid salary rate. However, based on Cathy's claim and LTIP agreement, she began receiving LTIP benefits effective January 15, 2001.

Summary

Regular Service: September 4, 2000 to October 20, 2000

Sick Leave: October 21, 2000 to January 26, 2001

LTIP Start Date: January 15, 2001

Step 1—Setting Up the Claim

You should complete and send us an *LTIP Information Request* (0466) form when Cathy begins receiving 100% LTIP benefits (after January 26, 2001). Based on the above background information, the following is a section-by-section breakdown of what information to include on the form. This information will enable us to set-up Cathy's LTIP service.

Employer Information

Complete for **each** employee when they begin receiving any LTIP benefits and fax to us at (416) 730-7807 or 1-800-949-8208.

Employer information

Name Anywhere Board

Number 01234

Case Study—LTIP Start Date Prior to September 1, 2001

Step 1—Setting Up the Claim, cont'd.

Member information

Enter Cathy's first and last name, SIN and if you wish, her employee identification number (i.e. the number you use to identify her).

Member information	Name <i>last</i>	Smith	<i>first</i>	Cathy
	SIN	123-456-789	Employee Identification Number	111222333

Employment information

To determine the information we require for the first part of this section, we used the following calculations:

- *Salary paid—regular employment* \$8,709.27 ($\$52,800/194 * 32$)
- *Salary paid—sick leave benefits from October 21 to December 31* \$12,519.58 ($\$52,800/194 * 46$)
- *Salary paid—sick leave benefits from January 1 to January 26* \$5,308.25 ($\$54,200/194 * 19$)

Employment information	Regular service in school year LTIP started		
		Actual days worked	Amount paid
	September to December	78	\$21,228.85
	January to August	19	\$5,308.25
Employment status	<input checked="" type="checkbox"/> Full-time <input type="checkbox"/> Part-time \downarrow _____ % of time worked Please check (✓) one <input type="checkbox"/> Other (please describe below)		
_____ _____			

Case Study—LTIP Start Date Prior to September 1, 2001

Step 1—Setting Up the Claim, cont'd.

Sick leave information

Since Cathy did participate in a sick leave program until January 26, 2001, you would check the “Yes” box and identify her last day of paid sick leave. Since there was no gap between when her sick leave ended and when she began receiving LTIP benefits, you can move on to the next section of the form.

Sick leave information	Did member participate in a sick leave plan prior to going on LTIP?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	If yes: Last day of paid sick leave ▶ <u>Jan. 26/01</u>
	If there was a gap between the date sick leave stopped and the date LTIP benefits started, identify the following: number of days lost ▶ _____ salary lost ▶ _____		

LTIP information

Cathy received both sick leave benefits and LTIP benefits from January 15 to January 26. Therefore, for pension purposes, she would be considered on LTIP as of January 27, 2001, the date she began receiving LTIP benefits alone.

LTIP information	Is this a new claim? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Important Plan changes are effective September 1, 2001.	<p><i>If LTIP benefits started August 31, 2001 or earlier, contributions are required from the date 100% LTIP benefits started.</i></p> <p>Date 100% LTIP benefits started (month, day, year) January 27, 2001</p>
	<p><i>If LTIP benefits started on or after September 1, 2001, contributions are not required. Please provide the LTIP start date for the member's record.</i></p> <p>Date any LTIP benefits started (month, day, year)</p>
<p>Pre-LTIP Salary (Pensionable salary the member would have earned in the school year their LTIP started, including split grid increases and retroactive adjustments)</p> <p>\$ 53,637.10</p>	

Due to a grid increase, Cathy received two different salaries for the same school year. As a result, each of these rates should be reflected in the calculation of her pre-LTIP salary. In this case, the calculation should reflect the prorated amount based on the actual payment formula at your board.

For this case study, Cathy’s pre-LTIP salary would be calculated as follows:

- September 4, 2000 to December 31, 2000 $78/194 * \$52,800 = \$21,228.86$
- January 1, 2001 to January 26, 2001 $116/194 * \$54,200 = \$32,408.24$

Therefore, her pre-LTIP salary is \$53,637.10 (\$21, 228.86 + \$32,408.24).

Case Study—LTIP Start Date Prior to September 1, 2001

Step 2—Monthly Contribution Reporting/Remitting

We would expect to receive contributions related to Cathy's LTIP benefits with your February remittance. However, we realize there are times when you don't begin receiving contributions from the insurance carrier immediately.

As soon as you begin receiving contributions from the insurance carrier on Cathy's behalf (\$340.97 per month based on details of LTIP agreement), include them with your next monthly remittance, along with the details necessary to correctly apply the contributions to Cathy's record.

In this case, we have assumed the insurance carrier does not remit contributions related to the January and February portion of the LTIP until the March remittance. As a result, we have applied \$681.94 ($\340.97×2) to the March remittance.

Below shows how the contributions for LTIP service in the 2000/01 school year would be shown for Cathy's record:

2000/01 School Year (1st year on LTIP)

Month	Salary	Remitted	Minimum Required
February	\$3,831.22	\$0	
March	\$3,831.22	\$681.94	
April	\$3,831.22	\$340.97	
May	\$3,831.22	\$340.97	
June	\$3,831.22	\$340.97	
July	\$3,831.22	\$340.97	
August	\$3,831.22	\$340.97	
Total	\$26,818.54 (1)	\$2,386.85 (2)	\$2,386.85 (2)

(1) We calculated the total salary reported for Cathy's first year on LTIP in the following manner: $97/194 \times \$53,637.10 = \$26,818.54$

(2) We calculated the minimum amount of contributions required in the following manner—it was equal to the total remitted contributions: $\$26,818.54 \times .089 = \$2,386.85$

Cathy's insurance carrier is providing a 1% COLA as of September 1, 2001. Therefore, the carrier will be remitting contributions based on a salary of \$54,173.47 ($\$53,637.10 \times 1.01$). Her monthly salary would be shown as \$4,514.46 ($\$54,173.47/12$).

In this case, we have assumed the insurance carrier remits contributions for October in November and for May and June in July. As a result, we have applied \$803.57 ($\401.79×2) to the November remittance and \$1,205.34 ($\401.79×3) to the July remittance.

The chart on the following page shows how the contributions for LTIP service in the 2000/01 school year would be shown for Cathy's record:

Case Study—LTIP Start Date Prior to September 1, 2001

Step 2—Monthly Contribution Reporting/Remitting, cont'd.	2001/02 School Year (2 nd year on LTIP)				
	Month	Salary	Remitted	Minimum Required	Maximum Allowed
	September	\$4,514.46	\$401.79		
	October	\$4,514.46	\$0		
	November	\$4,514.46	\$803.57		
	December	\$4,514.46	\$401.79		
	January	\$4,514.46	\$401.79		
	February	\$4,514.46	\$401.79		
	March	\$4,514.46	\$401.79		
	April	\$4,514.46	\$401.79		
	May	\$4,514.46	\$0		
	June	\$4,514.46	\$0		
	July	\$4,514.46	\$1,205.34		
	August	\$4,514.46	\$401.79		
	Total	\$54,173.48	\$4,821.44 (1)	\$4,773.70 (2)	\$4,864.40 (3)

(1) We calculated the total remitted contributions for Cathy's second year on LTIP in the following manner: $\$54,173.48 \times .089 = \$4,821.44$

(2) We calculated the minimum amount of contributions required for Cathy's second year on LTIP in the following manner: $\$53,637.10 \times .089 = \$4,773.70$

(3) We calculated the maximum allowable contributions for Cathy's second year on LTIP in the following manner: $\$53,637.10 \times 1.019 = \$54,656.20$

$$\$54,656.20 \times .089 = \$4,864.40$$

After we applied the CPI rate increase of 1.9%, Cathy's maximum allowable contributions for the 2001/02 school year was \$4,864.40. Therefore, since the total contributions you remitted (\$4,821.44) is less than the maximum amount allowed (\$4,864.40) and greater than the minimum required (\$4,773.70), we will post a salary of \$54,173.48 to her record for the 2001/02 school year.

Step 3—Annual Reconciliation

Each payment is applied to the member's account based on the information provided on the *Monthly LTIP Contribution Report*. In this case, the total contributions remitted met the minimum level of contributions required for Cathy's first two years on LTIP.

When the total remitted does not meet the minimum required, or exceeds the maximum allowed, we will contact you to resolve the discrepancy.

LTIP Reports

Introduction There are three reports you will receive for members with LTIP service. Below is an explanation of the purpose of these reports and any specific instructions concerning them.

Because we are reconciling LTIP service by school year, the remitted contributions for the September to December period will reflect the required contributions for pension purposes. All reconciliation will occur in the January to August period of each school year.

Monthly Contribution Report Each month we rely on you to accurately complete and send us this report (see next page for sample). The accurate and timely completion of these reports throughout the year will eliminate your requirement to include LTIP service on your annual report.

School-year Summary Each year, we will send you a report listing all of your employees who received LTIP benefits in the previous school year. This report identifies if any employee's contributions were below the minimum required or above the maximum allowed. See pages 29-31 for a sample and description of the fields on the report.

Annual Summary Each January, we will send you a report with the following details:

- a school-year breakdown of information for members with LTIP service including: service credit, pensionable salary, contributions, and class code
- the pensionable salary for you to use when calculating the PA for each member with LTIP service
- a contribution breakdown for the previous calendar year for all members on LTIP showing the total contributions received

This report will replace the current Members' Earnings Report for members who have LTIP service in the current school year.

Sample—LTIP School-year Summary Report

GOPALU
PCR141
LTIP_RP01

Ontario Teachers' Pension Plan Board
1997/1998 LTIP School-year Summary

Employer: 12345

Page: 1
Date: 2001-08-29
Time: 15:19:26

6 Name	7 SIN	8 LTIP Type	9 Pre-LTIP Salary	10 1997/1998 Remitted	11 Minimum Required	12 Maximum Allowed	13 Below Minimum	14 Above Maximum	15 Start Date	16 End Date
Anderson, Joe	123-456-789	L91	59,105.00	2,521.71	2,521.71	2,521.71			1998-02-05	1998-06-30
Brown, Mary	234-567-890	L91	63,520.00	5,653.28	5,653.28	5,852.86			1995-11-18	1999-06-30
Clark, Robert	345-678-901	L91	58,306.29	775.71	775.71	775.71			1998-05-15	
Edwards, Carol	456-789-012	L91	23,075.00	2,064.00	2,053.67	2,160.19			1994-10-14	
Gage, Andrew	567-890-123	L91	65,400.00	5,820.60	5,820.60	6,408.07			1992-06-30	
Lewis, Richard	678-901-234	L91	48,370.00	4,380.00	4,304.93	4,641.94			1993-01-14	
Moore, Kim	789-012-345	L91	36,888.00	3,720.00	3,283.03	3,824.02			1991-06-30	2000-06-30
Murphy, Kelly	890-123-456	L91	58,220.00	5,261.64	5,181.58	5,483.04			1994-02-03	2000-06-30
Norman, Greg	901-234-567	L91	59,950.00	5,340.00	5,335.55	5,523.91			1996-06-30	
Perry, Jim	012-345-678	L90	44,050.00	3,045.72	3,039.45	3,884.61			1989-05-19	2000-11-30
Russell, Bob	111-222-333	L90	61,230.00	4,550.00	4,224.87	4,921.05			1991-03-20	
Sanderson, Jill	222-333-444	L91	52,830.00	4,638.84	4,701.87	4,867.86	63.03		1996-01-03	1998-06-30
Smith, Walter	333-444-555	L91	68,915.00	4,932.04	4,932.04	5,025.74			1997-02-18	1998-05-01
Thomson, Chris	444-555-666	L90	52,020.00	4,180.85	3,589.38	4,180.85			1991-04-07	
Williams, Lee	555-666-777	L91	59,120.04	5,268.00	5,261.68	5,567.80			1994-06-15	
17 Total				62,152.39	60,679.35	65,639.36	63.03			.00
18 Number of employees				15						

Itemized Description of Fields on Report

Introduction

Each item on the *LTIP School-year Summary* report has been itemized. Below is a description of each of these items in numeric order.

Descriptions

- 1** *Title of report*—identifies the title and applicable school year of the report.
- 2** *Page number*—the page number of the report.
- 3** *Date*—the date the report was created.
- 4** *Time*—the time the report was created.
- 5** *Employer number*—the number of the employer. The employer number reflects the employer number in existence during the reporting period.
- 6** *Name*—the name of the member with reported LTIP service in the applicable school year.
- 7** *SIN*—the Social Insurance Number of the member with reported LTIP service in the applicable school year.
- 8** *LTIP Type*—identifies the applicable contribution rate. The date appearing in the “Start Date” column (#15) corresponds with one of the following LTIP types:
 - L90**—for employees who went on LTIP on or before December 31, 1990, the contribution rate is 6.9%.
 - L91**—for employees who went on LTIP on or after January 1, 1991, the contribution rate is 8.9%.
 - LNC**—for employees who went on LTIP on or after September 1, 2001, contributions are not required.
- 9** *Pre-LTIP Salary*—identifies the salary the employee would have earned if they had worked the full school year they began receiving 100% LTIP benefits. This includes any salary increases they would have been entitled to if they had remained fully employed (i.e. grid increases, contract settlements, etc.).
 - New definition as of September 1, 2001**—the salary the member would have earned if they had worked the full school year they began receiving *any* LTIP benefits.
- 10** *Remitted*—identifies the total contributions remitted to us for each employee for the applicable school year. The amount appearing in this column has been allocated to the employee’s record. For employees who went on LTIP on or after September 1, 2001, the “remitted” amount will be “\$0”.

Itemized Description of Fields on Report

Descriptions,
cont'd.

- 11 **Minimum Required**—identifies the minimum amount of contributions required for the employee for the applicable school year. The amount is based on the employee's pre-LTIP salary and LTIP type.
- 12 **Maximum Allowed**—identifies the maximum pensionable salary for the employee for the applicable school year. It is based on the employee's pre-LTIP salary plus any increases for inflation (based on the Consumer Price Index).
- 13 **Below Minimum**—identifies if the employee's contributions were below the minimum required. If an amount appears in this column, please notify us if the claim ended. If not, the underpayment will be applied to the total outstanding contribution amount within your LTIP account for the specified period.
- 14 **Above Maximum**—identifies if the employee's contributions were above the maximum allowed. If an amount appears in this column, please notify us if the pre-LTIP salary is incorrect. If not, the overpayment will be applied to the total outstanding contribution amount within your LTIP account for the specified period.
- 15 **Start Date**—identified based on when the LTIP claim began:
 - LTIP benefits started August 31, 2001 or earlier**—the date the employee began receiving 100% LTIP benefits from their insurance carrier.
 - LTIP benefits started on or after September 1, 2001**—the date the employee began receiving any LTIP benefits from their insurance carrier.
- 16 **End Date**—identifies the date the employee stopped receiving LTIP benefits (i.e. the date the claim ends).
- 17 **Total**—the total amounts for the applicable columns (fields #10 to #14).
- 18 **Number of employees**—the total number of employees appearing on each page of the report.

Pensions

Introduction Members are only eligible for a benefit (i.e. pension or commuted value) once they stop receiving LTIP benefits from the insurance carrier and terminate their employment. To be eligible for a full or partial disability pension from the plan, members must have at least 10 qualifying years of service and meet the requirements below.

Full Disability To be eligible for a full disability pension, members must not be able to earn a living *in any occupation*, including teaching.

If members start working while receiving a full disability pension, they should inform the pension board so we can stop their pension.

Partial Disability To be eligible for a partial disability pension, members must not return to *employment in education*.

Members can work at anything *other than employment in education* and continue to receive a partial disability pension. If they return to employment in education, they should inform the pension board so we can stop their pension.

If they are re-employed for less than two years, their pension will resume at the original amount. If they are re-employed for more than two years, they must reapply for a pension.

How Members Apply Members wishing to apply for a disability pension must do so within two years of ending their employment in education. Their disability benefit may be retroactive up to one year from the date the pension board receives their pension application.

Members should contact the pension board directly and request the *Disability Pensions (0199)* memorandum. Once we receive a member's application, we'll contact their employer for current salary information and to confirm the member's retirement date.

Once the member has submitted all of the required documents, our medical referee will review the file and determine if the member qualifies and which type of pension they should receive (full or partial). We'll then contact the member and if they qualify for a pension, we'll send them a statement detailing their pension payments.