



Ontario Teachers' Pension Plan Annual Meeting

**Remarks
by**

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The Carlu
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CHECK AGAINST DELIVERY

Thank you Neil for that generous introduction and good evening everyone.

As I prepared for my speech today, I knew that the first thing I wanted to do was to thank our members for the continued confidence that they have shown us. It has been a trying year all around. But, we have been so proud to learn that according to feedback from our customers, and from independent third parties who measure these things, we continued to effectively deliver the service they need and value.

In Member Services, we make a commitment to deliver on our promises, especially in the areas of: Timely and accurate pension payments, service quality, service innovation, administrative efficiencies, and cost containment.

Let me spend a few minutes telling you about how we do this.

Paying pensions every month is just one part of our job. The bigger role we play is customer service. By consistently providing positive interactions for our members, we devote ourselves to helping working teachers, inactive members and retirees understand their benefits.

In addition, we partner with school boards and designated employers to produce accurate and timely pension-related data. This data is critical because it lays the foundation for the services we provide. More importantly, it dictates the accuracy of the benefits we pay our members.

Plan members are grouped into three categories, each with different career and life-cycle needs.

Working teachers represent the largest portion, at just under 50 percent of the total membership. But, this group is becoming smaller, relative to total membership—a demographic reality that increases pressure on Neil's investment team to generate extra returns to pay future pensions.

In absolute terms, the number of working teachers grew slightly last year for a net gain of 3,000 members, bringing the total to 173,000. By contrast, the number of retirees and survivors collecting retirement or disability pensions continued to grow in both relative and absolute terms. An influx of 4,700 new retirees in 2008 increased the net pensioner population to 111,000.

Those who drew a pension for the first time last year can look forward, on average, to 30 years or more of Teachers' pension income.

Over the next 12 years, we expect more than 57,000 teachers to retire. That means that very soon there will be **1.2 active members for every pensioner. This is an astonishing change from 40 years ago** when there were 10 active members for every pensioner.

Mortality rates are also shifting; retirees are living longer than ever. Today, the average pensioner is 68-years-old and the age range moves dramatically upward from there. In fact, we have 78 pensioners who are over 100-years old, compared to 58 in 2005.

The smallest group in our membership is 72,000 inactive members who taught briefly in recent decades. Many of them don't know that they have benefit entitlements with us. Because our service standards and integrity must be consistent for all members, we make every possible effort to locate these people. Last year we found more than 5,000 former teachers and gave them the good news and paid out their entitlements.

So, how do we serve all these people and achieve our overriding commitment to outstanding personalized service? One key driver is technology.

Each year, we process billions of dollars of contributions and manage millions of pieces of personal information. Technology allows us to do this efficiently while keeping a lid on costs, and yet maintaining that personal touch – it is always a fine balance.

Our team continues to find ways to use technology to create personalized customer service. For example, we are a pioneer in providing easy-to-navigate and easy-to-

calculate web services. Our secure, self-serve website, called *iAccess web*, allows members to learn about their entitlements and calculate their benefits online.

Technology enables us to engage plan members in ways that we couldn't before, while creating service value and, of course, protecting confidential, personal information.

The numbers really tell the story.

Last year, members went online over 179,000 times. And, despite increases in membership, telephone enquiries continued to decline.

And the web's appeal doesn't stop there. Last year an astonishing 80 percent of retiring teachers submitted their retirement applications online—a 13 percent increase from the previous year. It's clear that members have embraced *iAccess web* and we couldn't be more pleased.

Teachers have demanding schedules, so we can't underestimate the convenience factor. Consequently, it's no surprise that our statistics show that many of our members go online in the evening.

iAccess web service creates a win-win situation: Our members love the convenience of having access at their fingertips; we're able to cut down the expense of producing and mailing out pension materials, and we realize the added benefit of reducing our environmental footprint.

Our online strategy is an intrinsic part of our overall customer service strategy, which we introduced last year. As you may recall, we dubbed this $e=(MC)^3$ (with apologies to Einstein).

"E" is for excellence in everything we do for our members.

“M” is for more of what we do best

And the three “c’s” are for

- Customization
- Counseling
- and Choice

iAccess creates a choice for our members, in how they can interact with our team. Their acceptance of online service has also enabled us to customize the experience and deploy even more one-on-one counseling—a real plus for individual members who need thoughtful guidance in making critical decisions about their benefits.

Personalized counseling is something our members have long requested. The benefits and rules of our pension plan are complex and the decisions made by members have lifelong consequences. Therefore, it’s very important that we be there to assist each member in making the best decision.

In the past, we simply disclosed the options each member had and left the decision to them. This year, we’re laying the foundations to enable our pension benefit specialists to gain a deeper understanding of each member’s circumstances—discuss their benefit options, and assist them in making informed decisions.

But that’s not all.

We are always looking for ways to improve our interactions and service. With that in mind, last year we assigned three experienced team members to examine our business from the perspective of plan members. You might think of this group as a Member Services SWAT team, whose goal is to find and fill gaps in the services we offer.

Here's one outcome. In 2008, we took a look at how we could make the retirement application process simpler and more efficient. The results speak for themselves: We were able to reduce the time it takes to process a retirement application in half.

We also eliminated paper by implementing an alternative to applying on-line with the new capability to initiate a retirement application via the phone. All of this has helped reduce costs and processing inefficiencies, while increasing convenience and choice for members.

Because we went looking for opportunities, we were able to find and fix a time-consuming and inefficient process that was previously out-of-sight and out-of-mind.

So, how did our members react? Well, they responded by giving us our highest satisfaction rates ever, with 65 percent of teachers rating the service 10 out of 10.

This is just the beginning. The team will be focusing on continuously improving the way we work. You might say that process improvement has become part of our DNA.

Our members continue to rate all of our services at the top of the scale. We use a quality service index that measures member satisfaction with our direct service and communications. You might think of this as our quarterly report card and - believe me - we take it seriously. It also influences how we are all paid in Member Services.

The survey is done by an independent third-party and since 2005 we have maintained a score of 9 out of 10.

We have a number of our pension benefit specialists with us today, who can help you with any questions you may have. They have set up kiosks, which are live to the web, just outside this room in the far back foyer. We all look forward to speaking with many of you once our formal presentations are completed.

I would like to turn now to the partnerships we maintain with another important group: our employers.

Every day, we work with some 200 school boards and designated employers, each with administrative systems that can vary dramatically in practice and sophistication.

One primary focus is to monitor and improve the quality of pension data because this is used to calculate the benefits we pay to our members. Since 2004, we have been working with employers to certify and review the accuracy of contributions and member information. This time-consuming initiative has been successful in improving the quality of information and our efforts have resulted in data consistency and reliability, regardless of where our members work.

We also have created a robust online reporting system that is now the primary communication channel between our organizations. This system has delivered excellent results by making workflow easier, more efficient and more cost effective.

We never stop looking for ways to make our service better. For example, we recently moved to a one-to-one model by designating one staff member as the contact for each employer. This change enables individual specialists to have a deeper understanding of the employer's payroll systems and to develop strong relationships with each employer. In turn, employers benefit from the convenience of always knowing who they are dealing with to get their work done.

This year we will recognize our top three employers in the province: the Rainbow District School Board, the Simcoe County District School Board and the Northeastern Catholic and District School Board, by presenting each of them with the Employer Service Excellence Award.

In 2008, they provided same day service to our priority requests and achieved extraordinary pension reporting results. These organizations exemplify the partnership that allows us to continually improve interactions with our members.

The philanthropist, Andrew Carnegie once said: “People who succeed are those who have chosen one line and stick to it.”

At Teachers’ that line is an unwavering commitment to service.

Our investments in technology and process efficiencies have enabled us to manage costs so that they grow no faster than inflation. But, at the root of everything we do is service.

Thank you for your continued confidence in us. I look forward to the year ahead as our team works on more innovations and enhancements to serve our members better.

Thank you, and now I will hand the podium back to our Chair, Eileen.