



## **2015 Inflation Adjustment**

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As a member who retired after 2009, there are some important things you need to know about your pension. To start, the 2015 base inflation rate for the Teachers' pension is 1.7%, almost double the 2014 increase of 0.9%.

As a result, your 2015 increase will be higher than it was in 2014. In addition, you're going to receive a one-time boost to your current pension. This is good news! Let me explain...

Here at the Teachers' Pension Plan, we use inflation protection as a lever to keep the pension plan in balance. When the pension plan has a funding shortfall, smaller cost-of-living increases help to bring the plan back into balance. When there's a funding surplus, inflation levels may be partially or fully restored. In April 2014, the partners announced a \$5.1 billion dollar funding surplus, which is being used to partially restore inflation protection for pension credit earned after 2009 – more good news for you.

So, you'll see two increases in your pension beginning in January 2015.

First, your pension will be restored to the level it would have been at if full inflation protection had been provided each year since you retired. This will result in a one-time annual pension boost of up to \$50, depending on your personal circumstances.

For example, if your gross annual pension is \$49,950, but would have been \$50,000 with full inflation increases, that difference will be restored in January 2015. This means your cost-of-living increase will be applied to \$50,000, rather than \$49,950. Second, you'll receive 100% of inflation for the portion of your pension earned before 2010, and 60% of inflation for the portion of your pension earned after 2009.

So, if your pension is \$50,000 after the one-time annual boost, and \$5,000 was earned after 2009, your pension will increase by \$816 in 2015.

I know that's a lot of numbers to try and make sense of. And you're probably trying to figure out what this means for you personally. Well, fortunately, there's an easy way to find out.

Simply sign-in to our secure member website. We'll break it all down so you can see exactly how all of these changes come together for you.