

# PENSION NEWS

INFORMATION FOR RETIRED TEACHERS AND THEIR SURVIVORS

FALL 2016

## Transitioning to retirement

Barb Mero shares her  
secrets for a happy and  
healthy retirement



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Image: Robert Mero

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# PICKING UP WHERE YOU LEFT OFF

Retirement offers a chance to discover new hobbies, but it's also an opportunity to rediscover old ones, with a twist.



**When Barbara Mero retired in 2014 after teaching for more than 30 years in the Windsor area, she knew she would have to keep moving to stay happy.**

The transition to life on pension wasn't completely foreign to Barb and her husband, Robert. They each took two deferred leaves to get a sense of what life would be like on a lower income and with so much more free time.

Long before they retired, they took turns staying home to raise their two kids. Since they both taught in the semester system, they would alternate working and staying at home. "We got used to living on a certain income level, and then we just never really changed our ways," Barb says.

Once the mortgage was paid off, they took what would be their monthly payments and saved them. "We had it in our minds that once we hit our 85 factor we would like to be able to go. So, we never really lived to our income level, which I think has led us to have a pretty nice retirement in addition to our pension."

In the two years since she officially retired, Barb has rediscovered old passions that she's really enjoyed.

"I've gone back to things I used to do years ago and didn't have the time for while I was teaching, specifically fitness and getting back into the pool," Barb says. "And it's led to a lot of opportunities."

As soon as Barb retired, she obtained her designation as a qualified aqua-fitness instructor and started to teach at a private

facility. From there, she got her land fitness training designation and now teaches programs for seniors and adaptive fitness.

"I always liked the teaching aspects of my career – but not so much the marking," she laughs. "I was also a swimming instructor and a synchronized swimming coach and judge, so this is taking it back to something I used to do years ago."

Staying active comes with both physical and emotional benefits like meeting new people and creating a fulfilling daily routine. "Whenever I am talking to people I am always asking, 'What would I have to do if I was interested in doing this?' I'm always asking more questions than I did in the past because I'm open to new opportunities and new experiences."

# SIGN IN TO WIN (and then stay awhile)

We're really excited about your improved online experience with us, and we want to celebrate with you.

Sign in to your Ontario Teachers' online account between now and Sept. 15, 2016, and you'll automatically be entered into a draw to win one of:

- **2 x Apple iPhone 6; or**
- **14 x \$25 CF SHOP! cards.**

For complete contest rules and regulations, check out [www.otpp.com/summercontest](http://www.otpp.com/summercontest)

## Sign in and stay awhile

While you're signed in, check out 'Your Pension' to see details on your deposits, adjust the amount of tax we take at source, and download a copy of your T4A.

Once you're finished looking at your personal details, you have the option of not signing out to end your session. Simply close your browser and rest assured your information will remain secure between visits. The next time you come back, perhaps to view your cost-of-living increase, we'll remember you and your account number for you, so you'll just have to enter your password.

If you choose not to sign out, we'll place the information most relevant to you front and centre whenever you visit your online account. We'll even welcome you back by name!



Don't have an online account?  
**Call 1-800-668-0105 to register  
for an Ontario Teachers' online account.**

# FORGING NEW PATHS

Our investment team combines a steady hand with creativity and innovation to deliver returns for the long term.

We have more than 10,000 investments around the world and across a multitude of sectors to ensure we can pay your and future generations of teachers' pensions. Managing this portfolio means we have to stay on top of emerging trends, while maintaining a steady hand.

Recent global turmoil, like Brexit, has highlighted this need to maintain stability while seeking growth opportunities.

"We look forward to working with our existing companies in the UK, and on new opportunities through our London team, which will continue to co-ordinate our investment execution for Europe, the Middle East and Africa," said Bjarne Graven Larsen, Chief Investment Officer.

We meet our fiduciary duty to you by striking a balance between steady returns from investments such as government bonds, and seeking higher rates of returns through innovative investments such as the ones outlined below.

Here are three recent examples of investments that illustrate how being actively engaged, integrating environmental, social and governance risk assessments and diversifying across sectors and regions helps to provide a solid foundation for your pension plan.

## What's the connection between healthy eating trends and a healthy pension?

Broad societal trends, like healthier diets offer investment opportunities.

Aroona Farms is one of Australia's largest growers of almonds, which are a great source of vitamins and minerals and have been shown to reduce the risk of heart disease. Aroona's almonds are enjoyed worldwide on their own, added to mixed nut products, and used in granola bars and other healthy snacks.

We invested in Aroona in 2014 (the same year it was created) and own a 99% stake. The company has 20 full-time employees between its main offices in Adelaide and two farms in Victoria and South Australia. The operation consists of 590,000 trees, covering about 20 square kilometres.





Aroona monitors water use and soil moisture levels in real time to maximize water efficiency, using a sophisticated system that is controlled electronically.

#### How does apparel contribute to the sustainability of my pension plan?

In 2012 we acquired a majority ownership stake in Helly Hansen Group AS. Based in Oslo, Norway, Helly Hansen designs, develops and markets high-performance (and stylish) outdoor apparel.

Since acquiring our stake, we've worked with the company to revamp its management and re-focus its product lines.

In 2015, Helly Hansen posted a 66% increase in earnings on a 20% increase in revenue.

Paul Stoneman, Helly Hansen's CEO, told the *Financial Times* that he attributes a large part of this growth in earnings to our active ownership. "They don't have the funding pressure of private equity firms but they do have the discipline of private equity investing. That was a healthy balance."

#### How does paying a toll in Mexico help pay my pension?

Infrastructure investments tend to have low return volatility over the long term. We recognized an opportunity to develop new partnerships and enhance our presence in Latin America by investing in a Mexican toll highway.

The Arco Norte is a 223-kilometre toll road that curves around the northern border of Mexico City.

We partnered with the Canada Pension Plan Investment Board (CPPIB) and IDEAL, a Mexican investment firm. With CPPIB, we contributed \$1.35 billion to obtain a 49% stake together in Arco Norte from IDEAL, which held 99% ownership. The transaction is subject to customary closing conditions.

We recognize there may be significant social and governance risks when investing in emerging markets, like Mexico. Our due diligence work includes identifying mitigating factors to make us comfortable with the risks we are undertaking. Our legal team worked closely with the deal team and our future investment partners to ensure our investment is protected from reputational and legal risks.

"Arco Norte is an attractive asset with long-term growth potential that will provide stable income to pay pensions," said Andrew Claerhout, Senior Vice-President, Infrastructure and Natural Resources.

Want more?  
Visit [www.otpp.com/whatsnew](http://www.otpp.com/whatsnew)  
to watch members of our team  
discuss the Arco Norte deal.

# HEADING BACK INTO THE CLASSROOM

With the dog days of summer upon us, you may be thinking about heading back into the classroom to earn a bit of extra money. Or maybe, you just miss being in a school environment.

Here are three questions you need to ask yourself if you decide to go back to work, either on a paid or volunteer basis:

## 1 Does the work I'm doing count as re-employment?

It's not just teaching that counts. Any service you provide to an employer who participates in the pension plan, for which you are entitled to get paid for, is considered re-employment. If you're not sure, call our Member Hotline (1-800-668-0105)

## 2 How close am I to the limit?

You can work up to 50 days in a school year without affecting your pension. If you plan to work past the end of the month in which you hit the 50-day limit, let us know. We'll suspend your pension the following month.

**As a result of a recent plan amendment, all suspended pensions will automatically resume either on September 1<sup>st</sup>, or the month in which you have no re-employment service (whichever comes earlier).**

## 3 How will I stay on top of my days?

It's up to you to track your re-employment and inform us if you exceed the limit. Download Worklog to make this task a bit easier. The app will alert you when you're close to the limit and remind you to stop working to avoid a pension suspension. You can download it in the App Store or on Google Play.

# DIGITAL BRIEFS

Keep up-to-date with plan news, as it happens.



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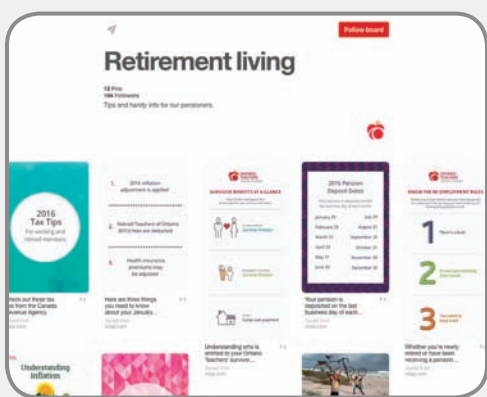
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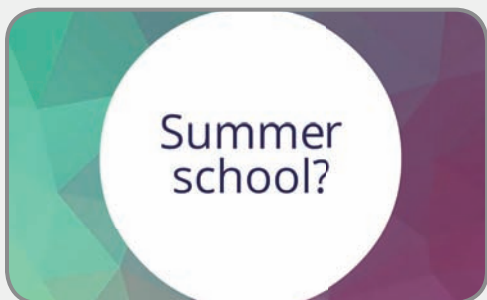
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Follow our Pinterest board 'Retirement living' for tips on adjusting the amount of tax taken at source, re-employment rules and cost-of-living increases. Then head over to the 'Show us your retirement' board to see how your colleagues are spending their retirements.



Check out [www.otpp.com/summerschool](http://www.otpp.com/summerschool) to learn what implications, if any, teaching summer school has on your pension.

## Watch *reel Retirement* MARION'S STORY

Marion, the star of our online video series *Reel Retirement*, retired and we asked you for some advice for new retirees.

You responded through Facebook, YouTube and email.  
Here are some of the great tips you had to offer:

"Don't quit teaching. For example, explain and instruct anyone who needs you and shows interest. Promote interest if necessary; volunteer in various areas that you have an interest in. Your profession as a teacher is in some ways just actually beginning. You learned to teach and in doing so you also learned to show, explain and always teach." — **Michael B**

"Have something to do on the day school starts in September. Even better to be out of town, away from the school. DO NOT GO NEAR THE SCHOOL EVER AGAIN EVER!" — **Keith A**

"Keep moving. Get in shape. See your doctor regularly. Teaching is a passion. Think of retirement as a divorce. Find a new love. Enjoy your down time. Embrace it." — **Mike D**

Marion even had a tip for those of you who just joined her rank, "Call your car insurer and tell them you're not working anymore. They'll change your status to recreational driver, and you'll save a few bucks."

Check out [www.otpp.com/newretirees](http://www.otpp.com/newretirees) for more tips. And watch Marion figure out life on pension at [www.youtube.com/OTPPinfo](http://www.youtube.com/OTPPinfo).

# NEWS BRIEFS

## BREAKING UP?

### Pensions to be recalculated if spousal survivor pension is waived

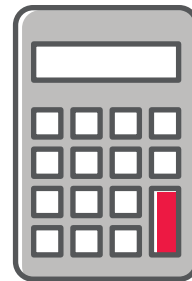
A recent plan amendment allows us to recalculate your pension if your former spouse waives his or her entitlement to a spousal survivor pension.

We'll recalculate your pension effective the first of the month following the month in which we receive the waiver. The recalculation results in the removal of the actuarial reduction for a higher survivor election and/or the adjustment for the 10-year pension guarantee.

To waive his or her entitlement to a spousal pension:

- your former spouse must submit a waiver form created by the Financial Services Commission of Ontario (FSCO Family Law Form 8), and
- a waiver must be specified in your settlement agreement.

If you remarry, you can provide a survivor pension to a new spouse on or before 90 days after we receive a valid waiver without being required to complete a medical.



**Pension News** is published for members of the Ontario Teachers' Pension Plan.

We appreciate your comments about anything you read in *Pension News*.

Please email: [member\\_communications@otpp.com](mailto:member_communications@otpp.com)

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Printed on  
recycled stock  
ISSN 1180-3282

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