

PENSION NEWS

INFORMATION FOR RETIRED TEACHERS AND THEIR SURVIVORS

WINTER 2016

Maintaining social connections



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Image: Gerald Allain

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INS-AND-OUTS OF YOUR JANUARY PENSION

The holidays will be over, but your first pension payment of the new year isn't exactly business as usual. Here are four things to watch for:

1

The Retired Teachers of Ontario (RTO) membership fee deduction – if you're an RTO member, the membership fee is around \$60 (based on an annual pension of \$50,000), and deducted once a year, in January.

2

2017 inflation adjustment – the base adjustment rate is 1.3%.

Visit www.otpp.com/2017inflation-pn to learn more.

3

Adjustments to health insurance premiums – if you subscribe to a health insurance plan through the RTO (Johnson's) or Ontario Teachers Insurance Plan (OTIP), premiums are often adjusted in December or January (premiums are deducted each month).

4

Changes in your income tax deductions – the Canada Revenue Agency sets the income tax rates deducted from your pension. The rates used in 2017 can be adjusted right up until Dec. 31, 2016.

TIP! You can increase the amount of tax deducted each month from your pension by signing in to your Ontario Teachers' online account.

Did you turn 65 in December?

If yes, then your bridge benefit has ended and your Ontario Teachers' pension will be reduced in January to reflect this integration with the Canada Pension Plan (CPP). If you're collecting a CPP disability pension then this reduction has already been applied.

TIP!



Prefer paperless?

Sign in to your Ontario Teachers' online account and view your deposit advices under Your Pension.

STAYING SOCIAL



From left to right: Susan Franceschini, Terry Tidy, Phyllis Jones, Lynn Opre, Debbie Maltas, and Diane Harmon.

On a blustery late-November afternoon, Susan Franceschini's Mississauga home is filled with laughter and chatter. Susan's hosting five friends, Debbie Maltas, Diane Harmon, Terry Tidy, Phyllis Jones, and Lynn Opre. Listening to the banter, it'd be easy to assume this group has known one another for decades. But they haven't. They're all retired teachers who met within the past four years through the Retired Women Teachers of Ontario.

Joining a group specifically to help retired teachers connect and socialize has played an integral role in helping each of them to adjust to life on pension.

"When you're working, your colleagues are one of your biggest sources of support. You experience the same challenges in the classroom, you likely have kids the same age, and more often than not, you're going through similar phases of life at the same time," said Terry.

So, it's no surprise that support should carry through to the next stage of life, "except now we don't talk shop, we talk about our grandkids," added Diane.

Phyllis, the newest recruit having just retired in July 2016, talked about the fear she had of transitioning from an extremely structured and social life, to a life that felt like an uncharted, wide-open territory.

"It was terrifying to think that I would retire and just close my front door and be on my own," she said.

Like the others, she sought out the group and discovered a whole new source of support and friendships.

"Whether it's book club, euchre games, or trips to the theatre, being involved enriches our lives," said Susan.

And there's no shortage of snacks or recipes to go around.

GET SOCIAL WITH ONTARIO TEACHERS!

Connect with us and your colleagues on [Facebook.com/myOTPP](https://www.facebook.com/myOTPP) and follow [Pinterest.com/myOTPP](https://www.pinterest.com/myOTPP) for tips and inspiration for your retirement.

Check out our favourite tips overheard during the get together:

- "Find structure by giving yourself one thing to do each day, and don't be afraid to start small, like getting the laundry folded. Otherwise you'll try to do it all, or nothing at all." – TERRY.
- "You have to get over the guilt of putting yourself first after 30 years of putting your students and your family first." – DIANE
- "As teachers we're good listeners. Sometimes these groups offer a forum to just talk about what's happening in your life, without judgement or advice offered. You just need the ears of friends." – SUSAN
- "I volunteer at a foodbank and animal shelter. It's totally different from a school setting and it gives me a new sense of purpose." – LYNN
- "I focused on my own well-being and started practicing yoga every single day when I retired. I feel stronger, more confident and healthier." – PHYLLIS
- "There's something really special about a group of women who are like-minded and have had similar experiences, we connect easily." – DEBBIE

INFLATION 2017

1.3%

**In 2017 the inflation
rate is 1.3%**

**We determine your pension's
inflation adjustment using:**

- The Consumer Price Index;
- Our funding status; and
- The time you spent teaching.

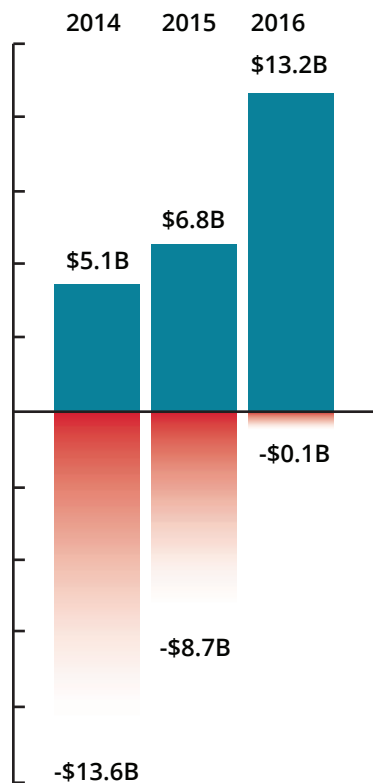
Explore how this works at
www.otpp.com/inflation-pn

Every October, we calculate your inflation adjustment and then apply the increase to your January pension. After reporting a string of preliminary funding shortfalls, our plan sponsors, the Ontario Teachers' Federation and the Ontario government, began using inflation protection to fine tune the plan in 2011. Since then, raising and lowering inflation on protection levels post-2009 credit has helped keep your plan strong. Here's how it works:

Inflation Protection Levels

PENSION CREDIT	ALLOWABLE LEVELS*	LEVELS IN 2016*	LEVELS IN 2017*
Earned before 2010	100%	100%	100%
Earned during 2010–2013	50% to 100%	70%	90%
Earned after 2013	0% to 100%	70%	90%

*Percentage of annual cost-of-living increase, based on changes in the Consumer Price Index (CPI)



AFTER ADJUSTING INFLATION PROTECTION LEVELS

Small change can have a big impact

If we provided full inflation protection on all pensions, we would've projected shortfalls totalling more than \$47 billion. Instead, we've projected surpluses for the past three years.

In years when we project a surplus, we use a portion of those funds to make up for the years in which your pension didn't receive full inflation protection. We call this a boost.

For example, if your gross annual pension is \$49,960, but would've been \$50,000 with full inflation increases, your pension will receive a \$40 boost in January 2017. There is no retroactive payment associated with the boost.

■ PRELIMINARY SURPLUS
■ PRELIMINARY SHORTFALL

What does this mean for you?

If you retired before 2010, your pension will receive the full inflation adjustment. If you retired after 2009, then it really depends on how much of your pension credit was earned after 2009.

For a teacher who retired three years ago, it means they've collected about \$3 a month less on a \$45,000 pension.

These minor adjustments to inflation protection help to keep the plan strong for future generations of teachers.

Visit www.otpp.com/2017inflation-pn and take five minutes to explore how inflation protection keeps your pension in tune and the plan from missing a beat. Then sign in to your online account to see the impact it has on you.



YOUR TO-DO LIST

January is a popular time for New Year's resolutions. May we suggest cleaning up your Ontario Teachers' profile as one of yours for 2017? We've put together a list of steps for you to take to ensure your pension information is complete and up-to-date.

Simple housekeeping

If you answer "yes" to any of these questions, then sign into your Ontario Teachers' online account and update your personal information.

- | | |
|--|---------------------------------|
| 1. Moving or planning to head south for the winter? Update your contact information so that you stay up-to-date on your pension while you're away. | YES
<input type="checkbox"/> |
| 2. Changing banks? Make sure we've got your current bank account information so that your pension's direct deposit doesn't miss a beat. | YES
<input type="checkbox"/> |
| 3. Living abroad? We can wire your pension into a foreign account, but your deposit advice will always be printed in Canadian dollars. | YES
<input type="checkbox"/> |

Planning for your loved ones

Ensuring your affairs are in order will help us to assist your loved ones should you become incapacitated or upon your death. Here are three things to consider today to ease what will undoubtedly be a difficult time:

1. Designate a power of attorney (POA), and let us know about it. You're not required to have a POA, but doing so will ensure that decisions made on your behalf will be made by someone you trust. Check out the Ministry of the Attorney General's tool kit for information on how you can go about designating a POA.
2. If your spouse predeceases you, please let us know and provide a copy of the death certificate. We'll update your profile. When your survivors notify us of your death, it's one less step that they'll have to worry about.
3. Create a contact list that includes our Member Hotline (1-800-668-0105) and the Canada Pension Plan for your survivors. Our Pension Benefits Specialists will guide your eligible spouse or dependent children through the survivor pension application process.

DIGITAL BRIEFS

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



Subscribe in your online Ontario Teachers' account



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Congrats to the "Sign in to win" winners!

Thanks to the more than 35,000 members who signed in to their Ontario Teachers' online account between July 25 and September 15.

Janet K. of Nepean and David B. of Toronto each won an iPhone 6. And the winners of the \$25 CF SHOP! cards are:

Kevin P., Watford

April R., Erin

Jennifer T., Whitby

Donna L., Windsor

Mark W., Ottawa

Tracy B., Chatham

Julie K., Tamworth

Stephen F., Almonte

Denis O., Orleans

Linda W., Windsor

Victoria R., Oshawa

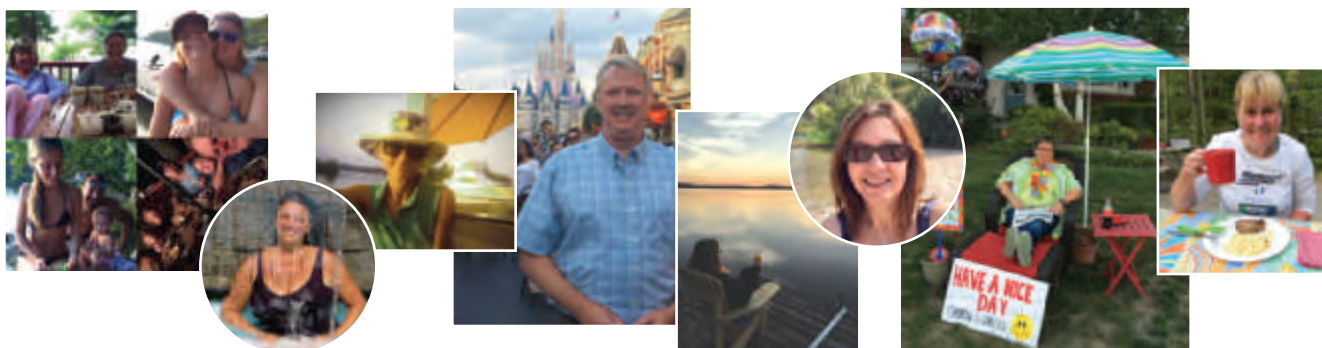
Lorraine B., Newcastle

Glenn K., Stratford

Lauren R., Amherstview



We asked the Retirees of 2016 to share a snap of themselves on their first "official" day of retirement – the first day of school. Check out the smiles on the faces of your now-retired colleagues.



NEWS BRIEFS

THE 2017 PENSION DEPOSIT DATES ARE:

January 31
February 28
March 31
April 28
May 31
June 30
July 31
August 31
September 29
October 31
November 30
December 29



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

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Cheers to this investment!

We've acquired Constellation Brands Canada, the market leader in the Canadian wine industry.

Headquartered in Mississauga, the company operates three commercial wineries, five estate wineries, and 163 Wine Rack stores throughout Ontario. Wine labels on the roster include Inniskillin, Jackson-Triggs, Kim Crawford, Robert Mondavi, Ruffino, Sawmill Creek and Wallaroo Trail.

"Constellation delivers stable and predictable cash flows and provides us with an excellent investment platform in this growth industry," said Jane Rowe, Senior Vice-President and head of our private equity arm.

The \$1.03 billion transaction is expected to close by the end of 2016.

Focus on disclosing environmental, social and governance risk disclosure

Barbara Zvan, Chief Investment Risk Officer and Senior-Vice President Strategy and Risk, has been selected as a founding member of a group committed to improving the quality and comparability of sustainability-related disclosures to investors.

The Sustainability Accounting Standards Board (SABS) recognized that more and more investors are evaluating environmental, social and governance (ESG) risks, to help improve their organizations' long-term financial performance. SABS selected 14 representatives from leading asset owners to form the Investor Advisory Group (IAG).

The IAG aims to develop standardized, comparable information on material ESG factors, to aid investors in their decision-making processes.

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