TEACHERS' PENSION PLAN
A brief outline

The following pages describe various features of the pension plan. The *Public Sector Pension Plans Act*, Schedule D, and the Teachers' Pension Plan Rules prescribe the actual rules for the plan.

The plan is administered by the Pension Corporation at PO Box 9460, Victoria, BC V8W 9V8.

Telephone:	Greater Victoria area:	604-953-3022	Toll free:	1-800-665-6770
	Vancouver area:	604-660-4088	Fax:	250-356-8977
E-mail:	*tpp@pensionsbc.ca*			

General information is available from the Income Security Department and the BCTF web site at *www.bctf.ca*, (click on Quick Links in upper right hand corner of BCTF home page, then click on "Pensions" in the drop down menu).

Membership in the pension plan
As of July 1, 2005 all teachers, including teachers-on-call, must contribute to the pension plan.

Current contribution rates as of July 1, 2007

Teacher contributions as a percentage of salary*

Below YMPE*	9.16%
Above YMPE	10.66%

Employer contributions as a percentage of salary*

Below YMPE**	12.29%
Above YMPE	13.79%

**The YMPE is the year's maximum pensionable earnings for the Canada Pension Plan. The YMPE for 2007 is $44,900.*

Contributory service
Each month in which a contribution is made counts as a month of contributory service required to be eligible for a pension, or to be eligible for an unreduced pension.

Pensionable service

As of the date of printing, pensionable service is calculated as either:

$$\frac{\text{the number of days worked}}{\text{the number of days possible to work in a year.}} \quad \text{OR} \quad \frac{\text{\# of hours worked}}{\text{\# of hours possible}}$$

- These numbers can vary by school district, or even school.
- The method of calculation may change during this school year.

Pension benefits are based on equivalent full-time service, i.e., 10 months of contributions made on a half-time basis count as 5 months of pensionable service for benefit calculation. Teachers on call accrue pensionable service at a rate of .05 of a month for each day of teaching.

For each day of unpaid absence, .05 of a month's pensionable service is deducted to a maximum of 20 school days in the month unless contributions are made in accordance with the pension plan regulations.

Salary

Contributions are based on gross salary. This may include administrative, supervisory or special qualification allowances, maternity leave top-up, and salary earned at summer school.

Benefits are based on the average annual salary earned during your five highest earning years. Persons working less than full-time are credited with pensionable service pro-rated to full-time equivalent and are credited with actual salary received. If this occurs in the last 5 years of employment, there will be a year(s) in your salary-averaging period when you are credited with less than 10 months' service and less than equivalent full-time salary. For each of these years, salary from the period previous to the 5 years, adjusted for cost-of-living changes, is brought forward to fill in the gaps. The end result is that the final average salary is approximately equivalent to the final average salary of a full-time person earning at the same salary rate.

However, the pension will be less because the part-time person will have fewer years of pensionable service.

Vesting

"Vesting" means you have achieved the minimum service requirement for a pension benefit.

Teachers who left teaching prior to January 1, 1993 qualify for pension benefits (are "vested") if they have accumulated 100 months of contributory service.

Teachers who leave teaching after January 1, 1993 are vested if they have accumulated either 5 years of continuous employment or 50 months of contributory service.

Teachers working after December 31, 1995 are vested if they accumulate 2 years (20 months) of contributory service.

Retirement pension
A retirement pension is first payable to a vested teacher at age 55. A pension is payable to teachers who contributed after age 60 and have less than the vesting requirements.

Deferred pensions
If you stop teaching prior to age 55, are vested, and leave your contributions in the pension plan, a pension is first payable at age 55.

Disability pensions
A disability pension may be payable to a vested teacher if disabled from teaching and not receiving benefits from an approved long term salary continuance plan, including the Salary Indemnity Plan: Long Term. Application must be made within two years of last contributing to the pension plan, or the end of SIP.

Survivor pensions

1. If you have already retired, the disposition of your pension will depend on the choices you made at retirement.

2. If you have not retired, are vested and are in service, then the following applies:

   If you die at age 55 or later, and have a spouse, your spouse will be eligible for a survivor pension beginning the first month following your death. The pension will be calculated as if you had retired and selected a Joint Life Last Survivor option with any applicable early retirement reduction, and no bridge benefit. If you do not have a spouse, the commuted value of your pension will be paid to your beneficiary or your estate.

   If you are under age 55 at death, and have a spouse, your spouse will be eligible for a survivor pension, or a transfer of the commuted value to a locked-in RRSP. If you do not have a spouse, the commuted value will be paid to your beneficiary or estate.

   The commuted value of your pension is the lump sum necessary to fund the pension promise and is normally significantly greater than your contributions and interest.

3. If you have not retired, and are not vested, a refund of your contributions plus interest will be paid to your named beneficiary or estate.

To retain eligibility for any form of pension, contributions must remain in the plan.

Purchase of service
Pensionable service may be purchased for certain defined leaves of absence, to a maximum of 30 months maternity/parental leave and 50 months of general leave. More detailed information is available on the Teachers' Pension Plan web site in a publication called *Pensionfacts: Purchasing leaves of absence,* available from *tpp.pensionsbc.ca*

Pension transfers
Pension transfer agreements with other provinces, federal government and public service employers in BC, provide some measure of protection of pension rights of teachers who move between various employers.

Contributory service in another province, with other public service employers, etc., may be combined with service in BC to meet the minimum vesting requirements and the "90" formula.

Refunds
If you resign from teaching, a commuted value may be transferred to a locked-in RRSP. After January 1, 1996, once contributions are withdrawn, they cannot be reinstated.

Contributions cannot be withdrawn if on leave of absence or on a recall list.

Contributions made after January 1, 1993 to a vested pension may only be transferred to a locked-in RRSP.

Reinstatement of refunds
A refund of contributions, if withdrawn prior to January 1, 1996, may be reinstated by repaying the amount received in refund plus interest. This only applies if you were not an active member of the Plan on March 31, 2007. You must apply to reinstate your service the earliest of the following:

- before you terminate employment
- by June 30, 2009
- within 5 years from when you resume contributing to the Plan. After June 30, 2009 you cannot reinstate any service in the plan.

Pension calculation
If age 60 or older and vested, the pension is 2% x pensionable service x average salary (best 5 years) *less*, at age 65, the bridge benefit, and *less* the cost of the selected pension payout option.

If age 55 to 60 and vested, the same formula applies, except if age plus contributory service is less than '90', the pension is reduced by 3% per year, for each year under '90' or age 60, whichever is less, or by 5% per year if the retiree has not taught in the two years prior to retirement.

Indexation of benefits
Pensions are increased annually to help offset increases in the cost of living. This is not a guaranteed benefit.

Re-employment while in receipt of pension
Employment in any private sector occupation is not affected by receipt of a teachers' pension.

If you become re-employed with a BC school board or other BC reciprocal employer, you may suspend your pension and contribute to the applicable pension plan, or you may retain your teachers' pension in which case you will be ineligible to contribute to the teachers' pension plan. This provision does not apply to a spouse who is in receipt of a teachers' survivor pension.

To continue to receive your pension as a re-employed retired member, you must have:
- terminated you employment, and
- received your first pension payment.

If you have terminated your employment but have not received your first pension payment, you are not considered to be retired for the purposes of re-employment. If you return to work, you will be automatically re-enrolled in the plan, you will not receive any pension payments, and you and your employer will continue making contributions to the plan.

Health benefits
At retirement, or after retirement when coverage under another plan ceases, MSP, Extended Health Care and Dental Care are available. Currently, the EHB premiums are fully paid by the plan if you have 10 or more years of pensionable service. Premiums are shared if pensionable service is less than 10 years. As of August 1, 2007 cost of premiums for Dental Plan coverage is to be paid by the retiree. There is **no** guarantee that future premiums will be fully paid by the pension plan, nor that benefits will not be changed.

It is your responsibility to apply for:
- benefits
- reinstatement
- right to make contributions for leaves of absence
- right to make contributions while teaching less than half time
- and information on pension agreements with other provinces, employers, etc.

CP:cep/mh:tfeu

Pension information on the public BCTF web site: *www.bctf.ca*

Joint trusteeship

On April 5, 2001, the Teachers' Pension Plan became a jointly trusteed pension plan under a joint trust agreement between the partners. The partners are the British Columbia Teachers' Federation (BCTF), the plan member partner, and the provincial government, the plan employer partner. This significant event in the history of the Teachers' Pension Plan was made possible by provisions in the *Public Sector Pension Plans Act.* It paved the way for representatives of the plan stakeholders—government, employers, unions, plan member associations and retired members—to negotiate an agreement to share governance of the plan. The agreement includes sharing the gains or surpluses and liability for deficiencies in the pension fund. Joint trusteeship also simplified pension plan administration and management. Under the joint trusteeship agreement, plan members and plan employers share equally in the administration and management of the pension plan.

The trustees appointed by the BCTF are plan members selected from teachers, retirees and excluded employees. The trustees appointed by the provincial government may be employees of school districts or the government. The plan employer partner and the plan member partner each appoint five trustees. The board, as of June 2008, was composed of the following trustees:

Appointed by the plan—Employer partner	**Appointed by the plan—Member partner**
Joan Axford, Saanich	Dale Lauber, New Westminster
Joann Cain, Victoria	Carolyn Prellwitz, Burnaby
Lucas Corwin, Victoria	Elizabeth MacKenzie, Chilliwack
Wayne Jefferson, Surrey	Gerry Tiede, Surrey
Tom Vincent, Victoria	Linda Watson, North Vancouver

Gerry Tiede is the current chair for a one-year term which began January 1, 2008.

Joint trusteeship modernizes and enhances the governance of the Teachers' Pension Plan and fulfills long standing BCTF policy objectives. For more detailed information, you may view the Joint Trust Agreement at *bctf.ca/SalaryAndBenefits.aspx?id=4752.*

Roles and responsibilities

The agreement describes the composition, appointment, powers, functions and duties of the trustees to manage the pension plan and fund.

The partners are responsible for appointing the trustees, directing amendments to the plan, if certain conditions are met, and resolving trustee disputes. The Teachers' Pension Board of Trustees is fully responsible for the management of the pension fund, including the investment of the assets, and the administration of the pension plan.

If you have concerns about the level of service from the Teachers' Pension Plan, please contact the trustees, c/o John Cook, Chair, Teachers' Pension Board of Trustees, P.O. Box 9460, Victoria, BC V8W 9V8.

The board of trustees may amend the pension *Plan rules*, as long as changes can be funded by pension fund surpluses or are cost-neutral to the plan. Plan rule changes that result in contribution rate increases must be approved by the partners. In the future, if the actuary determines that it is necessary to increase contribution rates, the trustees must increase employer and member contribution rates equally.

The British Columbia Pension Corporation provides administration as an agent of the board of trustees. This is where members are enrolled, contributions are collected, benefits are processed and pension payments are issued.

The British Columbia Investment Management Corporation (bcIMC) *www.bcime.com/* provides investment management services as an agent of the board of trustees. The bcIMC is one of the largest institutional investors in Canada, offering a wide range of fund management services.

Purchase of service: General leave of absence

Cost

Calculating the cost of purchasing a leave of absence has been simplified. As of April 1, 2002, the cost of purchasing a leave of absence will be calculated as follows: **your current full time equivalent monthly salary times the combined employee and employer pension contribution rate times the number of months of leave of absence being purchased.**

The most tax effective time to purchase a leave of absence is immediately after the expiration of the leave and before April 30 of the calendar year following the expiration of the leave of absence.

Example 1:
If, as an active pension plan member with a current full time equivalent monthly salary of $6,500 ($65,000 annual salary), you were to purchase a 10-month leave of absence for the school year of September 2006 to June 2007, it would cost **$6,500 times 21.45% times 10 months.** The cost will be $13,943. A member retiring on an unreduced pension would recover the cost of purchasing this leave of absence in about eight to ten years after going on pension.

Example 2:
Currently, the combination of the employer and employee pension contribution rate for salary that is under the Year's Maximum Pensionable Earnings of the Canada Pension Plan (YMPE, $44,900 for 2008) in a calendar year is 21.45%. The cost is 24.45% for salary in a calendar year that is over the YMPE. Therefore, circumstances can occur whereby the contribution rate may exceed 21.45%. If the leave of absence in Example 1 were for the calendar year of January 1, 2006 to December 31, 2006, the cost for purchase would be calculated on the basis of 21.45% on

the first $44,900 of salary and 24.45% on the salary above the $44,900. In this case, the cost of purchasing the leave would be $14,546. Another case in which the contribution rate might exceed 21.45% for a school year leave would occur when the monthly salary exceeds $7,284.

Maximum purchase
General leaves of absence ending before January 1, 1992: no limit on the maximum number of months that can be purchased. General leaves ending after December 31, 1991: maximum purchase is 50 months of leave.

Eligibility and deadlines
For leaves of absence **terminating after April 1, 2002,** the time limit for purchasing a leave of absence will be **five years from the completion of the leave of absence** or **termination of employment with that employer,** whichever is earlier.

Cost estimator
The Teachers' Pension Plan on-line personalized purchase cost estimator at *My Account* is available to help you determine the cost and the cost benefit of purchasing a general leave of absence. The cost estimate can be printed and used as your purchase of service application form. The form must be signed by the employer from whom the leave was taken.

You may also contact BCTF Income Security for assistance:

BCTF, Income Security
100-550 West 6th Avenue
Vancouver, BC, V5Z 4P2
phone: 604-871-1921, toll free 1-800-663-9163, local 1921, fax: 604-871-2287
E-mail: *alambert@bctf.ca, cprellwitz@bctf.ca*

Applications for purchase of general leave of absence
More detailed information is available on the Teachers' Pension Plan web site in a publication called *Pensionfacts: Purchasing leaves of absence*. An application form called *Purchase of service application* is available, or you may use the personalized purchase cost estimator at *My Account*. This is a combined cost estimator and application form that you can print and attach to your application form. All applications must be signed by the employer who granted the leave of absence and then forwarded to the Teachers' Pension Plan.

Contact information:

Teachers' Pension Plan
PO Box 9460
Victoria BC V8W 9V8

Phone: Victoria: 250-953-3022
Vancouver: 604-660-4088
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Web: *tpp.pensionsbc.ca*

Purchase of service: Maternity and parental leave of absence

Cost

For maternity and parental leaves of absence **after December 31, 2000**, the cost of purchasing the leave will be calculated as follows: **current full time equivalent monthly salary times employee pension contribution rate times the number of months of leave of absence being purchased.** As the employer will be billed for its pension contribution, this type of purchase is always cost effective.

If you are purchasing maternity or parental leaves completed after December 31, 1991, the maximum that you can purchase is three years of leave. The amount of maternity and parental leave of absence purchased at the employee pension contribution rate is subject to limits established by the *Employment Standards Act*.

The most tax effective time to purchase a maternity or parental leave of absence is during or immediately after the expiration of the leave and before April 30 of the calendar year following the expiration of the leave of absence.

Example 1

If as an active pension plan member with a current full time equivalent monthly salary of $6,500 ($65,000 annual salary) you were to purchase a one-year maternity and parental leave of absence taken in 2001 or after, the calculation of the cost would be **$6,500 times 9.16% times 10 months.** In this case, the employee contribution rate is 9.16% and the employer contribution rate is 12.29% (for salary in a calendar year that is under the YMPE). Your cost would be $5,954. The employer would then be billed for $7,988.50. The cost may be slightly higher if the combined leave of absence was for a calendar year rather than a school year. Purchasing maternity or parental leave of absence is **always worth while** when the employer is required to make the employer contribution.

Maximum purchase for each child

	January 1, 2001
Maternity leave maximum	17 weeks

	January 1, 2001
Parental leave maximum	35 weeks

Cost estimator

The Teachers' Pension Plan on-line personalized purchase cost estimator at *My Account* is available to help you determine the cost and cost benefit of purchasing a maternity and/or a parental leave of absence. The cost estimate can be printed and attached to your application form. The form must be signed by the employer from whom the leave was taken.

You may also contact BCTF Income Security for assistance:

BCTF, Income Security
100-550 West 6th Avenue
Vancouver, BC V5Z 4P2
phone: 604-871-1921 or toll free 1-800-663-9163, local 1921, fax: 604-871-2287
E-mail: *alambert@bctf.ca, cprellwitz@bctf.ca*

For leaves of absence **terminating after April 1, 2002,** the time limit for purchasing a leave of absence will be **five years from the completion of the leave of absence *or* termination of employment with *that* employer, whichever is earlier.**

Applications for purchase of maternity and/or parental leave of absence
More detailed information is available on the Teachers' Pension Plan web site in a publication called *Pensionfacts: Purchasing leaves of absence.* An application form called *Purchase of service application* is available or you may use the *Purchase cost estimator*. The latter is a combined cost estimator and application form that you can print and attach to your application form. All applications must be signed by the employer who granted the leave of absence and forwarded to the Teachers' Pension Plan.

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E-mail: *TPP@pensionsbc.ca*
Web: *tpp.pensionsbc.ca*

Timelines and conditions for purchasing leaves of absence in the Teachers' Pension Plan

Type of LOA and conditions	Leaves commencing on or after December 31, 2000
Maternity • no return to work requirement. • only the birth mother is eligible to purchase this leave. • cannot begin more than 11 weeks prior to the expected date of birth of the child.	• 17 weeks, if leave commences before birth of child or termination of pregnancy. • may be extended by up to 6 weeks if a doctor certifies that the plan member is unable to return to work.
Parental/adoption • no return to work requirement • leave to commence: **birth mother**—immediately following end of maternity leave, unless mother and employer agree otherwise, **birth father**—within 52 weeks of child's birth, **adopting parent**—within 52 weeks of child coming into custody.	• 35 weeks, for birth mother who has taken maternity leave. • 37 weeks, for birth mother who has not taken maternity leave, or for birth father; or for adoptive parents • may be extended by 5 weeks if a doctor certifies that the member is unable to return to work. • each leave must fall within 12 months from the child's date of birth.
Combined maternity and parental	• maternity and parental leave may not exceed a combined total of 52 weeks, not including extensions taken with a doctor's certificate. • all maternity/parental leaves may not exceed a combined total of 3 years for leaves completed after December 31, 1991. • each leave must fall within 12 months from the child's date of birth.
General • no return to work requirement. • includes any compassionate care leaves	• limited to the purchase of 5 years during the entire plan membership (this 5-year limit only applies to general leaves ending after January 1, 1992.)
Child-rearing • must apply while an active member of the plan • must have pensionable service before and after the child rearing period	• maximum of 5 years (50 months)
Compassionate care • time to provide care and support to a family member in situations where the family member is gravely ill with a significant risk of death	• limited to 8 weeks within a 26-week period • purchase at employee contribution rate

Pensions and Workers' Compensation/ICBC Claims

1. Members on Workers' Compensation (WCB) accrue pension service as follows:
   a. They are covered by their board as sick leave during a top-up period. The member's WCB payment is forwarded to the board, and the board tops-up the salary to full, according to the Collective Agreement. Sick leave is deducted at the appropriate percentage. Full pension service is reported, as for anyone else on sick leave.
   b. When the member runs out of sick leave, they should then apply for Salary Indemnity Plan (SIP) benefits, as would any other member who used up their sick leave. If the member medically qualifies for a claim, they are then covered by SIP. If the WCB payment is greater than the SIP payment, there would be no extra money paid to the member, but SIP would report their pension service, and they would continue to accrue pension service. A member on WCB who did not file a SIP claim following the expiration of sick leave would not accrue pension service.

2. Members on ICBC claims should follow the same procedure - sick leave, and then SIP, with pension service reported.

Interprovincial reciprocal transfer agreement

Background
The interprovincial reciprocal transfer agreement between teachers' pension plans came into effect January 1, 2002. The new agreement allows members of teachers' pension plans throughout Canada to transfer their service between plans.

This may be a significant advantage to you if you have moved between teachers' pension plans. For example, you may be able to combine your contributory and pensionable service from two or more plans and increase your pension benefit, or qualify sooner for an unreduced pension.

The following provinces are participants in the new agreement: British Columbia, Alberta, Saskatchewan (Teachers' Federation and Superannuation Commission), Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, and Nova Scotia.

If you transferred from **Alberta before 1995,** the transfer will occur **only** when you retire and will be done as a transfer of funds converted to an annuity. There is no recognition of pensionable service, but contributory service is recognized. Please contact the Teachers' Pension Plan for further information.

Eligibility
You may apply to transfer under the agreement if:
- you terminated employment with an employer covered by the exporting plan on or after the date set by that plan, and at the time the importing plan receives your application, you are no longer a member of the exporting plan
- you are an **active member** of the importing plan and have participated in the

importing plan for at least 20 days
- you have not taken a benefit from the exporting plan and
- you have not received a pension from the importing plan or the exporting plan.

The "exporting plan" is the plan you are transferring from and the "importing plan" is the plan you are transferring into.

Your eligibility to transfer is not affected by any break in contributions between plans. You must be an active member of the BC Teachers' Pension Plan to apply to transfer service from another plan, though other plans may not require that you be an active member to transfer service to that plan.

You must have left your contributions on deposit in the plan from which you are transferring your service. You may not receive the full contributory and pensionable service if it results in a cost to the importing plan

Application for transfer of service

If you would like to apply to transfer your service under the new agreement, please contact the Teachers' Pension Plan to confirm your eligibility and to get more information. You may apply in writing or by completing the on-line application form *Interprovincial Reciprocal Transfer Agreement – Application Appendix A*. You may then print the form and submit it to the exporting **and** importing plan. Make sure you keep a copy for yourself!

If you apply to transfer, the actual transfer will occur only with your **approval, and after** you have been given all the information about the amount of service and salary that will be transferred.

Calculating the benefit

If you are now eligible to transfer your service, remember that it is not always to your advantage to do so. To find out if it's to your advantage to transfer service to the Teachers' Pension Plan, you will first need to request a transfer to find out the amount of service that the Teachers' Pension Plan will recognize from your previous pension plan.

You will need to consider the following:

- Are you eligible for a pension from your previous pension plan?
- If no, then a transfer is most likely the best option.
- If yes, then consider if one pension from the TPP is likely to be better than two separate pensions.
- Also, can you take an early pension from the previous pension plan?

After you have the information on the amount of pensionable and contributory service that will be transferred, use the Teachers' Pension Plan on-line *My Account personalized pension estimator* to enter the information from your most recent Members Benefit Statement, and calculate your pension estimate for a specific retirement date. Then go back and increase the pensionable and contributory service by the additional amount that is being transferred, and recalculate your pension for the same retirement date. This will give you the monthly pension if

you combine your service in the Teachers' Pension Plan. If you are eligible for two pensions, one from the exporting plan and one from the importing plan, compare the above estimate with the sum of the two pensions. This will help you determine if the transfer is to your advantage.

Shortfall

You may not receive the full contributory and pensionable service if the amount from the exporting plan is less than the required amount of the importing plan. This is called a shortfall. You are eligible to purchase the shortfall. You should get advice on the benefit of the purchase, as the cost is the full actuarial cost of the shortfall.

You may wish to see an independent financial advisor before making your final decision to transfer or not transfer.

Contact

Contact information:

Teachers' Pension Plan
PO Box 9460
Victoria BC V8W 9V8

Phone: Victoria: 250-953-3022
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E-mail: *alambert@bctf.ca, cprellwitz@bctf.ca*

Tax deducting the cost of purchase of service

1. **Reinstatement of service (buy-back of refunded service) or purchase of service (leaves of absence) where the service occurred before January 1, 1990**

   Section 147.2(4)(c) of the *Income Tax Act* (*ITA*) permits any **cash** payment made to purchase service that occurred before January 1, 1990 to be deducted to a maximum of $3500 less your annual pension plan contribution.

   You carry forward the remaining undeducted portion to following tax years, applying the same rule as above.

   Under normal circumstances, this rule will provide little or no tax deductibility room until you reach retirement, when your pension contribution will be zero. Careful record keeping is required to ensure that the monies paid for the past service purchase are eventually tax deducted. Otherwise, you will pay taxes twice on the same money!

   You may also use your current **unused RRSP contribution room** to deduct the payment from current taxable income.

   Or you may **transfer** monies directly from your RRSP to the pension plan. (Use form T2033).

   If you have unused RRSP contribution room, you could contribute to your RRSP, then transfer the required monies to the pension plan.

   If your goal is to have the maximum income in retirement, then pay cash, rather than using your RRSP monies and/or RRSP contribution room, leaving your RRSP intact for future retirement income. If you want an immediate tax break, pay the cash into your RRSP and then transfer the RRSP monies, recognizing that you will permanently reduce your RRSP.

   A combination of cash payment and RRSP transfer is possible, with the applicable tax rule applying.

2. **Reinstatement or purchase of service where the service occurred on or after January 1, 1990**

   Section 147.2(4)(a) of the *ITA* permits a **cash** purchase payment, if paid to the pension plan **before** April 30 of the year following the return from leave, to be fully tax deducted in the tax year the payment is made. This gives you the best use of cash and preservation of RRSP savings.

A **cash** payment made after the April 30 date mentioned is reported as a Past Service Pension Adjustment (PSPA). The pension plan will calculate the PSPA for you. The PSPA is charged against your available RRSP contribution room, including a bonus lifetime Past Service contribution room of $8000. (See attached worksheet). You deduct the PSPA as an RRSP contribution. You do not deduct the actual cash payment.

The past service purchase may be made by **transferring RRSP monies to** the pension plan. If your available RRSP contribution room, plus RRSP savings, is insufficient to cover the purchase PSPA, you could use the $2000 over-contribution room to increase your total contribution room. Remember that if you use the over-contribution room, the over-contribution must be deducted in the future from newly earned RRSP contribution room.

A combination of cash payment and RRSP transfer is possible, with the applicable tax rule applying.

To determine how much cash you can use, and to determine how much RRSP money you will need to transfer, use the attached worksheet.

Plan member PSPA worksheet

Name: _____ SIN _____

Purchase type: _____
Cost of purchase: _____
Preliminary PSPA: _____ (line 11)
Due date: _____

The purpose of this form is to maximize your use of available cash contribution room and to minimize your use of current RRSP savings. If you plan to purchase the service in total using an RRSP transfer, you do not need to complete this form.

1.	Unused RRSP contribution room [1.]	_____		
2.	Less current year RRSP contributions	- _____		
3.	Equals available RRSP contribution room	_____	→ _____	A
4.	Allowable RRSP over-contribution room [2.]	$2,000		
5.	Less over-contribution room already in use	- _____		
6.	Equals RRSP over-contribution room:	_____	→ _____	B
7.	PSPA contribution room [3.]	$8,000		
8.	Less PSPA contribution room used [4.]	- _____		
9.	Equals Total PSPA contribution room:	_____	→ _____	C
10.	Equals total contribution room from all sources:		_____	(A+B+C)
11.	Less preliminary Past Service Pension Adjustment (see above)		- _____	
12.	Equals remaining contribution room		_____	D [5.]
13.	Transfer from RRSP		_____	
14.	Equals …		_____	E [6.]

Notes:

1. Your unused RRSP contribution room is found on your most recent *Notice of Tax Assessment* from Canada Customs and Revenue Agency (CCRA).
2. You are permitted to over-contribute up to $2000 to your RRSP. Any over-contribution must be eliminated by using earned RRSP contribution room in the future.
3. PSPA "contribution room" of $8000 is allowed by CCRA. This is a lifetime allowance and does not have to be recovered from future earned RRSP contribution room.
4. If you have purchased service in the past and used some or all of the $8000 lifetime limit, subtract the used portion here.
1. If **D** is zero or positive, you will likely receive CCRA certification allowing you to make this purchase of service. If **D** is negative, you do not have sufficient available RRSP contribution room to make this purchase. You can bring the negative value to zero by transferring the required amount from your current RRSP.
6. To make this purchase, **E** must be positive or zero. If **E** is positive or zero:
   - send your cheque, payable to the Teachers' Pension Plan, for the cost of the purchase or
   - send the completed direct transfer form (T2033E) for the cost of the purchase or
   - send a combination of money (cheque) and RRSP transfer which totals the cost of the purchase.

Appeals

The Teachers' Pension Plan employs the Pension Corporation to administer the pension plan. In administering the Teachers' Pension Plan, the Pension Corporation must interpret and apply the *Plan Rules*.

The appeal process allows pension plan members, or organizations directly affected by a decision made by the Pension Corporation, to appeal all or part of that decision. The appeal process is designed to give you a fair and impartial avenue for appeal, if you are affected by a Pension Corporation decision regarding the application of the Teachers' Pension Plan Rules. Some examples of decisions that can be appealed are: enrolment, purchase of service, average salary, pension benefits, and survivor benefits.

The Pension Corporation must apply the Teachers' Pension Plan Rules consistently, and cannot make individual exceptions. You cannot appeal on the grounds that the actual rule applied in the decision should be changed. Also, you cannot appeal something that happened to someone else.

If you disagree with a pension plan rule, you may write to the board expressing your concern. Although the board cannot act immediately on the issues you raise, the information may help identify the need for future changes to the plan rules.

While the process is designed to be straightforward and simple to use on your own, if you are a BCTF member, you may request assistance from the BCTF in your appeal. If you request assistance, you must authorize the release of the appeal reports to the BCTF. You may contact BCTF Income Security for assistance:

BCTF, Income Security
100 - 550 West 6th Avenue
Vancouver, BC V5Z 4P2
phone: 604-871-1921 or toll free 1-800-663-9163, local 1921, fax: 604-871-2287
E-mail: *alambert@bctf.ca*

First, gather the facts and background on the decision by contacting the Teachers' Pension Plan to request a documented explanation of how a plan rule was applied in the decision, as it relates to you.

Contact

Teachers' Pension Plan
PO Box 9460
Victoria BC V8W 9V8

Phone: Victoria: 250-953-3022
Vancouver: 604-660-4088
Toll-free: 1-800-665-6770
Fax: 250-356-8977
E-mail: *TPP@pensionsbc.ca*
Web: *tpp.pensionsbc.ca*

Then, if you are not satisfied with the explanation, you might choose to appeal.

APPEALS PROCESS RE: THE APPLICATION OF THE PENSION PLAN RULES

General

1. All appeals must be directed to the Appeals Registrar, Pension Board Secretariat, 395 Waterfront Crescent, PO Box 9460, Victoria, BC, V8W 9V8.

2. In accordance with Article 8 of the Teachers' Pension Plan Joint Trust Agreement, a three-step appeals process is established:
   Step 1—Appeal to plan administrative agent (Pension Corporation)
   Step 2—Appeal to board
   Step 3—Appeal to third party (arbitrator)

3. Information on the appeals process will be communicated to plan members.
   - Brochures on the process will be developed. The board will develop a communications strategy.
   - When making significant decisions in the application of the pension plan rules that directly affect a person, an organization, or a person and an organization, the plan administrative agent is to advise those affected of their appeal rights.

4. To the extent that it has control, the Board must ensure that each appeal by an affected party is dealt with promptly and efficiently.

5. References in Article 8 of the Teachers' Pension Plan Joint Trust Agreement to "school days as used in the School Act" shall be considered to be the "days in session" as listed in the school calendar issued by the Ministry of Education. For ease of administration in the appeal process, "days in session" occur in the period September 1 to June 30.

6. The Pension Corporation, the Board, or the arbitrator, as applicable, must review and render a decision on the appeal.

7. The Board will review appeal information and the Board will consider appeals to the Board at regularly scheduled board meetings. If required, the Board will schedule additional meetings.

   - Statistical and summary information on appeals will be reported to the Board by the Appeals Registrar quarterly.
   - Copies of the appeal reports for resolved and abandoned appeals will be distributed with the quarterly report. Appeal reports must be returned to the board secretary at the board meeting.
   - Appeals for decision by the Board will contain the submissions and supporting material submitted by the affected party, copies of all relevant information or records from the file of the affected party maintained by the Pension Corporation, copies of all relevant information or records collected by the Pension Corporation on the

Board's behalf from any employer affected by the appeal, relevant legislative and procedural documents and the appeal report(s) prepared by the Pension Corporation.

8. Appeals for decision by an arbitrator will contain all documents reviewed by the Board when it rendered its decision, a record of the decision of the Board, the Step 3 written submissions and responses of the affected party and the Board, and copies of relevant legislative and procedural documents. Appeal files must be returned to the board secretary at the conclusion of the arbitrator's appeal review.

Specific appeal process

Step 1: Appeal to plan administrative agent (Pension Corporation)

1. A person, an organization, or a person and an organization directly affected by a decision of the plan administrative agent (the "Pension Corporation") in the application of the Teachers' Pension Plan rules (the "affected party") may by written notice to the Appeals Registrar appeal all or part of the decision.

2. The affected party may submit an appeal of a decision of the Pension Corporation in the application of the plan rules. Appeals must be in writing and must be directed to the Appeals Registrar, Pension Board Secretariat, 395 Waterfront Crescent, PO Box 9460, Victoria, BC, V8W 9V8. The Appeals Registrar will acknowledge receipt of the appeal. The notice of appeal must contain sufficient information to identify the issue and to locate the pertinent files.

3. The Appeals Registrar will forward the appeal to the Pension Corporation. The Pension Corporation will render its decision within 30 school days of receipt of the appeal from the affected party, in an appeal report submitted to the Appeals Registrar. The appeal report is a formalized report on the issue and will clearly address the basis of the administrative decision and the reasons for the decision.

4. The Appeals Registrar will provide a copy of the appeal report to the affected party. The Appeals Registrar will include a covering letter that provides information on Step 2—Appeal to the Board and will include a *Notice of Appeal—Step 2* form with the appeal report to the affected party. If the affected party is a plan member and provides written authorization and subject to applicable law, the Appeals Registrar will provide a copy of the appeal report to the organization that normally represents the category of plan members to which the affected party belongs (the "representative organization").

5. Following review of the appeal report, the affected party may wish to continue the appeal to Step 2.

Step 2: Appeal to board

1. Following review of the Step 1 appeal report, the affected party may wish to continue the appeal. To do so, the affected party must within 30 school days of receiving the Step 1

appeal report complete a *Notice of Appeal—Step 2* form and submit it to the Appeals Registrar with a written submission indicating the basis of the appeal. The affected party may also submit with its submission additional clarifying or correcting information.

2. The Appeals Registrar will forward the completed *Notice of Appeal—Step 2* form, the affected party's submission, and any additional information submitted by the affected party to the Pension Corporation.

3. Within 21 days of its receipt of a completed *Notice of Appeal—Step 2* form and submission from the Appeals Registrar, the Pension Corporation must collect and provide to the affected party and the representative organization, if any, copies of all documents, information or records within the possession or control of the Pension Corporation relevant to the subject matter of the appeal. If the Pension Corporation reasonably believes that an employer may have within its possession or control documents, information or records relevant to the subject matter of the appeal the Pension Corporation must on the Board's behalf make written request to the employer for such documents, information and records. Such requests will be made pursuant to the Board's powers under s. 13 of the PBSA and s. 80 of the Teachers' Pension Plan Rules. The Pension Corporation may on the Board's behalf take such steps as are permitted by law, including making application to the Supreme Court pursuant to s. 13(3) of the PBSA, to enforce such requests to employers. The Pension Corporation must promptly provide to the affected party and the representative organization, if any, copies of all documents, information or records collected from an employer.

4. Within five (5) school days of its receipt of all documents, information or records it is entitled to receive pursuant to paragraph 3 the affected party may indicate it wishes to make additional submissions or provide additional information to the Appeals Registrar. If so, the affected party will have 20 school days to prepare additional submissions or provide additional information to the Appeals Registrar. The Appeals Registrar will provide copies of the additional submissions or information to the Pension Corporation.

5. Within seven (7) days of its receipt of additional submissions or material from the Appeals Registrar pursuant to paragraph 4, or its receipt of the Appeals Registrar's advice that the affected party will not be making additional submission or providing additional information pursuant to paragraph 4, the Pension Corporation may indicate it wishes to comment on the affected party's submissions or any information provided. If so, the Pension Corporation will have 20 school days to prepare a Step 2 appeal report and submit it to the Appeals Registrar. The Appeals Registrar will provide a copy any Step 2 appeal report to the affected party and the representative organization, if any.

6. The affected party will have 20 school days from the receipt of any *Step 2 Appeal report* to reply to the *Step 2 Appeal report*. The Appeals Registrar will provide a copy of any such reply to the Pension Corporation.

7. Unless the appeal is resolved because the affected party accepts the *Step 2 Appeal report* of the Pension Corporation, the Pension Corporation accepts the submission or reply of the affected party or the affected party abandons the appeal, the Appeals Registrar will, on the completion of the process described in paragraphs one (1) through six (6), submit the appeal to the Board for decision at its next regularly scheduled meeting.

8. The Appeals Registrar will prepare the appeal file for consideration by the Board. This file will contain the *Step 1 Appeal report*, the submissions and information submitted by the affected party, copies of the documents, information and records provided to the affected party pursuant to paragraph 3, the *Step 2 Appeal report* prepared by the Pension Corporation, if any, the reply to the *Step 2 Appeal report* prepared by the affected party, if any, and copies of relevant legislative and procedural documents.

9. An affected party or the Pension Corporation may request from the Appeals Registrar an extension of any time limit applicable to Step 2 appeals. Every such request must indicate the extenuating circumstances that necessitate the extension.

10. An appeal may be adjudicated by the Board or by a panel of the Board consisting or one or more trustees appointed by the Board. If a panel consists of more than one person, the Chair must preside over the panel or designate the person who is the chair of the panel.

11. For an appeal referred to a panel:
    a. the panel has all the jurisdiction and may exercise the powers and perform the duties of the Board; and
    b. decision of the panel is a decision of the Board.

12. The Board or the panel of the Board will decide the appeal after reviewing the information presented in the file. The decision must be made by majority vote, unless the panel has only one member. A tie vote results in denial of the appeal. If the Chair of the Board or of the panel is appointed as a trustee under section 5.1(b) of the Teachers' Pension Plan Joint Trust Agreement, the Chair will have no vote.

13. The Appeals Registrar will advise the affected party and the representative organization, if any, in writing of the Board's decision within 15 school days of the decision being rendered. The Appeals Registrar will include information on Step 3 – Appeal to Third Party and include a *Notice of Appeal—Step 3* form.

14. Following receipt of the Board's decision, the affected party may wish to continue the appeal to Step 3.

Step 3: Appeal to third party (arbitrator)

1. Following receipt of the Board's decision, the affected party may wish to continue the appeal. To do so, the affected party must within 60 school days of receiving the Board's decision complete a *Notice of Appeal—Step 3* form and submit it to the Appeals Registrar with a written submission indicating the basis of the appeal.

2. On receipt of *Notice of Appeal—Step 3* form, the Appeals Registrar will provide the Board with a copy of all documents reviewed by the Board when rendering its decision and a copy of the affected party's written submission. The Board will determine if it wishes to make a written submission and/or a written response to the affected party's submission.

3. The affected party will be provided with an opportunity to respond to the Board's submission, if any. A copy of any response will be provided to the Board.

4. The Board will choose an arbitrator by lot from a list of arbitrators periodically agreed to by the partners as required by the Teachers' Pension Plan Joint Trust Agreement.

5. The Board may consolidate appeals on the same issue and select a single arbitrator to hear the appeals. The affected party may make a submission to the arbitrator if the affected party does not agree with the consolidation (or failure to consolidate).

6. The Appeals Registrar will provide the arbitrator with copies of all documents reviewed by the Board when it rendered its decision, a record of the decision of the Board, the Step 3 written submissions and respective responses, and copies of relevant legislative and procedural documents.

7. The Appeals Registrar will provide a copy of all documents forwarded to the arbitrator to the affected party, the representative organization, if any and the Board.

8. The affected party and/or the Board may request that the arbitrator order any party bound by the Teachers' Pension Plan Joint Trust Agreement to make production of any documents, information or records relevant to the subject matter of the appeal, and the arbitrator will rule on such a request. If such an order is granted, the affected party and the Board will be entitled to modify any of their previously submitted written submissions to reflect the contents of the documents, information or records so produced.

9. The affected party and/or the Board may request an oral hearing, and the arbitrator will rule on the request.

10. The arbitrator may accept new evidence if he or she is satisfied that the affected party or the board used all reasonable diligence to discover the new evidence before Step 3 of the appeal process, or the new evidence is discovered as a result of an order made under paragraph 8. The arbitrator may remit the appeal to Step 1 of the appeal process for reconsideration.

11. The arbitrator must rule only on the application of the pension plan rules in effect and applicable to the affected party at the time the decision being appealed was made by the administrative agent.

12. The arbitrator will decide the appeal. The decision of the arbitrator must be in writing and will be final and binding upon the affected party and the Board.

13. The arbitrator may not make an award that amends the pension plan rules.

14. The arbitrator may make a recommendation on an amendment to the pension plan rules for consideration of the Board.

15. The affected party(s) and the Board will share the costs of the arbitrator equally. The full cost of arbitration will be paid by the Board on receipt of the arbitrator's decision and invoice. The affected party(s) will then be invoiced for their portion of the costs.

16. At the conclusion of the arbitration, the affected party and the Board will receive the report given by the arbitrator.

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BCTF newsmagazine (*Teacher*) pension articles

"Teachers' pension plan: Reading your member's benefit statement." and **"What happens to your group life insurance plan when you terminate employment."**
Teacher Newsmagazine, V20, n6, (April 2008)
bctf.ca/publications/NewsmagArticle.aspx?id=15682

"Teachers' pension plan: What's new with purchase and the TPP?" and **"Ten reasons to attend a pension seminar this year."**
Teacher Newsmagazine, V20, n4, (Jan./Feb. 2008)
bctf.ca/publications/NewsmagArticle.aspx?id=14936

"Teachers' pension plan: Purchasing service." and **"Join the RTA."** and **"There's more to it than money."**
Teacher Newsmagazine, V20, n1, (September 2007)
bctf.ca/publications/NewsmagArticle.aspx?id=13534

"Teachers' pension plan: Funding for your basic pension and other post-retirement benefits." and **"Responsible investing."**
Teacher Newsmagazine, V19, n1, (September 2007)
bctf.ca/publications/NewsmagArticle.aspx?id=9178

"Teachers' pension plan: The best kept secret in employee benefits."
Teacher Newsmagazine, V18, n6, (April 2006)
bctf.ca/publications/NewsmagArticle.aspx?id=7454

"Teachers' pension plan: Environmental, social and governance: Factors for investing."
Teacher Newsmagazine, V18, n5, (March 2006)
bctf.ca/publications/NewsmagArticle.aspx?id=7390

"Teachers' pension plan: How did the job action affect your pension?" and **"Are pension purchases worthwhile?"** and **"Reminder."**
Teacher Newsmagazine, V18, n3,(Nov/Dec. 2005)
bctf.ca/publications/NewsmagArticle.aspx?id=7264

"Teachers' pension plan: Two definitions for spouse." and **"Changes to TPP enrolment rules."** and **"10+1 Reasons to attend a pension seminar."**
Teacher Newsmagazine, V18, n1, (September 2005)
bctf.ca/publications/NewsmagArticle.aspx?id=7124

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Countdown to retirement: A checklist

. Maintain a personal pension file of Teachers' Pension Plan and Canada Pension Plan statements and information. Include any collective agreement provisions for retirement gratuities, incentives, and health benefit continuation.

2. Familiarize yourself with the Teachers' Pension Plan (TPP) :
   - Attend a pension seminar early in your career.
   - Visit the TPP web site (*tpp.pensionsbc.ca ;* click on Teachers' Pension Plan). Register/log on to "My Account." Use the personalized pension estimator and personalized purchase of service cost tools.
   - Keep the TPP informed of any changes in your life (i.e. marriage, separation, divorce, death of spouse, beneficiary if no spouse, etc.).
   - Consider increasing your future pension benefit by applying to purchase service arising from a previous leave of absence, applying for *Child Rearing Drop-out Credit*, and/or reinstating any refunds you have taken.
   - Attend a pension seminar early in your career, in mid-career, and in the year before your retirement date.

3. If you have service in the College, Municipal, Public Service, ICBC or WCB pension plans and did not take a refund, check with that plan as to your accrued benefits and options, including transfer to the TPP.

4. If you have service in a teachers' pension plan in another Canadian province/territory and did not take a refund, check with that plan as to your accrued benefits and options, including transfer to the TPP. See the list of teacher pensions across Canada at *www.bctf.ca*

5. Update your will, power of attorney and/or representation agreement.

6. Within the timelines of the provisions of your local collective agreement, apply for any retirement gratuity to which you may be entitled.

7. At least four months prior to your retirement date, contact the TPP at 1-800-665-6770 for a Retirement Application Package. Send the completed application form to the TPP no later than the end of the month in which the pension is to start (preferably at least two months earlier) to ensure prompt pension payment.

8. At least thirty days before the date of retirement, send in your letter of resignation to your school board, with a copy to your local teachers' union/association office. (Check with your school board office to see when your current health benefits end to ensure continuous coverage. In a few school districts, health benefits end with your last pay cheque and you may need to arrange with your employer or the TPP to cover the intervening month as the health plans associated with the TPP do not begin until the second month you are on pension.)

9. Join the BC Retired Teachers' Association (telephone 604-871-2260/2262 or 1-877-683-2243, or go to the web site at *www.bctf.ca/rta*). Contact the BCRTA re starting/continuing Medoc travel health insurance. The Retired Teachers Association has branches around the province. There are many advantages to membership, and you can have the annual $35 fee deducted directly from your pension.

10. Apply to the BCTF for Associate Membership.

11. Maintain membership in the BC College of Teachers as a:
    - non-practising member on pension
    - practising member if you intend to teach after retirement.

    For fee details visit *www.bcct.ca.*

12. At age 60, if you are not working, consider applying for your Canada Pension Plan pension. For an application kit, visit the CPP web site at *www.sdc.gc.ca/en/isp/cpp/cpptoc.shtml.*

13. At age 65, apply for Old Age Security (OAS). For an application kit, visit the OAS web site at *wwwsdc.gc.ca/en/isp/oas/oastoc.shtml*

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