

Teacher Pension Plan Advisory Committee (TPPAC) Meeting Report

Submitted by: Jean Borsa, BCSSA TPPAC Representative

The TPPAC met on **Friday, January 29, 2010** in Vancouver. The following are the highlights of the meeting that may be of interest to BCSSA members.

- A contribution increase of 1.04%, from each plan member and the employer, will be applied on July 1, 2010 to our Teacher Pension Plan (TPP), as announced previously.
- Under TPP rules a member is considered retired, for purposes of re-employment, if s/he has received his/her first pension check. Retired TOC's, or re-employed retirees, should not be contributing pension, nor should the employer.
- The harmonized sales tax (HST) will increase TPP costs between \$4 – 5 Million. The TPP is no longer exempt, as it was from both PST and GST previously, because all public pension plans purchase their investment and administration services (from the Pension Corporation and bcIMC).
- New mortality tables for Canadians, including provincial stats, will be developed for use by actuaries.
- Returns on investments for the TPP look OK for 2009. Investment returns in 2010 may be more volatile.

The pension consultation process provided the following information:

- Out of 8,207 responses 54% were active and 46% were retired members
- Responses of retired and active members were very similar
- There were no age band differences in responses among active members
- Response returns of administrative positions, PVP's and district admin, were reflective of representation within TPP

- There is a strong desire to maintain full indexing with members willing to accept contribution increases (respondents may be assuming that the employer would also increase contributions)
- There is also a strong desire not to eliminate extended health benefits

BCTF recommendations will include: continue to support fully indexed pensions; any surpluses should first go to the Inflation Adjustment Account (IAA); and, the priorities should be a) increase contributions, b) remove extended health benefits, c) index only the lifetime basic portion of the TPP, and d) index from age 60 only.