

## Teachers' Pension Plan

### **Re: Employer and Member Contribution Rate Increases**

As a result of the December 31, 2008, actuarial valuation report and a plan partner agreement on improving the sustainability of cost-of-living adjustments for the Teachers' Pension Plan (TPP), an increase in contribution rates is necessary. The TPP trustees have decided that, effective July 1, 2010, plan member contribution rates will be increased by 2.04 per cent of salary (1.00 % increase to the Inflation Adjustment Account and 1.04 % increase to the basic plan) and plan employer contribution rates will increase by 1.04 per cent of salary. The new rate structure will be as follows:

	On salary equal to or less than YMPE	On salary greater than YMPE
Plan Member Rate	11.20%	12.70%
Employer Rate	13.33%	14.83%
	-----	-----
Total Rate effective July 1, 2010	24.53%	27.53%

(YMPE = Year's Maximum Pensionable Earnings = \$47200 in 2010)

### **Re: EHB Subsidy and Indexing**

1. With regard to the removal of the Extended Health Benefit subsidy on January 1, 2012; all retirees will lose the present subsidy. Those receiving the subsidy presently, or who retire before January 1, 2012, will not be grandparented. All retirees will continue to have access to a group benefit plan, as they do now with the Dental Plan and the Extended Health Benefit for their partners and dependents.

2. The change to the provision of indexing, will in fact, affect very few teachers. If you retire at age 55, effective January 1, 2012, you will not receive any indexing until after you reach age 56. After that, you will receive the same indexing granted by the Teachers' Pension Board of Trustees to retirees each January 1.