

# BCTF Newsletter

VOLUME 23 NUMBER 7

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JANUARY 12, 1984

## Gov't offered 3% solution to end turmoil

The B.C. Teachers' Federation has told the provincial government that it could end most of the turmoil in the school system simply by allowing school boards to maintain educational services at their current levels.

This would require only a "very modest" increase of 3 per cent in board budgets.

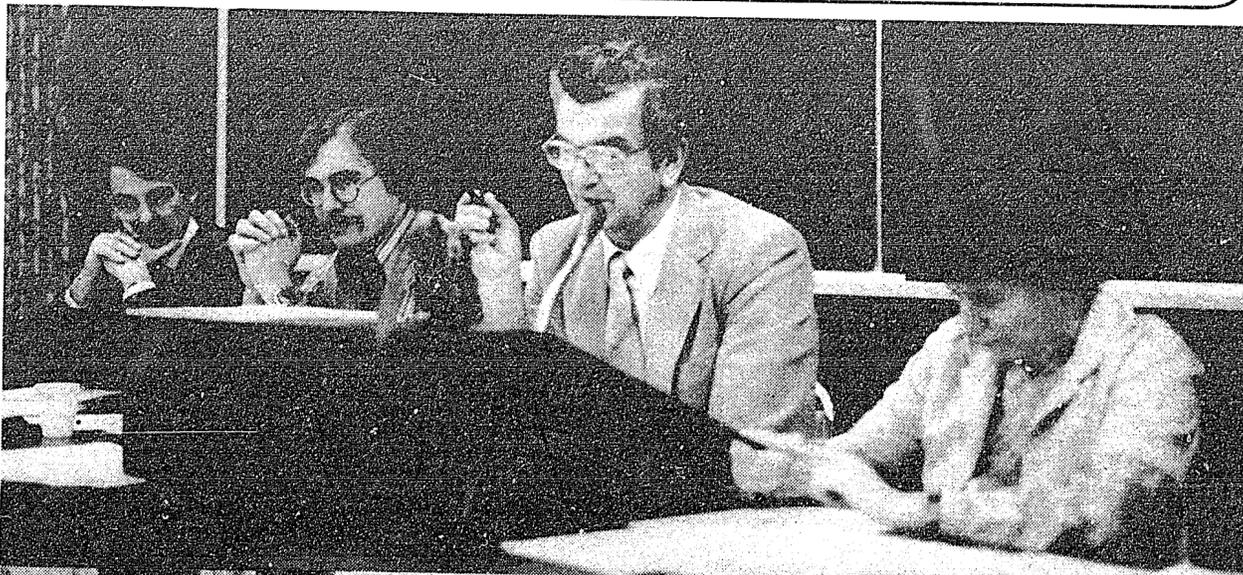
The case for an end to cuts in education was made by BCTF president Larry Kuehn in a meeting with Finance Minister Hugh Curtis on January 6.

Kuehn was one of four representatives of the Defend Education Services Coalition (DESC), the education component of Operation Solidarity. Other briefs containing pre-budget advice to the finance minister were presented by Stephen Learey, chairperson, Canadian Federation of Students; Owen Dykstra, president, B.C. Region, Canadian Union of Public Employees; and Jack Finnbogason, president, College-Institute Educators' Association of B.C.

The BCTF brief pointed out that budget decisions are never only financial, but always reflect value choices and priorities. "The BCTF believes that two broad values should be at the base of budget decisions on education: equality and excellence." And both equality and excellence suffer, it said, when there is inadequate financing.

The brief said there is "no apparent educational rationale" for the government's declared objective of increasing the pupil/teacher ratio to 19.14:1 (the 1976 level) by 1986. This is a case, the brief said, where "a simple statistic hides a complex social reality." Additions to the teaching force and improvements in the pupil/teacher ratio in recent years were not a matter of "feather-bedding" but were required to meet the demands of

See "Teacher" page 2



MATA President Walter Bergmann (at mike, centre), flanked by (left to right) Wes Knapp, BCTF bargaining staff, Ken Ryan, MATA vice-president and Janice Tapp, MATA secretary, leads discussion of action plan.

## Mt Arrowsmith action plan

# Teachers seek parent allies

With the new year failing to bring the feared mass teacher firings — and resultant Solidarity mass job action — teachers are digging in for a longer term fight to restore jobs and learning conditions.

Leading the way is the Mount Arrowsmith Teachers' Association, hardest hit by year-end terminations with the loss of 23.5 full-time positions, which recently opted for a multi-faceted action plan aimed at maintaining and building on parental concern about the impact of the cuts on their schools.

"We don't want open confrontation at this time because we're still hopeful that the parent groups can put enough pressure on the government to bring us more money," said MATA President Walter Bergmann. "If we don't get that support, sooner rather than later, then at least we'll have built a base for some kind of escalation."

This is reflective of current BCTF strategy of building public support for education — through briefs, information programs, links with parent groups and possibly through a proposed public commission on education — focussed on the end of the school year when budget cut-backs appear destined to force more serious cuts in teaching positions.

Aside from the Mount Arrowsmith dis-

trict, which chopped more than 11 per cent of its teachers, there were few other teacher terminations on December 31: Nanaimo cut 5.5 full-time positions and Fernie cut seven, while Windermere and Kitimat withdrew their termination notices.

The cuts faced by the Qualicum-Parksville area teachers were not the result of November strike savings not being returned to the district but were due to the district deficit of \$1.25 million,

which would not have been touched by strike savings of about \$100,000.

"There is at present no grounds for province-wide Solidarity job action," said BCTF President Larry Kuehn. "But we may be facing another crisis over teacher firings by September if the provincial government doesn't stop financially starving public education. We must use these few months' respite to show the public how the government is damaging

See "Victims" page 2

## Solidarity urges education inquiry

Operation Solidarity has endorsed a BCTF call for a broad public examination, possibly through a commission, of the needs of the public school system.

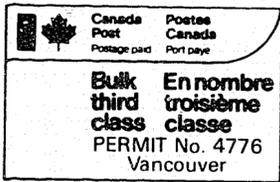
Solidarity at the same time decided to hold in abeyance the use of job action pending further developments with respect to layoffs in the education system. But Solidarity will continue to support political protest actions designed to pressure the provincial government to maintain current education services, such as the planned

protest at the legislature of Parksville-Qualicum teachers and parents.

The coalition made these decisions on January 10 after hearing a report from BCTF President Larry Kuehn who pointed out that job action does not seem currently appropriate as widespread teacher layoffs did not occur in January.

The proposed commission (to be organized with other interested groups) would focus public attention on the true state of public education.

IF UNDELIVERED, return to 2235 Burrard St., Vancouver, B.C. V6J 3H9



## A report to members from the BCTF Executive

### Layoffs not widespread in January

Contrary to earlier expectations, teacher layoffs were not widespread in January 1984, at least partially an indirect result of the strike. Although there has still been no satisfactory resolution to the question of education funding for 1984, the government's bizarre actions in December 1983 assisted in reducing the number of layoffs. Boards generally operated on the assumption that they would be receiving more money (the return of three days' teacher pay) and consequently that the need to lay off teachers would be reduced.

By the time the government announced that it was renegeing on its promise to boards, it was too late for boards to make new decisions to increase layoffs. In addition, many boards made attrition reductions in January — not replacing teachers who left or rehiring teachers with temporary contracts — but left the decisions about layoffs of teachers on continuing appointments until the spring.

Most seniority layoff clauses — and Bill 3 itself — allow for layoffs to take place only at the end of December or the end of June. One major exception to this is Surrey, where the contract allows for layoffs in mid-school year.

### The situation in Qualicum

A great deal of publicity has surrounded the situation in Qualicum where more than 11 per cent of the teaching positions were eliminated in January.

The severity of the budget problem there is much greater than in most districts because of policy decisions built in to the new finance formula. To give an idea of the magnitude of the problem, the return of strike "savings" would have produced \$100,000. The board's budget shortfall for the year is about \$1,200,000.

In opposing the cutbacks in Qualicum, the BCTF indicated to the local association that it would have the support of the BCTF if the local chose to take job action. The local in mid-December took a strike vote which was positive. However, the local in January decided not to undertake job action.

During December and early January there was substantial organization and support from parents groups in the communities. There was a feeling that job action would alienate the supportive groups which have developed and which have plans to carry on the fight for services in the district through political pressure activities.

### Prospects for the future

Unless there is a substantial change in the education

finance situation over the next few months, we can expect that many school districts will face the type of disruptive cutbacks which Qualicum has seen this January. The fact that extensive cuts were not made in most places in January means that the level of cuts will be magnified in September when boards will have to make most of their cuts over a four-month period rather than the full year.

The BCTF has made these implications clear to the provincial government through a reasoned but explicit brief submitted in a meeting with Finance Minister Hugh Curtis. The provincial government has the opportunity to take education out of the arena of perpetual conflict through very moderate — three per cent — increases to the aggregate spending allowed to school boards throughout the province.

The next three or four months will probably prove to be a respite from the disruption of further layoffs and cuts on a large scale. The provincial government's new budget — promised before April 1 this year — will tell us whether the system will be basically maintained at current levels in September 1984, or whether we face mass layoff notices in May and June and substantially worsened working and learning conditions in September.

Larry Kuehn  
BCTF President

## "Victims of the fiscal framework"

From page 1

their schools." (See executive report, above.)

The federation had indicated to MATA that if the local chose to take job action over the layoffs it would have BCTF support. The Mount Arrowsmith district teachers held a strike vote in mid-December and the result was favourable, but at a general meeting on January 5, the local decided against job action.

The meeting, held in Parksville and attended by more than half the local's 209 members, was marked by a strong mood of bitterness and frustration at being unable to prevent the loss of their colleagues' jobs.

Reviewing the whole matter, MATA President Bergmann pointed out that the board's determination to make the cuts was evident in the trustees' rejection of a MATA offer to pay the \$15,000 cost of a four-day delay of the January 3 implementation of the layoffs to allow time to possibly jointly arrive at a solution. But the most hopeful sign, he noted, was the parental support, with Lasqueti Island parents briefly withdrawing their children from school in protest and a large parent delegation accompanying trustees to a Victoria meeting with Education Minister Jack Heinrich. Unfortunately, Heinrich told the delegation no more money would be made available.

While the MATA meeting ruled out job action as unlikely to be effective and likely to destroy the new alliance with parents, it also strongly rejected teachers making concessions such as work sharing or salary cuts. As one teacher said: "We're fighting against a government that for the next three years is going to continue to want more and more concessions from us and more and more wage cuts. If we give in in this regard, I can only see that snowballing and that they will want more."

The gains that would result from improved morale would be more significant than any other policy decision the government could make in producing improved productivity in the public education system.

"Both our economy and our society would be well served by such a decision."

### Credit union, co-op ready to help teachers

The B.C. Teachers' Credit Union and the Teachers' Investment and Housing Co-operative stand ready to advise and assist members in revising their commitments to overcome financial difficulties as a result of the strike.

But neither institution is able to provide interest-free or low interest loans to members in difficulty.

This is the essence of the two institutions' reply to a BCTF inquiry, following up on a fall RA resolution.

The meeting went on to overwhelmingly endorse the principle that MATA would continue to fight to restore teachers' jobs and working and learning conditions in the schools. An action plan was then adopted committing MATA to:

- continue to press for due process for members on time reductions, transfer appeals and qualification grievances;
- undertake a working and learning conditions survey to determine the impact of the January 3, 1984 education cutbacks;
- file collective grievances on violations of BCTF working and learning conditions criteria;
- conduct a public information campaign focussing on the deterioration in district working and learning conditions;
- continue efforts to unite community and parent groups in opposition to education cutbacks;
- strike a committee to develop guidelines for MATA's role in the 1984 school board elections;
- jointly sponsor with parents a cavalcade to Victoria and demonstration on the legislature lawn on a Saturday.

Bergmann pointed out in an interview that the educational impact of the staff cuts is drastic. "We're not turning the clock back to 1976," he said, "we're turning it back to the early 60s." The most immediate impact will be larger classes, many in the range of 30 to 35 students. In addition he cited these regressive steps:

- Every elementary school has lost at least one teacher and some as many as 2.5, so it has meant a tremendous shift of students.
- Almost every school is losing library time. The secondary school librarian is not being replaced — he took early retirement — instead every teacher in the school is covering in the library by giving up half of his/her preparation time.
- The art program has been devastated. They fired the full-time art teacher at Qualicum Beach Middle School and his program is not being carried on.
- The learning assistance programs have been drastically cut.

Bergmann said that the Mount Arrowsmith School District had voluntarily cut \$800,000 from its 1981 budget prior to the provincial government's imposition of the first round of restraint. Now the effect of that cut has been compounded under the new fiscal framework which does not recognize the special needs of the district as one with small, dispersed schools with a rapidly growing enrolment (42 per cent in the past eight years).

"We're victims of the fiscal framework," he said.

## President arbitrarily transferred

# Ministry probes Agassiz board's "punitive" action

The Ministry of Education has undertaken an official investigation of Agassiz-Harrison Teachers' Association charges that the local school board's transfer of the association president was "punitive action" for his leadership in the November walkout.

The probe is in compliance with the agreement between BCTF President Larry Kuehn and Education Minister Jack Heinrich that there would be no punitive actions taken by either side as a result of the strike. There have been a number of cases brought to the attention of the federation and the ministry and they have been resolved.

On November 28, 1983, the board decided to transfer AHTA President George Grant from his counselling position at Agassiz Secondary School to an industrial education position, a subject he has not taught for 13 years. Simultaneously the board reassigned the industrial education teacher to the new alternate education program at the secondary school.

Both decisions were taken in an in-camera session of the last board meeting chaired by Gretchen Hallam, who had been defeated in the November election and was out of office the following day.

A local association presentation pointed out that the new alternate program posi-

tion had not been advertised, there was no open competition for it and the principal of the secondary school had not been consulted on it. In addition, the new assignments effectively eliminate the

secondary counselling program as the school administrators are expected to pick up Grant's counselling duties on top of their own responsibilities.

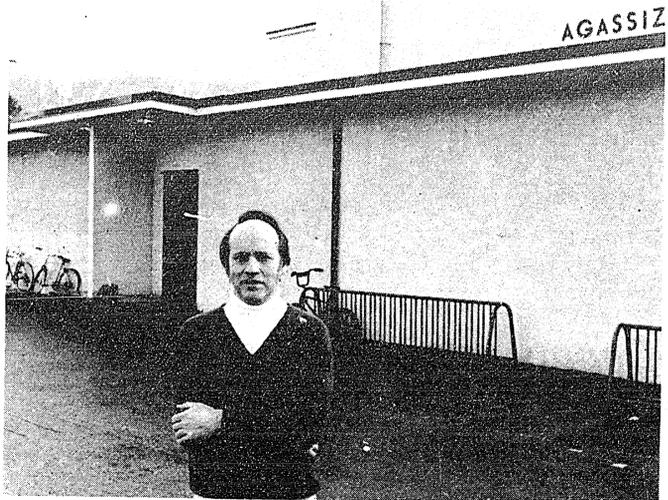
"I think my transfer is clearly a reprisal

for the role I've played as president," said Grant. "It seems to me that the board and its officers have misunderstood the nature of our organization and their own authority and the democratic process — that's at the root of the problem."

The new alternate program has got off to an uncertain start, so far attracting only seven of the 13 students needed to maintain entitlement to the education ministry's special \$90,000 funding.

The program is designed to assist students who have serious difficulty with the established school program and is at least partly aimed at combatting the high native Indian dropout rate. But the native community was not involved in developing the program and does not enthusiastically support it: only one of four families asked has agreed to have their children placed in it.

In response to a request from the AHTA, the BCTF Executive Committee on December 14 placed "in dispute" the counselling and alternate program positions at Agassiz Secondary School and authorized the setting up of a commission to review personnel practices in the Agassiz-Harrison district. Implementation of both decisions have been suspended pending the outcome of the education ministry investigation.



AHTA President George Grant . . . arbitrary transfer probed by ministry.

## Letters

### Communications minister gives new meaning to "restraint" program

Please be advised that, due to the current restraint program, the Honourable Patrick L. McGeer, Minister of Universities, Science and Communications, would like to be cancelled from your mailing list for the BCTF Newsletter.

K. Henry  
Office of the Minister of Universities, Science and Communications

*We would like to assure the minister that his continued receipt of the BCTF Newsletter does not involve a charge on the provincial treasury as the Newsletter is sent free to all MLAs so that they might be better informed on education matters. We hope that this letter does not indicate that the government now also wants to cutback on receiving information about the impact of its programs — Ed.*

### Superintendents praised for protesting ministry time make-up demands

In the September 23, 1982, issue of the BCTF Newsletter I wrote an article in the form of a fable entitled, "School Superintendent — Leader or Bellboy." The article deplored the lack of educational leadership being provided by many school superintendents in B.C.

A year later there are signs that the association is beginning to respond to the challenge. On November 25, 1983, the Association of B.C. School Superintendents, which represents senior educators from all parts of the province, issued a press release responding to the three day make-up demand by the Ministry of Education. The president of the Association, Bill Fisher, Superintendent of Schools, Chilliwack School District, stated that . . . the make-up proposal was administratively unfeasible, inadvisable, impractical, and unworkable and suggested that funds previously allocated to public education should remain with the school districts to be used during the 1983/84 school year at the discretion of local boards.

I hope that this statement serves as a precedent and that we will continue to have similar leadership statements from individual superintendents and their association. As educational leaders they have the responsibility of examining, questioning and challenging unsound educational policies. It is expected of them.

Thank you for your collective action. The public school system needs your leadership and defence now more than at any other time. Your organization has been silent too long. I look forward to having your association as a partner within the educational community that's working to protect the public education system.

Mike Lombardi  
PDAC co-chairperson  
Vancouver

### Coquitlam deserved credit for lead in achieving Bill 3 exemption clause

I am writing to point out what I believe to be a significant factual error in your November 22nd issue, specifically in the article entitled, "Bargaining wins seniority rights layoff protection". In this article you credit the North Vancouver exemption agreement as serving "as a catalyst" for the resolution of exemption clause problems in the province.

In fact you should know, as should your readers, that the Coquitlam School Board negotiated a Bill 3 exemption clause with the Coquitlam Teachers' Association, that had been approved by both bargaining teams on Friday, November 11, 1983. This agreement also was the first agreement to provide for salary term and as such broke a logjam that was destined to cause school boards and teachers much grief if left unresolved.

The North Vancouver board did not renew its consideration of its Bill 3 agreement until Saturday, November 12, after the Coquitlam agreement had been approved. Clearly the North Vancouver board deserves credit for its sensitivity to finding solutions but you will forgive me, as a Coquitlam trustee, for saying that in

ignoring the prime role played by the Coquitlam board in this matter you have done a disservice to a thoughtful, independent board and to a teachers' association equally as thoughtful and inclined to conciliate.

Jonathan Taylor  
School trustee  
Coquitlam

### President should become "Chairman of the Board"

A recent edition of the Newsletter contained a lengthy letter from John Sutherland outlining activities of a few federation presidents of years gone by and, in particular, space was devoted to the fine efforts of the late general secretary, Harry Charlesworth.

This brings to me the question, "What has happened to the once prestigious and respected office of the general secretary\* who for years was the eloquent and knowledgeable spokesman for teachers of British Columbia?"

For the past 10 years, the task of spokesperson seems to have been taken over by an elected and salaried president. Some holders of this office have been dyed-in-the-wool activists with political leanings somewhere out near the left field foul line. There has been a tendency for them to allow their political biases to influence their approach to public relations thus the average citizen seems to assume that all teachers share the same political views.

Now don't get me wrong; the present government is really no friend of public education and needs to be taken to task regularly and often. However, might it not be more appropriate for the public relations of the federation be handled by the general secretary, of course with the approval of the executive, as was successfully done for so many years? Maybe, just maybe, the president should assume the position of Chairman of the Board.

Hal Cairns  
Retired teacher  
Penticon

\*This title was changed to "executive director" in 1981 — Ed.

### BCTF has proud heritage of leading the fight for education advances

Three cheers for John Sutherland's "Comment" in the Newsletter of November 22, 1983. He should know whereof he speaks for he gave many years of dedicated and unselfish service to the cause of good education in this province. Like him I lived through and shared in the struggles which made conditions better for students and teachers. It has been my experience that the price to be paid for progress and the prevention of retrogression is constant watchfulness.

From the very beginning the founding members of the BCTF became the "radicals" opposed to an unsatisfactory status quo. It was out of dissatisfaction that the federation was organized.

If L. J. Williams (Newsletter, October 5, 1983) is not proud of being a member of the organization he must be prepared to disregard the record it has established over the years of its existence. It has a proud heritage of promotion and support for educational improvements. Those of us who are products of the B.C. system will realize that what they were exposed to would suffer seriously by comparison to the benefits that the students of today enjoy. This runs the gamut from teacher preparation and teaching practices to curriculum, equipment, buildings and services. These benefits were not handed out freely by those in authority. They came only after much prodding through the agency of the BCTF. If Mr. Williams thinks that the organization is being political it would not be the first time this was said. It seems that when one opposes the acts or policies of governments one is described as political in the most questionable sense. We can take much comfort in the fact that every improvement in education in this province was either initiated by the federation or actively supported by it. Indeed the governments and people of this province have received a tremendous gift of free services from federation members in helping to bring these improvements to pass.

Continued on page 4  
JANUARY 12, 1984/3

## BCTF Newsletter

BRITISH COLUMBIA TEACHERS' FEDERATION  
2235 Burrard Street, Vancouver, B.C. V6J 3H9

CLIVE COCKING Editor

The BCTF Newsletter is published by the B.C. Teachers' Federation pursuant to policy statement 36.26 in the Members' Guide to the BCTF. The BCTF Newsletter Editorial Advisory Board, which reports to the Executive Committee, serves in an advisory capacity, assisting the editor in interpreting and implementing newsletter policy.

Letters to the editor must be signed by and bear the address of the writer. The Newsletter may edit letters for brevity, clarity, legality or taste. Letters to the editor and signed articles contained herein reflect the views of the authors and do not necessarily express official policy of the BCTF. Unsigned articles are the responsibility of the editor.

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BCTF Newsletter  
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From page 3

Those of us who are retired should be eternally grateful to the BCTF for its efforts on behalf of pensioners. What we now enjoy was no handout from employers. It was won by the hard work of people like Mr. Sutherland and those mentioned by him and many others. We should also not forget that our teachers' organization is an enthusiastic supporter of The B.C. Retired Teachers Association and a participant in its work of maintaining adequate pension services for retirees. It is to the credit of the BCTF that its active members do not forget their former colleagues. Most employee organizations lose interest in the welfare of their members after they retire.

Let us not allow petulance to overshadow the unselfish record of our organization. Perhaps we should not be so humble about it and follow the pattern of some other groups and advertise the contributions we have made often at much expense to our members.

Like many others, I am proud to have been associated with the federation from the days when membership was voluntary up to the time of retiring. It has a proud heritage of work in every area related to education.

T. M. Chalmers  
Retired teacher  
Vancouver

## Abbotsford strike item "unnecessary, unfortunate"

The article entitled "Three days on the picket line" (November 22, 1983) was in general a good one and certainly reflected the experiences most of us had during the walkout November 8-10.

However, the item in the article concerning the Abbotsford principal and picketers was unnecessary and unfortunate, and certainly does little for the federation. Situations such as these are best left to the people involved and their local associations to resolve, and should not be exploited, for any reason, in a federation publication.

This letter is endorsed by the Executive of the Sooke Teachers' Association.

John Bergbusch  
President  
Sooke Teachers' Association



Santa Claus, otherwise known as Don McIntyre, gives a gift to an unemployed teacher's daughter at the Unemployed Teachers' Action Centre Christmas party, attended by more than 150 parents and children. Festivities featured a sumptuous dinner of varied ethnic dishes, Santa's gifts, a tour of city Xmas lights climaxing in a Stanley Park train ride. Ron Lurie photo.

## Deputy minister sabotage of Bill 3 agreement exposed

A recent North Vancouver court case has provided firm evidence that the Deputy Minister of Education intervened on November 7 to sabotage a Bill 3 exemption agreement between the board and teachers.

This sabotage of the North Vancouver agreement was the specific event which initiated the teacher withdrawal of service and the Solidarity action. The information provided in the court sheds some light on specific gains made through the strike on the negotiation of Bill 3 exemptions for teachers around the province.

The court case was brought by Ross Regan, a North Vancouver school trustee, against the North Vancouver School Board. He sought to have the courts declare invalid the board's ratification of the Bill 3 exemption agreement on November 13. That ratification was part of the overall settlement reached between Solidarity and the government by providing a model clause giving protection to teachers from Bill 3 and which was approved by Compensation Stabilization Commissioner Ed Peck.

Regan sought to have the board's vote declared invalid on the basis that he had not received written notice of the purpose of the special meeting of the board. Madam Justice Proudfoot ruled against Regan and upheld the validity of the board's contract ratification.

In the course of the case, an affidavit from the board chairperson, Philip Joe, was entered in evidence. It recounted the events of November 7 as follows:

*The said agreement was approved by a resolution of the board on November 7, 1983 at a meeting attended by all trustees. After the said resolution was passed, but while the meeting remained in session, the board was advised that the Ministry of Education did not support the agreement, which was intended to exempt teachers from the operation of certain sections of the Public Sector Restraint Act, and the said resolution was thereupon rescinded.*

The minutes of that board meeting, also entered in evidence, provide more information about the deputy minister's motivation. They say:

## Inflation gobbles "gains"

The average salary increase for B.C. teachers in 1984 is about \$35 — for the whole year, not per week or per month.

This works out to about one-tenth of 1 per cent of the average teacher's salary. Salary increases have been won by teachers in only 13 of the province's 75 school districts. In the other 62 districts teachers accepted a wage freeze for 1984.

The 13 money settlements range from .25 per cent to a high of 2.75 per cent — the second year teachers have received sub-inflation increases.

## PD associates sought

The BCTF Professional Development Division is looking for teachers who have been actively involved in the federation to become leaders of staff rep and staff committee workshops.

For further information, phone Karen Peterson or Gale Tyler in the Professional Development Division, BCTF. The positions are to be filled by **January 31, 1984**.

*Information was then received by the Superintendent and conveyed to the Board to the effect that the Deputy Minister of Education did not support this type of an agreement nor would it, in his opinion, assist with negotiations at the provincial level. However, the Deputy Minister was of the opinion that this type of agreement would be dysfunctional for the provincial system.*

The deputy minister clearly opposed the seniority protection provisions which had been negotiated in North Vancouver, provisions which have after the strike been agreed to in a similar form in many school districts, with negotiations continuing in remaining districts.

Solidarity's agreement with the government not only included approval by Peck of the clauses from North Vancouver and Coquitlam (also negotiated on the weekend the strike ended) but also called for Peck's office to intervene if boards would not negotiate in good faith for Bill 3 exemptions. That promise has been kept, and the intervention of Peck's mediators has been a key factor in achieving acceptable clauses in some districts.

What was before the strike active opposition by government to seniority clauses for teachers was converted by the strike settlement into active government intervention to ensure that seniority clauses would be negotiated.

## Prepare yourself, the tax man cometh

The tax man cometh and it's best to be prepared. The following is a summary of our understanding of the income tax provisions affecting pensions, pension contributions and retirement gratuities.

For detailed tax planning such as the use of spousal RRSPs, transfers between spouses, etc., you are advised to contact financial advisers in the Teachers' Investment and Housing Co-op, Teachers' Credit Union, Discovery Trust or other institutions.

### Pension income deduction

- Up to \$1,000 of eligible pension income may be deducted for income tax purposes.

- If you are under age 60, this deduction is available *only if you did not transfer any pension income* to your Registered Retirement Savings Plan or to your registered pension plan (Teachers' Pension Plan). This restriction does *not* apply if you are in receipt of a Canada Pension Plan disability or survivor benefit.

- Old Age Security and Canada Pension Plan benefits do *not* qualify.

- Pension income transferred to the taxpayer's RRSP does *not* qualify.

- Eligible pension income includes annuity payments from an RRSP or an RRIF if you are 65 or over or any age if these payments resulted from the

death of a spouse and you have not claimed this deduction as qualified pension income.

### Pension income transfer

- Any amount of pension income, including OAS, CPP, refunds and pension benefits received from an estate, may be placed in the taxpayer's RRSP and deducted from taxable income without affecting the normal contribution limits for RRSPs. See contributions to RRSP.

- However, if this is done, the \$1,000 pension income deduction may *not* be used by those under age 60.

### Transfers between registered plans

- Money may be transferred directly between a registered pension plan, such as the Teachers' Plan, and a RRSP or vice versa without tax deduction. (Use Revenue Canada form TD-2 or T2033.)

### Interest

- Interest on money borrowed for contributions made to RRSPs and to registered pension plans, such as the Teachers' Pension Plan, after November 12, 1981 is *not* deductible. However, interest on money borrowed for contributions already made to an RRSP or registered pension plan may still be deductible; please refer to the local Revenue Canada office for assistance.

### Contributions to Teachers' Pension Plan

- Contributions from current earned income to a registered pension plan (such as the Teachers' Pension Plan) may be deducted for income tax purposes:

- (a) up to \$3,500 for *current* service, and

- (b) up to \$3,500 for each year of eligible *past* service.

Any excess over \$3,500 paid into the pension plan for past service may be carried forward to be used as a deduction in future years. This means that monies paid for reinstatement, for unpaid leaves of absence, for pensionable service under the interprovincial pension agreements and for military service purchase may be deductible within the limits permitted by the Income Tax Act.

### Contributions to RRSP

- Normal contributions to an RRSP may be deducted for income tax purposes. (See also above, Pension Income Transfer and Retirement Gratuities.)

- (a) the lesser of \$3,500 and 20 per cent of earned income *minus*

- (b) any contributions made to a registered pension plan (Teachers' Plan) for both current and past service.

### Retirement gratuities

- Lump sum retirement gratuities

may be paid into a registered pension plan (Teachers' Pension Plan) or into an RRSP subject to a *limit of \$2,000* for each year the teacher was employed by the employer paying the gratuity *or* for each year of service recognized in the Teachers' Pension Plan, whichever is longer. If this is done, the gratuity is not subject to income tax. Such payments do *not* affect the normal contribution limits of RRSPs or pension plans. (See Contributions to Teachers' Pension Plan and Contributions to RRSP.) For direct transfer to an RRSP or registered pension plan use Revenue Canada form TD-2.

### Notes

- If a teacher can not tax shelter all of the retirement gratuity because of the above limits, the tax impact could be lessened if the portion not sheltered was paid over a period of years. In this way only the portion received each year would be income for that year.

- Since RRSPs generally are credited with higher interest, it is preferable to transfer a retirement gratuity into an RRSP rather than making an extra voluntary contribution to the Teachers' Pension Plan.

For further details, contact Revenue Canada.

Prepared by the Government Division of the B.C. Teachers' Federation.