

NEWSLETTER

FEBRUARY 1968

VANCOUVER, B.C.

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President Bob Buzza and economic welfare director Des Grady are pictured here with Premier W. A. C. Bennett and Education Minister L. R. Peterson, following meeting with cabinet on pensions. —Ryan Bros. picture

Delegation meets cabinet on pensions

A BCTF delegation to the provincial cabinet seeking improvements in the teachers' pension plan is to be followed up by a campaign to inform all MLAs about shortcomings in pensions.

President Bob Buzza said BCTF observers will spend some time at Victoria during the legislative session meeting with MLAs of all parties on the pension issue.

'We plan to keep the matter of pensions before MLAs as much as we possibly can because we are determined to get a better deal for teachers on this issue,' he told the BCTF Newsletter.

Buzza said the BCTF delegation to the cabinet got a very attentive hearing. 'Almost the full cabinet was present and all members listened with interest to what we had to say.'

A number of questions were directed to the delegation spokesman Des Grady, BCTF director of economic welfare, and as a result of one of these questions further information is to be submitted to the government.

'One of the most persistent questioners was Premier W. A. C. Bennett himself,' Buzza said.

Buzza was high in his praise for the job that Grady did in presenting the teachers' case. 'Grady is to be commended for the presentation that he made,' Buzza said. 'It was lucid, carefully prepared and well presented.'

Grady used charts to back up the points in his presentation and cabinet members were given kits containing submissions and a précis of the presentation.

Buzza said some of the cabinet members later commented on the excellence of the presentation.

It was the first time in 15 years that a BCTF delegation had met the cabinet. The last such meeting was in connection with education finance.

Buzza said the present teachers' pension plan offers the lowest return of any teachers' pension plan in Canada for long-service career teachers.

'We do not claim that the B.C. teachers' plan is deficient in all aspects,' Buzza said, 'however, it is apparent that in the total return to career teachers, the plan is so deficient that no minor advantages can possibly compensate for the glaring inadequacies.'

The federation is seeking the following improvements in the plan:

- Pension rates comparable to those in the civil service and other teacher plans across Canada.

- Improvements designed to make the pensions more closely related to the actual salary.

- Reduction in the penalties levied for early retirement.

Buzza said that the average B.C. teacher retiring with 30 to 35 years service now qualifies for a monthly allowance of \$275 per month. If he elects a joint life benefit under which he and his wife receive a pension until their deaths, the amount would be \$200 per month.

'These pensions are considerably below those received by teachers in other provinces with similar service in the profession,' Buzza said.

The federation, in its submission to the cabinet, noted that the teachers' pension fund has now reached \$130 million and is growing at the rate of \$12 million a year.

Members of the delegation were: Buzza; BCTF first vice-president, Tom Hutchison, Invermere; second vice-president, Ed Nelson, Burnaby; pension committee chairman, Jack Pitman, Burnaby; consulting actuary to the pension committee, Maurice Farrant, Vancouver; BCTF general secretary, C. D. Ovans, and Grady.

ASSEMBLY REPORT

A full account of the January sessions of the Representative Assembly appears on the inside pages of the Newsletter. This report is designed to replace the former typewritten reports of the assembly. The typewritten, narrative report of the Executive Committee meetings has also been discontinued and reports will appear in the Newsletter instead.

Salary increases average 6.4%

Salary increases for 1968 will average 6.4 percent, reports Des Grady, director of economic welfare.

Biggest gain was at the PA maximum, with 6.8 percent, while the EB minimum and the PC maximum jumped 6.7 percent.

There were 21 arbitrations in the province's 89 bargaining units. The following are the medians on the 1968 salary schedules:

	1968	% Change Over 1967
EB	\$ 4,800	6.7
	7,200	5.9
EA	5,325	6.5
	8,045	5.9
PC	5,880	6.1
	9,290	6.7
PB	6,600	6.5
	10,664	6.6
PA	7,100	6.0
	11,590	6.8

Average percent change over 1967 - 6.4

Other than salary increases, the most common improvements were in granting credit for student teaching experience; providing for educational leave with pay, the importation of the BCTF-BCSTA group life insurance plan and the provision of extra sick leave benefits.

For presidency

Hutchison, Nelson nominated



NELSON

A Kootenay teacher born in Scotland and a Burnaby teacher born in Idaho have been nominated for the presidency of the BCTF.

Tom Hutchison, first vice-president of the federation, is vice-principal of David Thompson Secondary School in Windermere, while Ed Nelson, second vice-president of the federation is vice-principal of Kitchener elementary, in Burnaby.

Both were nominated to fill the post to be vacated by Bob Buzza this year.

Election of the new president will take place at the Annual General Meeting in Penticton at Easter.



HUTCHISON

See NOMINEES — Page 2

The Commission on Education is waiting to hear from YOU

Budget guidelines

Assembly moves to curb spending

The Representative Assembly has passed the 1968-69 BCTF budget back to the BCTF Executive Committee with rigid guidelines as to the amount of money to be spent.

The guidelines limit the 1968-69 budget to a 10 percent increase over 1966-67 and also specify that repayment of the \$500,000 loan to build the BCTF headquarters addition be a number one priority.

The assembly also directed that the fee of \$75 per member be retained during 1968-69.

* * *

The 'pay as you go' budget was ordered after finance committee chairman Ken McAteer had made his presentation to the Representative Assembly.

The assembly passed a specific resolution directing that the annual \$120,000 mortgage repayment on the new headquarters addition be incorporated as a budget item, not earmarked to come from surplus funds.

The budget as presented to the Representative Assembly totalled \$1,594,750, including an excess of expense over revenue of \$92,310.

* * *

In addition there was a list of new budget items, totalling \$85,000 which had been pared from the original estimates by the Executive Committee.

These new budget items included such things as teacher attendance at executive meetings, \$4,000; BCTF educational symposiums, \$6,500; table officers' expenses, \$10,000; educational research institute of B.C., \$10,500; in-service TV pilot projects, \$7,000; agreements chairman's short course, \$9,000 and PRO's summer seminar, \$5,000.

In his report to the Representative Assembly, McAteer congratulated the Executive Committee for paring down the budget as much as it had.

* * *

McAteer said in consideration of any 'new budget' items, the Representative Assembly had only two courses — either eliminate all of them or increase the fee by \$1 for every \$19,000 added to the budget.

The Representative Assembly debated some sections of the budget but decided not to go into the figures item by item. Instead it set up the general guidelines that it wanted and asked the Executive Committee to stay within these guidelines in preparing the budget for presentation to the June meeting of the assembly.

PSA subsidies to remain same for one more year

Provincial Specialist Associations — should they be independently financed or should they be subsidized by the federation?

This was one of the major items of discussion among Representative Assembly delegates as they debated the report of the ad hoc committee on PSAs.

The assembly finally went along with the idea that the PSAs should get a subsidy of \$2 per member for the first 500 members and \$1 per member for all members over 500 for the year 1968-69 (the same grant as in 1967-68). The assembly also voted in favor of setting up a standing committee on PSAs.

Harry Peebles, of Fernie, said East Kootenay teachers believe that PSAs should be self-supporting. 'We believe that most PSA members would be willing to pay for the services that they get. Arguments that PSA memberships would drop if fees were increased are pure supposition,' he said.

Al Stewart, Vancouver, said newly organized PSAs should be entitled to a subsidy, but he urged that all PSAs should be encouraged to become self-supporting. He said PSAs undertaking special projects could get grants from the federation.

(A motion calling for PSAs to strive to become self-supporting whenever possible was defeated.) It was reported that the BCTF in-service education committee supports BCTF assistance to PSAs because a great deal of the in-service work is being carried out by the PSAs. If this work wasn't being done by the PSAs the federation would have to budget to do this work anyway.

'The committee relies heavily on the advice of PSAs and regards this advice as being extremely valuable,' it was said.

In renewing the grants to PSAs, delegates were generally of the opinion that the new standing committee should have time to look into the whole business of subsidization and come up with a recommendation.

The ad hoc committee on the operations and financing of PSAs met first in January 1966. In its studies it received reports from members of the BCTF staff on curriculum and in-service activities of PSAs and reviewed the PSA publications.

PSA officers were also questioned concerning problems and programs.

In January 1966 a Representative Assembly resolution calling for the gradual reduction of financial assistance to PSAs until 1970-71 when subsidies would cease, was postponed for one year.

In coming to the conclusion that PSA subsidies should continue at the present rate, the committee said it could see no practical alternative, at the present time, to the PSA organization.

'The BCTF has an obligation to assist PSAs in their work through provision of staff, finances and facilities,' continued the report.

It added: 'The PSAs function mainly in the areas of in-service education and curriculum development and both of these are basic in terms of the aspirations of the BCTF.'

There appears to be no other



Three French Canadian exchange teachers were interested observers during the Representative Assembly debate on the Quebec teachers' conditions for joining CTF. Shown above, being greeted by bilingual executive member John Young are: Emmanuel Talbot, Hillside Secondary, West Vancouver, Marie-Rose Pellerin, Central Junior Secondary, Victoria, and Lise Vallieres, Oak Bay Senior Secondary.

QTC conditions discussed

BCTF stand on Quebec

Representative Assembly members agreed with some of the demands laid down by Quebec teachers for entry into the Canadian Teachers' Federation, but they couldn't go along with them all.

A summary of the Quebec teachers' conditions was presented in written form to the assembly and delegates were asked for their views on them.

(The conditions had previously been outlined by Raymond Laliberte, president of the Quebec

Teachers' Corporation, in an address to the assembly's fall meeting.)

While assembly members were in full accord with Quebec demands for greater use of the French language in Canada, for French language schools in predominantly French areas and for recognition of the French and English cultures in this country, they couldn't go along with French-Canadian demands that they couldn't go along with French-Canadian demands that education be the 'total and exclusive' jurisdiction of the provinces and that CTF set up a permanent policy commission.

Guests at the meeting were three teachers from Quebec who are on exchange in B.C. this year. They were: Miss Lise Vallieres, Oak Bay Senior Secondary, Victoria; Miss Marie-Rose Pellerin, Central Junior Secondary, Victoria; and Emmanuel Talbot, Hillside Secondary, West Vancouver. All are teaching French.

They were invited by president Buzza to participate in the meeting and each made a number of comments.

The following is a rundown of the Quebec conditions for joining CTF, as laid down by Laliberte (in italics) and the BCTF reply to these conditions as approved by the Representative Assembly.

CTF should use a genuine working bilingualism.

Agreed. Publications and general meetings should use or permit either language. Senior permanent staff should be fluent in both languages. Efforts should continue to be made to ensure that the phrase 'genuine working bilingualism' becomes fact not platitude.

CTF must recognize the rights of citizens from each of the two nations to have their children taught in their mother tongue, in every part of the country.

Agreement in principle. On a continuing non-sectarian basis, the B.C. public school system would be enriched if French became the language of instruction in schools in those areas where numbers and interest were sufficient to warrant such.

CTF must recognize the right of citizens of both nations to have access to higher education in their mother tongue.

Agreed. *CTF must extend this recognition to advertising media, to radio and television everywhere in Canada.*

Agreed in principle. It is recognized that extent of such recognition would in part depend on the numbers of 'parlants francais' in a given area. Economic factors would restrict such recognition.

CTF must officially recognize the existence of two cultures in Canada.

The BCTF recognizes the need for a special place for the French and English cultures in Canada. At the same time, inasmuch as the culture of a nation in the sociological sense is the '... sum total of ways of living built up by a group of human beings which is transmitted from one generation to another,' it is obvious that our 'culture' within the political entity known as Canada is a constantly changing one. Apart from changes from within, this culture is enriched by the process of assimilation of various ethnic groups.

CTF must officially recognize the existence of ... two nations in Canada. These have the urgent duty to develop side by side to consider all of Canada as their own country, and to adapt social, political and professional structures to help the development of the two cultures, co-operation and understanding between the two nations.

In that there are a very significant number of Canadians constituting the French-Canadian ethnic group which fits the definition given above, the BCTF accepts the 'French Fact' in Canada. However, in the sense that a country can be defined as 'the territory of a nation,' the BCTF is prepared to recognize the existence of only one 'country,' Canada.

CTF must also recognize the principle of the total and exclusive jurisdiction of the provinces in the field of education. The possible forms of co-operation between provinces could be the object for studies and agreement between representatives of the provinces.

The BCTF believes an inter-provincial office of education in which the federal government is a participant is necessary. Functions of this office would include: 1. Collection, organization and dissemination of information, as a service to provincial education authorities. 2. Promotion and support of an adequate program of research in education. 3. Continuous study of the fiscal problems affecting education, and advice to the governments concerned as to how these problems may be met. (1966 BCTF AGM.)

The BCTF believes the case for 'total and exclusive jurisdiction in the field of education' is not a valid one. In particular, there is a need for federal participation in post secondary education. Major issues cannot be entirely separated: education from politics; education from social welfare; education from economics. The federal

government has a responsibility for social welfare and economic planning; it must of necessity have a responsibility in education.

CTF will have to guarantee regular meetings of French speaking teachers from all of Canada's provinces. To this end, CTF will have to:

(a) *Recognize the necessity for each provincial delegation to its AGM to be composed of teachers of both cultures.*

(b) *Assure the formation within its structures of at least a French language section, with the right to meet according to the needs of its studies and a budget determined for this purpose by the AGM.*

BCTF would not at this time support a guarantee of such regular meetings, although these on an occasional basis may have merit. The BCTF has accepted the need for a genuine working bilingualism; such acceptance would undoubtedly influence the nature of the BCTF delegation to the CTF AGM. No further assurance is felt necessary.

A Permanent Commission within the framework of CTF must be established. (This would not be a ruling organization ... but rather a study, research and recommendation center for the decision making structures. It would be entrusted with the task of preparing policies for CTF and its affiliates on matters interesting French speaking teachers.)

The BCTF would be prepared to see occasional meetings called for this purpose but does not at this time see the need for a Permanent Commission.

Membership plan

'Must maintain teacher standards'

The Representative Assembly wants the Executive Committee to 'explore ways of achieving the power to remove membership from those members found to be incompetent.'

The assembly has also recommended that the BCTF membership plan be made up of two categories, 'Probationary Teacher and Teacher.'

These were two of the main recommendations of the ad hoc committee on the membership plan approved by the Representative Assembly.

The assembly also approved a committee recommendation that the federation accept as a major objective the achieving of a partnership role in the nature of education given teachers in training; and determination of those people who shall receive teaching certificates.

TO AGM

The recommendations now go to the AGM for discussion.

The recommendation on the categories to be established under the membership plan sparked a long debate, with some delegates contending that only one category was necessary — that of teacher.

However, general secretary C. D. Ovans pointed out that categorization of members was one way of achieving control over competency of teachers.

'We cannot control entry through certification, but we can control categorization of teachers,' Ovans said.

For example, he pointed out that new teachers would be classified as probationary teachers and would be screened by the board of admissions and review before becoming eligible for the 'Teacher' classification.

Ovans said any attempt to have only one category of membership would remove any controls that the federation might have over those who enter the profession and it would kill the membership plan.

V. A. Montaldi, of Burns Lake, warned that the federation's attempts to rule on the competency of members will not come overnight. 'We got automatic membership and disciplinary rights only after years of fighting to achieve them,' he said.

MUST BE DETERMINED

He said he is convinced that the federation will eventually get the right to rule on competency of members, provided the federation is determined to go after it.

The ad hoc committee on membership was first established by the Representative Assembly in January 1967, as a result of crucial discussion of the present membership regulations as outlined in policy statement 20.20.

The committee was instructed to examine the plan and report within the year to the Representative Assembly.

Committee members were: Louis Beduz (chairman), John Tamblin, Ray Wunderlich, Al Stewart, and John Bayfield.

In its report to the assembly, the committee said the original three principles on which the plan was predicated were:

1. The federation should be prepared to categorize its membership in terms of their basic qualifications.
2. The federation should be prepared to determine and state the basic competence of its membership.
3. The federation should be prepared to deal with incompetency and inefficiency in any of its members.

Building freeze debated

Ramifications of the current government freeze on all but essential school buildings were thoroughly debated by the Representative Assembly. The situation was branded critical and delegates were told that the matter would be discussed with B.C. School Trustees' Association officials at a meeting Feb. 3.

President Buzza said the situation was not peculiar to B.C. He said Saskatchewan has declared a moratorium on all secondary school construction and there are about 1,400 portable classrooms in use in Toronto.

The assembly was told that many districts will face swing shifts next fall, while more and more gymnasiums, lunchrooms and other facilities will have to be opened up to alleviate crowded conditions.

It was pointed out that because of an extremely tight money market right across North America, the provincial government's problems in raising money were genuine and that money was just not available at this time for all desirable school construction.

AUTHOR COMING

John Porter, author of 'The Vertical Mosaic' and a Carleton University professor, will be a speaker at a conference on 'Social Values, Change and Education' to be held at University of B.C., March 1 and 2. The conference is designed for educational administrators. UBC extension department has full details.



Les Isaacson, of Victoria, chairman of the effective teaching and learning conditions committee, is shown here making his report to the assembly. Standing behind him is BCTF president Bob Buzza; seated is Al Stewart, Vancouver secondary, a member of the committee.

Large classes

Intolerability level to stay the same

The Representative Assembly has approved a proposal that the federation continue its class size campaign using the same 'over-39' intolerability level as last year. A recommendation to this effect, submitted by the effective teaching and learning conditions committee, was approved by the assembly.

The assembly did decide, however that the intolerability limit for grade one students should be 30 and that teacher aides be employed where large classes cannot be eliminated.

Some delegates said they were concerned that split classes, resulting from the enforcement of the over-39 target were resulting in poor learning situations for students.

The committee recommended that the following criteria should be used in determining split classes:

1. Include no child having learning difficulties or emotional problems.
2. Choose above-average and superior students at each grade level to keep each grade group as homogenous as possible.
3. Keep the size of split classes as small as possible in relation to the average class size in the school.

The above three points were referred to the curriculum directors for discussion.

Other recommendations by the committee approved by the Representative Assembly were:

● Where kindergarten enrolments exceed 20 pupils, then teacher aide assistance shall be provided; the enrolment shall not then exceed 30 pupils.

● No teacher shall enrol more than two kindergarten sessions, and that all kindergarten students shall attend in consecutive half-day sessions.

(A recommendation for secondary teachers' workload will be made as soon as IBM results of our questionnaire have been processed.)

● Future limits of intolerability be measured in terms of teacher assignment criteria.

● The effective teaching and learning conditions committee be reorganized to provide zonal representation and central coordination following the pattern of the agreements committee.

● A study be undertaken to determine the best means of achieving co-operative enterprise with other BCTF committees or groups whose terms of reference are structured to include similar interests in the area of effective teaching and learning conditions.

● The importance of accurate and total reporting on teacher workload be emphasized to all members of the federation.

ATTENTION! Okanagan Teachers

A half-hour television program entitled 'Architecture for the Schools of Tomorrow' produced especially for the teachers of the Okanagan Valley will be aired over CHBC-TV at 9:30 a.m. on Saturday, February 17.

'STARS' OF THE SHOW WILL BE TOP VANCOUVER ARCHITECTS ARTHUR ERICKSON AND GEOFF MASSEY.

They will appear, in person, the following week at the OVTA convention to discuss issues raised in the television presentation.

The TV presentation is sponsored by the BCTF ad hoc committee on in-service television.

East Kootenay loses one delegate

The East Kootenays lose one delegate to the Representative Assembly and Surrey, Central Lower Mainland and North Central gain one under the latest review of representation, says a report presented to the assembly.

The report, which must go before the AGM for ratification, suggests a formula of one geographical representative for each two percent of active membership.

A triennial review of the composition of the assembly is required to make sure that teachers in all parts of the province are fairly represented.

Harry Peebles, of Fernie, said the East Kootenay district council was concerned that it was losing one delegate.

'We recognize that larger districts must have more votes in

the assembly, but we would like to see a change in representation with no district having less than two delegates, on an electoral college basis, with only one delegate actually voting,' he said.

Peebles added that because of the size of his district council area, one geographical representative has to travel tremendous distances to attend meetings of different associations. Two delegates would share the load and cut the travel.

Gordon Sanborn, Ladysmith, who along with Dave Smith, Alberni, had prepared the report on the assembly composition, said three items were paramount in determining who should sit on the assembly. These items were:

1. geographical distribution; 2. representation by population; 3. size of the assembly. Cost of con-

vening the assembly also had to be taken into account.

'The present formula was the best that could be come up with to satisfy all criteria,' he said.

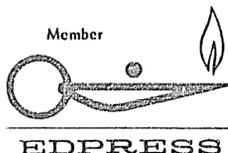
Other delegates suggested that perhaps some arrangement could be made to bring additional non-voting delegates at BCTF expense.

Louis Beduz, Courtenay, said that the original idea was to set up an assembly that would not grow too rapidly in numbers. He said he was opposed to any additional non-voting delegates. 'I don't think we should change the principle that has been established,' he said.

A recommendation that the executive study the possibility of adding one non-voting delegate to areas that now have only one delegate to the assembly, proposed by Peebles, was defeated.

BRITISH COLUMBIA TEACHERS' FEDERATION NEWSLETTER

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Authorized as second class mail by the Post Office Department,
Ottawa, Ontario, and for payment of postage in cash.

Income tax returns

Receipt not needed

Federation members need not file a receipt for BCTF and local association fees with their income tax returns.

On checking with the Income Tax Authorities in Vancouver, assistant general secretary Stan Evans has been advised that because BCTF and local association membership is compulsory, federation members need not attach a receipt for fees with their income tax returns.

Evans said that the authorities are aware that the local association fee varies from association to association.

If the income tax return of any member is challenged, it may be necessary for that person to obtain a receipt for fees paid.

The federation is not asking local association treasurers to undertake the unnecessary sizeable

task of issuing receipts to all members. Receipts will be issued only on individual requests of members whose returns are challenged and who are asked to provide a receipt. Such requests should be made to the BCTF office.

Retired Teachers

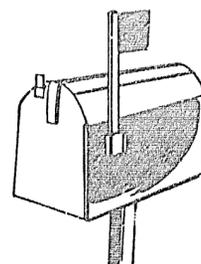
Because the Annual General Meeting of the BCTF is being held in Penticton this year, the retired teachers will be unable to hold their annual meeting at the same time.

Twelve delegates will represent the association at Penticton, two from the Victoria Branch and ten members of the Mainland Executive, table officers and committee chairmen.

While at Penticton the delegates have been authorized to hold a complimentary tea for retired teachers resident in the Okanagan Valley. Details of time and place will be contained in the annual circular letter that goes out prior to the annual general meeting.

The 1967-68 annual general meeting will be held in Vancouver Friday, April 19. The time and place of meeting will be contained in the regular annual notice of meeting and membership registration form. There will be entertainment and business as usual on the program and opportunity for fellowship and visiting at the noon hour dinner. Part of the cost will be subsidized by association funds.

Mailbox



Dear Sir:

When will Medicare be implemented? What will happen to Provincial Teachers' Medical Services?

In answer to the first, supposedly July 1, 1968. However, we should bear in mind that the terrific cost and financial conditions at home and abroad may delay the introduction of Medicare.

In British Columbia 92.5 per cent of the population is presently covered for medical care and 80.1 per cent are covered throughout the rest of Canada.

If Medicare does come, PTMS and other like plans could conceivably be left to operate providing they give the parity in benefits comparable to the government plan. There is, at present, a provision for such a possibility in the B.C. Government Act. The other alternative is that we could go out of business.

The Directors of PTMS plan to offer for consideration Extended Health Benefits — prescriptions, ambulance service, special nursing, extra amounts for chiropractic treatments, etc., are a few of the proposed benefits.

The membership will be **AD-**

NAME WITHDRAWN

Executive member D. J. S. Smith, of Port Alberni, informed the executive committee at its January meeting that he was withdrawing his candidacy for the post of second vice-president (he had been nominated by the Representative Assembly).

vised of affairs as soon as something definite is known.

R. A. McCORMICK,
President PTMS
* * *

Dear Sir:

Mrs. P. Ray has asked some questions in her letter to the December 'Mailbox,' re the teacher who has taught twenty years, has done just that, twenty years experience, not one year repeated twenty times. There is no class that is ever the same year after year, let alone day after day.

Mrs. Ray asks if a M.A. would help to teach Grade 5 better; yes, for the point is you are not teaching Grade 5; she who puts her belief in 'the CHILD not the subject,' answers her own question. Why would any person teach if this was not understood. L. Hanney's article 'The Credibility Gap in Education' (B.C. Teacher, September-October) is worth rereading, particularly, 'the adequate person must be well informed.'

Her comment about specialization in children or in courses does not deserve an answer. If there are people in the profession who are not teachers then I think this is an area worthy of her concern.

Yes, Mrs. Ray, there are people who care, understand and believe in the dignity, the uniqueness, the originality of each individual student, they are called teachers.

Yours sincerely,
J. N. HARDMAN
595 Castlefield Ave.,
Toronto 12

Dear Mr. Buzza:

I was so very pleased to read of your plans to try to keep future grade 1 classes to 30 children or less. We have recently moved here from the States and the size of classes here is the one feature of B.C. education which really appalls us. In the U.S. our children were never in classes of more than 25.

May I wish you every success in this very important endeavor.

Yours sincerely,
Caroline Martin (Mrs.)
* * *

Dear Sir:

A headline in the December issue of the Newsletter informs us that Notre Dame University, Nelson, is to be used as the site of the BCTF summer conference.

The question arises as to why, other than the somewhat flimsy reasons stated in the article, this site was chosen.

NDU is a private denominational university. Religious instruction is a requisite in first year so that, in effect, theology is made compulsory for the institution's teaching certificates. The opposition to the establishment of Selkirk College was vigorously carried on by NDU.

Why should money collected from teachers in the public education system be used to hold a BCTF conference there — even if denominational pressure and subtlety is employed to effect the choice?

R. A. WARNER,
Nelson, B.C.

Status of Women

The Canadian Teachers' Federation would like to hear from any women teachers who believe that they have a contribution to make toward a proposed CTF brief to the Royal Commission on the Status of Women.

CTF is interested in hearing of any discrimination against women either in their employment as teachers or in access to educational opportunity.

Please address letters to: Norman M. Goble, deputy secretary-treasurer, Canadian Teachers' Federation, Ottawa 4, Ontario.

AGM '68

By DICK DUNLOP, Convention Chairman

That's right — the AGM is in Penticton this year. You're right again — the sunny Okanagan!

Honest — that statement doesn't come from the Okanagan Valley Chamber of Commerce — we were there — we saw the sun! Better than that we were there in March (1965) and ladies were actually wearing short sleeved cotton frocks, had a tan, and so help me, there wasn't a raincoat or umbrella to be seen!

Sure, we know you usually have commitments in Vancouver at Easter but for this year why not plan to have a holiday in the sun — enjoy blossom time in the Okanagan and at the same time exercise your right to attend the general meeting and convention of your professional organization.

The Co-op is co-operating by offering charter flights to Penticton from Vancouver.

The Okanagan Valley teachers are all ready to welcome their colleagues from the 'outside' — The City of Penticton, the Penticton District Teachers' Association and the Okanagan School of Fine Arts are spending time, money and effort to see that you have the type of facilities and experiences, both social and professional, which will be remembered long after the minutes have been filed and your tans have washed away.

Please, then, consider this as a personal invitation to you, not only from the Convention Committee, but also from the presidents of the Penticton District Teachers' Association, the Okanagan Valley Teachers' Association and from Bob Buzza, BCTF president, to attend the 1968 AGM in Penticton.

STUDENTSHIP

The Social Studies Resource Centre of the Faculty of Education, University of British Columbia will offer a studentship of \$1,500 for the academic year 1968-69. This will be awarded to a qualified applicant planning full time work towards a Master's Degree in Social Studies Education. For information and application forms write Profs. F. C. Hardwick or G. S. Tomkins, Social Studies Resource Centre, Faculty of Education, University of British Columbia, Vancouver 8, B.C.

BRITISH COLUMBIA TEACHERS' FEDERATION NEWSLETTER

VOL. 7, No. 6 FEBRUARY 1968

Salary freeze proposal angers Sask. teachers

Proposed provincial legislation which will impose compulsory bargaining areas, freeze teachers' salary scales at present levels for all of 1968, and take supervisory personnel and principals out-of-scope, came in for searing comment from Dr. Stirling McDowell, general secretary of STF.

'The legislation that is apparently being considered by the government is based on recommendations made by the Saskatchewan School Trustees' Association,' McDowell charged.

'It would have been much more appropriate had the government seen fit to base its proposed legislation on the recommendations of the Moore Committee which devoted more than a year to study of these problems rather than on the recommendations of the SSTA.'

The Bill proposes that 'a salary schedule adopted under the provisions of The Teachers' Salary Negotiation Act, that is in force as at the 30th day of June, 1968, remains operative until a salary schedule is adopted under the provisions of this Act to replace that schedule.'

The 'freeze' would invalidate all teacher salary negotiations in the province which are now underway to establish schedules for the fall of this year.

The Bill further proposes that 'the Lieutenant Governor in

Council may by regulation establish negotiation areas for the purpose of negotiations between boards and teachers in those areas with respect to salary schedules to be operative in those areas.'

This proposal means compulsory zone bargaining, McDowell said.

'These proposals that compulsory area bargaining be imposed and that principals and other supervisory personnel be excluded from the bargaining unit are issues on which teachers have held strong convictions for the past several years.

'We participated fully in the extensive hearings that were conducted by the Moore Committee with the expectation that the report which resulted from these hearings would be the basis of any legislative change,' McDowell said.

'It is most unfortunate and certainly to be regretted if the government proceeds with its apparent intention to ignore the findings and recommendations of the Moore Committee's study in favor of the SSTA recommendations which the Moore Committee decided were unacceptable.'

The proposed Bill by definition of a teacher places all principals, administrators and supervisory personnel out of scope.

Commenting on this McDowell stated, 'The legislation that is now being proposed would, in effect, deprive one out of every 11 members of the Saskatchewan Teachers' Federation of the collective bargaining rights which they now have and which they have had for almost two decades. It would also have the effect of abolishing the negotiation of all conditions of employment other than the scale of salaries itself.'

Pension data coming soon

Latest word from Victoria is that those individual pension estimates for teachers should be coming soon!

The long-awaited data, promised one year ago then delayed until last fall, still has to be processed by computer in order to come up with the individual records.

The form of the statement has been approved, but copies have not yet been received from the Queen's Printer.

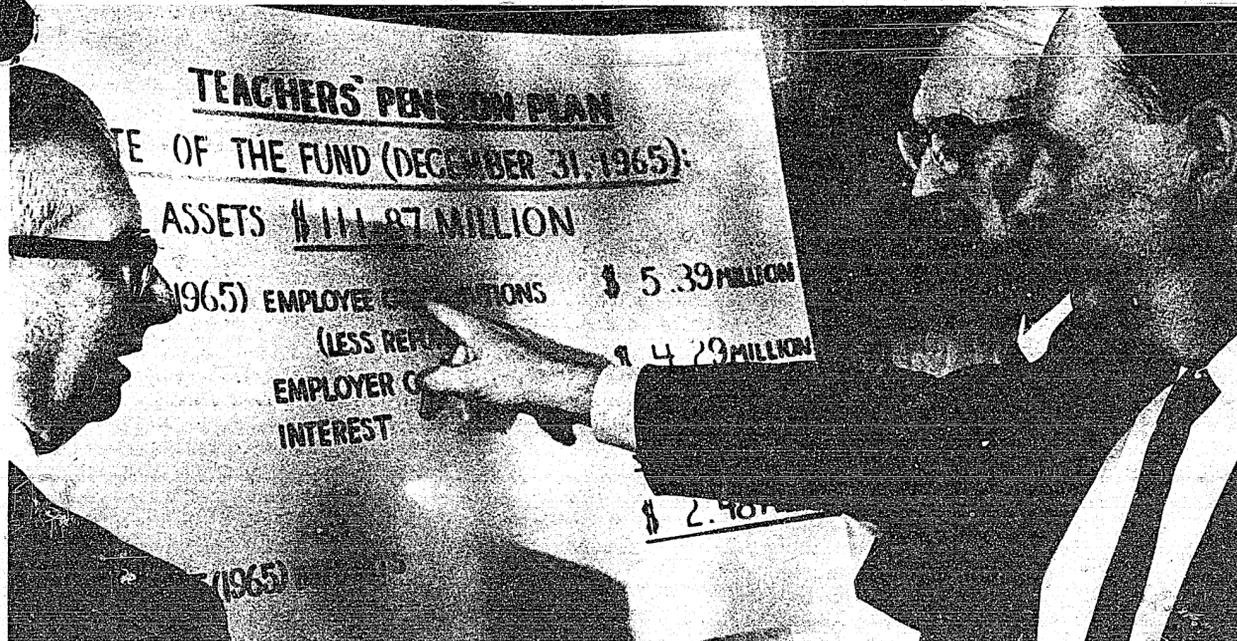
Various programs for extracting and projecting the required data have been tested and finalized.

The Superannuation Branch is now awaiting approval of computer time to process the statements.

'Teachers completely disenchanted with pension plan'

-- First class fund
-- Second class benefits

E. Gourlay (left), L. Heaslip and H. W. Woodward (right), members of the pensions committee, examine one of the charts used by the BCTF delegation in presenting the pensions brief to the cabinet.



A BCTF delegation met with members of the provincial cabinet last month to press the government for improvements in the teachers' pension plan.

Prior to the meeting, representatives of the pensions committee had discussed the proposals twice with the Honorable W. D. Black, Provincial Secretary, in whose jurisdiction teachers' pensions fall, and three times with W. H. Forrest, commissioner of teachers' pensions, and S. Eckler, consulting actuary to the teachers' pension fund.

Des Grady, director of economic welfare, was the BCTF spokesman. Other members of the delegation were R. M. Buzza, president; T. Hutchison, first vice-president; N. E. Nelson, second vice-president; J. R. Pitman, chairman of the pensions committee; C. D. Ovans, general secretary; M. Farrant, consulting actuary to the pensions committee.

The following is the text of the brief. Several charts were used to illustrate the points made.

★ ★ ★

THE HISTORICAL BACKGROUND

The first Teachers' Pensions Act of 1929 contained benefit provisions which were not fully supported by the required contributions. An input of four percent of salary by teachers and \$25,000 per year in total by the employer would not support the pensions provided. Consequently, by 1940, the Fund was bankrupt, pensions were reduced, and a new Act was implemented.

For 20 years both employer and employees made extra contributions to establish the Pension Fund on a more stable financial footing.

The 1961 Act revised the Pension Plan to provide benefits related to the final earnings of the contributor, which type of plan is common to all teachers and others in public service in Canada.

The Plan is now supported by a teacher contribution slightly in excess of six percent of salary. Up to \$81 of the teacher's contributions is assigned to the Canada Pension Plan. The employer contribution is established at the per capita amount paid in 1960 — \$281 per teacher. Employer contributions to the Canada Pension Plan are being paid from the interest earnings of the Fund.

PRESENT STATE OF THE TEACHERS' PENSION FUND

The Twenty-fifth Annual Report, filed in the Legislature last spring, reveals that as at December 31, 1965, the Fund assets totalled almost \$112 million. We may summarize the revenue and expenditure as follows:

Revenue: Employee contributions	
(less refunds)	\$ 5.39 million
Employer contributions	4.29 million
Interest	5.30 million
	<hr/>
	\$14.98 million
Expenditure — Benefits	\$ 2.49 million

We have a net increase in ledger assets in excess of \$12 million per year. Our latest indication of the value of the Fund shows that the Fund had grown from \$112 million in December of 1965 to \$130 million in October of 1967. We may reasonably conclude that the crisis of the 1940's no longer exists. The Fund is large and the Fund is growing larger.

In order to approach a degree of parity with the benefit structure of comparable pension plans we have five proposals for changes which we consider to be immediately justifiable.

1. A Two Percent Per Year of Service Benefit for Retirement at Age 65
British Columbia teachers share your conviction that British Columbia is a leader among provinces. British Columbia teachers also hold that the best interests of teachers and the public school system are advanced by policies which do not lag behind accepted and enlightened practices in other provinces and other jurisdictions. For well-accepted social and socio-economic reasons the provision of a pension based upon two percent per year of service is now virtually standard.

The two percent per year benefit at age 65 or lower is found for teachers in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland. It is found in the pension plans for both federal and provincial civil servants. It is found in other plans in the public sector of British Columbia, e.g., the B.C. Hydro and the Municipal Plan.

One might immediately suspect that British Columbia teachers do not have a two percent benefit formula because they are not contributing enough. However, our six percent contribution is a maximum for teachers in Canada. In the provinces of Alberta and Quebec teachers contribute a total of five percent to their teachers' plan and the Canada or Quebec Pension Plan. Furthermore, in at least four provinces, teachers become eligible for a two percent benefit before reaching the age of 65. In view of the foregoing we believe that a two percent formula at age 65 is both reasonable and justifiable.

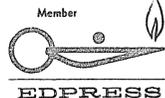
2. A Change in the Canada Pension Plan Integration Device
With the inauguration of the Canada Pension Plan in 1966, virtually all pension plans were modified to change contribution and benefit structures. The present Teachers' Plan provides for a teachers' pension reduced by all or part of the Canada Pension Plan benefit. The reduction is one fortieth of the Canada Plan benefit for each year of pensionable teaching service. Through this modification, a calculation of an individual's benefit becomes immediately complicated and unduly controversial.

1. A teacher's pension is calculated and then it is reduced by an amount related to the Canada Pension.
2. The teacher retiring early and entering employment other than teaching eventually owes money to the Teachers' Pension Fund because he has earned

(Continued on Page Three)

**BRITISH COLUMBIA TEACHERS' FEDERATION
NEWSLETTER**

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Ottawa, Ontario, and for payment of postage in cash.



Following the BCTF presentation to the cabinet, the pensions committee met to hear a report of the meeting from Des Grady, director of economic welfare. Clockwise from left top are Mrs. A. Curr, L. Heaslip, H. W. Woodward, Des Grady, M. H. Farrant (consulting actuary to the committee), D. J. S. Smith, J. R. Pitman (chairman), J. H. Friesen and E. Kershaw. Out of the picture were E. Gourlay and K. K. Knapp.

Purpose of the fund

One cannot object to the use of general public funds to finance the construction of projects for general public betterment. However, teachers, firemen, policemen and others in public service should object to the use of their compulsory pension contributions as a 'cheap' money supply to support the construction of dams, schools and other public projects.

In this respect, there is a direct conflict of interest between the Premier's role as Minister of Finance, in which he wants to build as cheaply as possible, and his role as a custodian of pension funds, in which he should be striving to produce the best rate of return from the pensions fund to provide higher pensions to contributors.

Teachers, in particular, have a right to feel that the purpose of the teachers' pension fund has been lost in the shuffle. From bankruptcy in 1940 the fund has grown to a hefty \$130 million. It continues to grow by some \$12 million a year.

The teachers' pension plan has some features — the period of service to qualify for a minimum pension, the definition of disability and the procedure for paying refunds — which compare favorably with the provisions found in similar plans elsewhere. Moreover, in terms of the increases provided to those already retired, the plan has an excellent record.

However, in its principal purpose — the provision of pensions to those people retiring from a career of teaching in B.C. — the plan compares unfavorably with any other teachers' plan in the nation.

Because of this fundamental weakness in their pension plan, teachers are less than enthusiastic when their pension contributions are used for any purpose except to increase pension benefits.

A rate of interest equal to that available for secure private investment should be guaranteed, and teachers retiring in B.C. should receive benefits comparable to those they could receive as teachers in another province.

Isn't this the reason for the pension fund?

AGM to debate funding

The pensions committee will recommend to the 1968 annual general meeting that the federation change its policy on funding of the teachers' pension plan.

Present policy, section 1(b) of statement 24.01 in Policies and Procedures, reads: 'That the BCTF continue to favor the security of a funded plan.'

The committee will recommend that the statement be deleted from BCTF policy.

A fully funded pension plan requires the deposit of enough money in the pension fund each year to meet the liability created through service rendered by all employees during the year.

The BCTF adopted the policy favoring funding following the bankruptcy of the teachers' pension fund in 1940. At that time teachers wanted to ensure that there would be enough money available when they retired to pay them pensions.

The pensions committee believes that the policy statement may have been appropriate when the fund was bankrupt and solvency was a real problem, but contends that it now 'breeds excessive caution and effectively inhibits the establishment of benefits comparable to those furnished to others in teaching and public service.'

Canada Plan pays survivors

Starting this month, the Canada Pension Plan pays survivors' benefits, including a death benefit paid in a lump sum, widows' pensions, disabled widowers' pensions and benefits for dependent children.

Benefits are payable to a contributor's survivors when the required contributions to the Canada Pension Plan have been made during at least three years.

For a contributor at maximum rates to the Canada Pension Plan the lump sum death benefit is \$510, the monthly widow's pension is \$65.35, and the dependent children's allowance is \$25.50 a month for each of the first four children and \$12.75 a month for each additional child.

The survivors' benefits will be subject to the same upward adjustment that applies to all benefits under the Canada Pension Plan.

Where to enquire

The teachers' pension plan is administered by the Commissioner of Teachers' Pensions, Parliament Buildings, Victoria. All enquiries relating to a teacher's personal contributions or benefits should be addressed to the Commissioner.

Pension questions of a general nature, or enquiries about the selection of a plan by teachers planning retirement, should be directed to the BCTF office.

Letter to Premier hits pension rates

When the BCTF pensions delegation returned from its meeting with the cabinet last month, the office sent a lengthy letter to Premier Bennett, giving him detailed answers to requests for additional information.

The premier had asked for the information as part of his questioning on the BCTF brief. He particularly wanted a comparison of salaries paid to B.C. teachers with those paid to teachers in other provinces.

After replying to the premier's questions, the letter commented on pensions now being paid to teachers retiring in B.C. A table listed pensions paid to teachers retiring in 1966, the latest year for which complete statistics were available:

Years of Service	Number	Average Pension Single Life Plan (per month)
Under 15 years	21	\$ 89.42
15 - 20 years	22	143.40
20 - 25 years	13	155.54
25 - 29 years	12	215.96
30 - 35 years	18	273.25
35 - 39 years	29	342.93
40 years and over	58	374.75
	173	\$267.31 average

The letter continued: 'Some of these allowances from the Teachers' Pension Fund will be temporarily increased by the purchase of temporary annuities. Almost all allowances to males will be reduced by 25% or more to provide for the security of a joint-life and survivor allowance.'

'We believe that there are certain inherent factors in the economy of British Columbia that lead to a generally higher level of wages and salaries than is found elsewhere in Canada. However, we know of no private or public pension plan in the province which attempts to reverse this trend for the retired employee. The modern concept of a career pension plan is that the pensioner should be able to complete his lifetime without any devastating disruption in his standard of living.'

'Perhaps in our preoccupation with the abstract structure of the Fund, including contribution rates, interest rates, salary levels and benefit formulae we may lose sight of the consequences for people.'

'My mail today contained a letter of enquiry from a teacher. He is 65 this year so he will retire in July. His total teaching career is 41 years but his pensionable credit in the Teachers' Plan is for the past uninterrupted 35 years of service. For 22 years early in his career he was a principal of small elementary schools. During recent years he has taught in the secondary school system. This year his salary rate is \$9,240.'

'This teacher's wife is aged 61 years. Two of his children are attending university and his third child is completing high school. Obviously, this teacher will have to select the joint-life, and last-survivor form of allowance from the Teachers' Pension Fund. His allowance will be \$231 per month. He would receive more from the Teachers' Pension Plan of any other province in the nation.'

PENSIONS BRIEF

(Continued from Page One)

Canada Pension Plan benefits with some other employer.

3. The device penalizes the career teacher. The teacher with 40 years of service loses all his Canada Pension benefit. The teacher with only 20 years of teaching service has a reduction of only half of his Canada Pension benefit.

4. The device reduces a teacher's pension immediately upon retirement, even before the Canada Pension benefit is received. Of course, some retired teachers will die before receiving their Canada Pension Plan benefit, but they will have lived through their reduction of Teachers' Pension.

5. Most important, the present integration device will tend to negate improvements in the Canada Pension Plan benefit formula. An increase in the Canada Pension Plan benefit resulting from an increase in the Consumer Price Index would produce a corresponding reduction in benefits under the Teachers' Pension Plan, so that a member's total benefit from both sources will continue unchanged. Similar problems will arise each time Parliament passes revisions to benefits payable under the Canada Pension Plan.

In discussions with the Commissioner, we believe that he could readily propose remedies for some of these faults. However, our consideration is that the benefits and the improvements of the Canada Pension Plan should be available to teachers without a loss of Teachers' Pension benefits — except for the loss of teachers' pension resulting from a loss of revenue diverted to the Canada Pension Plan. For this reason, we propose the integration device used in the Federal Civil Service. Teachers' Plan benefits should be reduced by .7% per year of service after 1966 on salary up to the average pensionable earnings as defined in the Canada Pension Plan. This principle is already accepted in teachers' plans in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and New Brunswick. It should be noted that this proposed integration device is widely referred to as a well-designed standard to be used as a guideline in deciding upon a workable integration system.

3. The Calculation of Average Salary on a Five-Year Basis

Although we describe the Teachers' Pension Plan as a final earning plan, this description is not entirely accurate.



K. K. Knapp



Mrs. A. Curr

Members of the Pensions Committee

ate. First, the number of years of a teacher's service is multiplied by the pension rate for his age at retirement. The resulting percentage is then applied to the average of his highest 10 years of salary.

Given this procedure, when one now retires, and his pension is calculated on his 10-year average, it will be based upon his earnings of approximately five years prior to retirement. Since 1941, wages and salaries in British Columbia have increased by approximately 5.3% per year. As a result, the average salary for pension purposes may be up to 25% lower than the person's final salary.

If salary and price levels were relatively static, then either a five- or a 10-year average would be satisfactory. However, given the upward trends characteristic of an expanding and prospering economy, we favor the use of a five-year average period. The erosion of purchasing power begins immediately on retirement, so the five-year averaging period would more realistically relate or pension to one's earnings nearer to retirement.

The five-year average is currently the base for teachers in Alberta and Quebec, seven years in Ontario and eight years in Saskatchewan. In the Federal Civil Service the average salary is calculated over six years. The 10-year average is still most common in public service in British Columbia.

A recent national survey by the Dominion Bureau of Statistics revealed that of 526 pension plans based upon annual earnings, 306 plans used an averaging period of five years or less.

4. Change in the Maximum Countable Salary from \$10,000 to \$15,000 per Year

Under the present Act, regardless of the teacher's salary level, the \$10,000 per year figure is the highest salary which may be counted towards a pension. This limitation effectively curtails the size of some pensions.

When the \$10,000 limit was established in 1961 only 290 persons earned above \$10,000. By 1965-1966 the Public Schools Report indicated that over 2,600 persons received salaries of over \$10,000 per year.

Currently, over 7,000 teachers, approximately 40% of the teaching force, are paid on scales with maximum salaries in excess of \$10,000.

Clearly as a basis for calculating pensions, the \$10,000 figure is now completely unrealistic. All retiring teachers affected by this limitation will receive a pension based not upon their salary level but on a portion of their salary.

We know of no other plan in this province or anywhere in the nation, in teaching or in public service, which places a \$10,000 limit on countable salary.

5. A Graduated Reduction in Pension Rates from Two Percent at Age 65 to 1.7% at Age 60

Our final proposal is that the reduction in pension rates for retirement between the ages of 60 and 65 should be less severe.

Pension fund investments

The following table shows how the money in the Teachers' Pension Fund is invested. The table is reprinted from the 26th annual report of business done in pursuance of the Teachers' Pensions Act, for the calendar year 1966. The report was submitted to the current sitting of the Legislature.

SECURITIES HELD AS AT DECEMBER 31, 1966

	Par Value	Book Value
Government of Canada guaranty — Canadian National Railway Company	\$50,000.00	\$49,432.06
Province of British Columbia guaranty—		
British Columbia Hydro and Power Authority	56,299,000.00	55,235,688.60
British Columbia Electric Company Limited	1,450,750.00	1,348,933.65
British Columbia Power Commission	7,175,500.00	7,113,210.33
Pacific Great Eastern Railway	4,906,000.00	4,805,456.30
Greater Vancouver Water District	1,528,000.00	1,523,881.42
Greater Vancouver Sewerage and Drainage District	980,000.00	979,730.55
Vancouver and District Joint Sewerage and Drainage Board	22,000.00	22,000.00
British Columbia school districts serials	33,619,600.00	32,390,376.21
British Columbia School Districts Capital Financing Authority serials	6,713,000.00	6,655,739.00
British Columbia School Districts Capital Financing Authority	2,810,000.00	2,760,978.02
British Columbia municipal serials	2,306,500.00	2,219,387.04
British Columbia hospital improvement district serials	803,000.00	791,704.00
Naramata Irrigation District serial	193,000.00	192,614.00
Saltair Waterworks District serial	39,000.00	38,337.00
Greater Vancouver Water District serial	500,000.00	483,000.00
Greater Vancouver Sewerage and Drainage District serial	560,000.00	554,484.00
Province of Alberta guaranty—Alberta Municipal Financing Corporation	14,000.00	13,699.66
Province of Manitoba	553,000.00	553,000.00
Province of Ontario guaranty—Ontario Municipal Improvement Corporation	3,196,000.00	3,196,000.00
	\$123,718,350.00	\$120,927,651.84

The loss of teaching income and the reduced pension based upon fewer teaching years and lower benefit rates provide a major deterrent to early retirement. The Canada Pension Plan also provides its own deterrent.

This economic bar to retirement between the ages 60 and 65 would be of little concern if such retirement were correctly described as a luxury. In most cases, however, it is not. Many who retire early do so for reasons of declining health, not so severe as to constitute total disability, but severe enough to make retirement the wisest course. Others retire early because failing vigor has reduced the quality of their service to a marginal level. For both reasons, the welfare of the individual and of the pupils under his care is best served by encouraging retirement. The present Act makes the decision to retire before age 65 economically crippling. We believe that the present Act often deters retirement when retirement should occur.

Many other plans provide the full rate of pension at an earlier age. Some teachers in Saskatchewan may receive the full two percent rate at age 60. In Ontario and Quebec, the full two percent rate is paid at age 62. Within this province, the Civil Service Plan, the Municipal Plan, and the Hydro Plan, provide for full pension rates at age 60, at age 55 for certain job classifications. Our proposal is not that the person retiring earlier should receive the full pension rate, but that we should take a step forward by reducing the present differences between the rates for retirement at age 60 and 65.

We would be deluding you if we did not report to you that British Columbia teachers, individually and in mass, are completely disenchanted with the present pension plan. The Commissioner will testify that much of our time at recent Annual General Meetings has been spent in heated discussion of the Plan and its inadequacies. Why are teachers unhappy?

1. Some score the lack of a matched contribution, a principle in almost all pension plans. Since 1961, our contributions per capita have been increasing. The employer's contributions have been fixed. A \$281 contribution from the employer is now less than the six percent contribution for the beginning teacher with one year of training and no teaching experience. The degreed teacher, at maximum salary, is compelled to contribute to the Teachers' Pension Fund an amount more than twice the employer contribution. If the Fund is now so mature that the employer may contribute less than a matched contribution, then surely it should be sound enough to pay the benefits provided by other comparable plans.

2. Others are dissatisfied with the investment policy. Earnings through interest are guaranteed, but modest, and any increase in interest earnings is not directly reflected by increased benefit. At this time, how significant is a guaranteed four percent in interest earnings?

3. Others object to the payment of the employer's Canada Pension Plan contributions from the interest earnings of the Fund. They claim, with some justification, that interest earnings accrue to all monies in the Fund. Appendix C in your folder indicates that we have had a 50:50 sharing of total input since 1929. Therefore, part of the teachers' invested interest is paying the employer's commitment to the Canada Pension Plan.

4. A more recent major irritant previously noted is the method of integration with the Canada Pension Plan. Improved benefits from one source are countered by a withdrawal of benefits from the other source.

In total these particular objections to the Teachers' Pension Plan reflect the frustrations and the dissatisfaction brought on by an inadequate benefit structure.

This dissatisfaction is not contrived and artificial. We as elected officers and employees of the teachers receive the initial criticism. This criticism is increasing and it is becoming more pointed. Of scant satisfaction to us is the obvious fact that you will eventually have to bear the brunt of this vexation. As our elected representatives only you have the power and authority and the opportunity to produce the legislative changes which are required.

We commend our proposals to you. We believe that



E. Gourlay



L. Heaslip

Members of the Pensions Committee

they may be accomplished within the framework of the existing Act. We are convinced that the appropriate time for enactment of the improvements we are recommending is now, at the forthcoming session of the Legislature. The healthy financial condition of the Fund and the numerous precedents for all of our proposals seem to us to leave no room for doubt that immediate action along the lines we have proposed is timely and appropriate.

Any further delay will only serve to compound the feeling of frustration which is already widespread among teachers. We began in 1940 with a large unfunded liability. Since then we have been ultracautious in improvements in the benefit structure. We believe that 27 years of inadequate benefits in terms of comparable plans is enough. In the minds of teachers now retired or approaching retirement, the assurance that their successors in the year 2100 will enjoy bountiful pensions is poor compensation for genteel poverty in the Twentieth Century.

Finally, we would like to thank the Honourable Mr. Black for the opportunity to meet with the Executive Council. We share your enthusiasm and dedication for planned growth and development of this province. Would you please join with us to ensure that those citizens who have contributed their enthusiasm and dedication to the public school system are not deprived of their just share of the wealth which they helped to create.

CPP deductions lower take-home pay

Deductions for the Canada Pension Plan must be made according to a formula. The result is that Teachers' pension deductions are not made in ten equal instalments.

Deductions are higher than normal in the early months of the year, until the full Canada Pension Plan contributions have been made. Teachers contribute 1.8% of salary between \$600 and \$5,100 to the Canada Pension Plan.

Contributions to the Teachers' Pension Plan are 4.5% of salary to \$5,100 and 6% of salary above \$5,100.

For most teachers these contributions amount to slightly more than 6% of salary.

Because Canada Pension contributions are not deducted in 10 equal instalments, total pension deductions for most teachers are higher in the earlier months of the year.

Example: A teacher earning \$7,500 a year as of January 1, 1968. Monthly pension deductions:

Canada Pension Plan: 1.8% (\$750-\$600) = 1.8% (\$690) = \$12.42 }
Teachers' Pension Plan: 4.5% (\$510) + 6% (\$240) = \$49.77 }
= \$22.95 + \$14.40 = \$37.35

The maximum Canada Pension contributions for 1968 are \$81. This teacher will contribute \$12.42 a month until June. The final payment to total \$81 will be deducted in September. No Canada Pension deductions will be made in October, November and December.

Example: A teacher earning \$10,000 a year as of January 1, 1968. Monthly pension deductions:

Canada Pension Plan: 1.8% (\$1000-\$600) = 1.8% (\$400) = \$7.20 }
Teachers' Pension Plan: 4.5% (\$510) + 6% (\$490) = \$69.27 }
= \$22.95 + \$29.40 = \$52.35

The maximum Canada Pension contributions for 1968 are \$81. This teacher will contribute \$16.92 a month until April. The final payment to total \$81 will be deducted in May. No Canada Pension deductions will be made for the rest of the calendar year.

Most teachers changing school districts during the year will make double contributions to the Canada Pension Plan. Any contributions in excess of \$81 may be claimed as a refund on the 1969 income tax return.

The Commission on Education
wants to hear from
YOU

Private plans offer retirement income

The following article is based on a taped conversation between Des Grady, BCTF director of economic welfare, and M. H. Farrant, of Farrant and Co., consulting actuaries, the federation.

GRADY: Mr. Farrant, we frequently have enquiries from teachers regarding extra contributions to the Pension Fund. They want to secure income tax benefits from such contributions. What provisions apply?

FARRANT: This question can be answered from two points of view. If a teacher elects to make additional voluntary contributions to the Teachers' Pension Fund, amounts of up to \$1500, less any required contributions which are made, can be claimed as personal tax deductions. Alternatively, each teacher can arrange to make additional contributions to a personal registered retirement savings plan. The maximum amount which may be paid to any such personal plan and claimed as a tax deduction for any calendar year is the lesser of \$1500 or 20 percent of earned income, less the required contributions made to the Teachers' Pension Plan.

GRADY: This \$1500, Mr. Farrant, is exclusive of contributions to Canada Pension?

FARRANT: That is correct.

GRADY: At the present time, teachers who make extra contributions to the Teachers' Pension Fund receive interest at four percent. We are informed that the rate of interest in the near future will be increased to 4½ percent. At retirement this money is used to purchase an annuity in the name of the teacher. In your opinion, is this a wise investment?

FARRANT: In our opinion investment of additional contributions at these rates of interest is not a wise investment. A teacher can make additional contributions to a personal registered retirement plan, and if this plan is with any of the larger trust companies, the teacher would have a choice as to whether or not his contributions are deposited in a pooled-fixed income fund or a pooled-equity fund. Contributions to a pooled-fixed income fund earn between 6¼ percent and 6¾ percent per annum, net of all management charges. Pooled Equity funds are established and maintained by all the larger trust companies. These funds are usually divided so that contributions are invested in Canadian common stocks or in United States common stocks. We have been informed that the capital appreciation achieved during the period from September 1966 through September 1967 on all funds of this nature has significantly exceeded 10 percent per annum. Dividend income is in addition to this.

GRADY: Could you give us some idea of the tax savings that might accrue from a teacher's investment in such a private pension plan?

FARRANT: This would depend, of course, upon the personal rate of tax of the teacher. If a person made the maximum allowable contributions of approximately \$1000 a year, he would probably save about 30 percent of that amount in taxes.

GRADY: The description of the retirement savings plan you have just given, Mr. Farrant, is not the description of a mutual fund. What is your recommendation with regard to investment of retirement income in mutual funds?

FARRANT: Virtually all mutual funds provide for the deduction of a front-loading charge on every

dollar contributed to them. Thus the amount actually working for the individual contributor is the net amount of his contribution after these deductions have been made. Large trust companies do not impose any front-loading charges and the individual contributor's contributions are therefore all working for him.

GRADY: The 1967 Annual Report of a major trust company indicates that, over the previous 10-year period, the average increase on its fixed income fund was 3.75 percent per year and on its equity fund 9.62 percent per year. Because most of



M. H. Farrant, F.S.A., F.C.A.P., F.C.I.A., Consulting Actuary to the Pensions Committee.

us would have our contributions to the pension plan invested in fixed income securities and insurance policies and others also in this fixed dollar return, would it not normally be wiser for the investor to diversify and, say, invest in the equity fund to provide for a dollar return that would rise with the normal inflationary trends?

FARRANT: Yes. The reason stems from a rather widely accepted principle which each person should follow with respect to his own personal estate. The same principle applies to those charged with the management of pension funds and other similar funds.

It is known as 'prudent man rule.' This rule says that each of us should arrange our personal investments and savings so that approximately one-half is invested in fixed income investments and the remainder in equities or similar investments which tend to vary with changes in the cost of living and in the economy of the country.

Since teachers covered under the Teachers' Pension Fund are contributing to a program which is invested almost entirely in fixed income securities, and since many other personal savings are probably in the nature of fixed income investments, we tend to favor investment of any additional contributions of the nature we are discussing in pooled-equity funds.

GRADY: We have seen that a teacher during the period of investment may expect a higher rate of return on investment in a trust fund. Is this superiority restricted to the time of investment or are there any other accruing advantages at the time of retirement?

FARRANT: If a teacher makes additional voluntary contributions to the Teachers' Pension Fund, then upon his retirement the amount of his voluntary contribution account must be applied to provide an annuity payable under the Teachers' Pensions Act.

At this time, the annuity rates charged under the Teachers' Pension Fund are much greater than those of prominent Canadian life insurance companies.

In contrast, if the amounts are accumulated in a personal registered retirement plan, then upon reaching retirement age the individual teacher would direct that his accumulated account be applied to purchase an annuity from the Canadian insurance company having the most competitive annuity rates at that time. This advantage, based on today's annuity rates, could be 10-15%.

GRADY: Our examination of this issue so far, Mr. Farrant, indicates that the trust companies appear to offer a higher rate of return for the period of investment.

Second, there is an accrued benefit occurring at retirement, since the trust companies' projections of anticipated interest are higher than those used by the Superannuation Branch.

Third, the conversion tables for the purchase of an annuity seem to provide an added advantage to the investment with the trust company. These three factors appear to make the investment in the trust company preferable to investment in the Teachers' Pension Plan. Would you agree?

FARRANT: I would agree, with the reservation, however, that this matter should be reviewed at regular intervals. In the future it may be that, due to changes in interest rates, or many other items, payment of additional contributions to the Teachers' Pension Fund would prove more favorable than using one of the trust companies.

The advantages of using a trust company are that an individual teacher can direct the withdrawal of the amount in his personal registered retirement plan and have it credited to the Teachers' Fund whenever this appears to be in his best interest. The reverse course is not available if contributions are first credited to the Teachers' Pension Fund; they must remain in the Teachers' Pension Fund.

GRADY: Would a teacher contemplating extra contributions to a registered savings plan, be able to receive the same type of return from any major trust company?

FARRANT: A teacher could receive the same type of return but it should be appreciated that the performances of the funds administered by different trust companies vary. The best source available to all are the regular reports of such financial papers as The Financial Post or the Financial Times. These papers publish a report on the performance on each of these funds at least annually.

GRADY: It appears, then, that the chief remaining advantage for the person making extra contributions to the Teachers' Pension Plan is that these contributions are relatively painless in that they are arranged by regular payroll deductions. This seems to be a most expensive personal convenience.

FARRANT: For most of us it is unquestionably important to have some automatic system of deduction and remittance to the fund of our choice. This can be accomplished with respect to most funds through a series of postdated cheques or some similar form of bank order. I am sure that such an



Des Grady (left) and Jack Pitman, chairman of the pensions committee give the BCTF brief a final check prior to leaving for the meeting with the cabinet.

arrangement could be worked out with any of the principal trust companies.

GRADY: In conclusion, it should be recognized that the foregoing is not intended to direct any individual person's form of saving. There are, of course, various forms of savings for investment and for future needs. The purpose of this interview was to ensure that those teachers contributing extra funds to the Teachers' Pension Plan with a view to securing additional retirement income are aware that there are other methods of securing retirement income.

There are alternative methods of saving for such future capital expenditures as an automobile or a home. With these purposes in mind there is no real advantage to tax-sheltered savings. Income tax will be paid eventually and probably at higher rates.

Under certain conditions — e.g., absence for sickness or for teaching elsewhere — teachers are permitted to make contributions to the pension fund to buy service time in the plan. While this investment is often expensive, there are occasions when it is to the teachers' advantage to purchase this service time.

All of the comments made in this interview relate to 'voluntary' contributions made by the teacher to his Teachers' Pension Fund annuity account — i.e., contributions over and above those the teacher is required to make.



E. Kershaw (left) and J. H. Friesen, members of the pension committee, examine the last issue of the Newsletter, which gave page one treatment to the BCTF delegation's meeting with the cabinet.

VANCOUVER WANTS ACTION

Vancouver's secondary teachers have served notice that they want government action on pensions, and they want it within one year's time.

Last Thursday the Vancouver Secondary Teachers' Association met in the BCTF auditorium to hear from Des Grady a report on pension developments during the year.

After hearing the report the meeting passed the following resolution: 'That this meeting ask the Executive Committee of the B.C. Teachers' Federation to set a firm limit on time — say one year — for current negotiations over increased pension benefits, and further, that the Executive Committee plan to meet any failure in such planned negotiations with basic political action, which might include: protest strikes of a day or week, periods of work to rule, or support by the BCTF membership of a political party that will best advance what the Federation might regard as reasonable pensions.'

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