

# COMMUNIQUÉ



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## PENSION UPDATE

### PENSION NEWS



#### FUNDING STATUS

In January each year, the Ontario Teachers' Pension Plan asks an independent actuary to conduct a valuation of the Plan to measure its financial health. The actuary compares Plan assets, the value of all of the Plan's holdings, to its liabilities, the amount of money that must be set aside now for each pension to be paid to every current member of the Plan—active or retired.

If the assets match the liabilities as defined in the Funding Management Plan (FMP), the Plan is fully funded. If the assets are greater than the liabilities, the Plan has a surplus. If the liabilities are greater than the assets, the Plan has a deficit. The 2009 Annual Report will show a deficiency.

#### INVESTMENT PERFORMANCE

At its annual meeting in April of each year, the Plan reports on how well its investments did in the previous year. The economic crisis of 2008 had a serious impact on Plan returns, but the Plan performed significantly better in 2009 as the recovery began to take hold. However, members must remember that while the gains of 2009 have begun to fill in the void created last year, returning the Plan to its pre-2008 asset level will require several years of positive returns.

#### FILING

By law, the OTPP must file a valuation (the statement of assets and liabilities) with the Financial Services Commission of Ontario once every three years. Since the last filing was January 2009, the next mandatory filing will be in 2012.

As we reported in the September 2009 *Funding Update*, there were no changes in benefits or contribution rates as a result of the 2009 filing. Work continues on two initiatives agreed upon last September.

- OTF and the Government, in co-operation with the Ontario Teachers' Pension Plan, are continuing development of a process to deal with the Plan's recurring funding challenges. We will keep you apprised of their progress.
- The Partners and the Plan have been developing a comprehensive member education resource.

#### IF YOU WISH MORE DETAILED INFORMATION, YOU CAN VISIT THE FOLLOWING WEBSITES:

- For Plan performance and information on its funded status, you'll find the OTPP Annual Report at [www.otpp.com](http://www.otpp.com). You will find a live webcast of the OTPP annual meeting there at 5 p.m. on April 9, 2010, or you can register to attend the AGM in person
- For general information, the member education materials are available at <http://fundingyourpension.com/index.php>
- **OTF communicates news of any changes to the Plan and other information at [www.otffeo.on.ca](http://www.otffeo.on.ca) in the Communiqué section under Pensions or you can contact OTF's Director of Pension and Economic Affairs or your Affiliate Pension Officer.**