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## “A message from the OTF President”



As we look forward to winter yielding to spring, our annual pension season kicks into high gear as OTF examines the previous years' Plan funding and deliberates about filing the status of the pension plan with regulatory authorities.

The equal pension partnership between OTF and the Government of Ontario is lauded far and wide as a model for governance. It is difficult to find a weakness in this dual sponsorship approach. The Ontario Teachers' Pension Plan (OTPP) is arguably one of the most successful Defined Benefit pension plans in the world.

Prior to the establishment of the OTPP, teachers belonged to the Teachers' Superannuation Fund, which provided pensions to retired teachers in Ontario's publicly-funded schools. That fund was entirely managed by the Government. Twenty-five years ago, teachers across Ontario began to lobby and work towards an equal voice for their pensions. Ultimately, the OTPP was formed. Today, our assets exceed \$150 billion. OTPP is truly global in its investments. Our influence, as equal sponsors, has seen considerable progress in socially responsible investing, especially where climate change and human rights are concerned.

OTF represents more than 375,000 teachers in the Plan. Providing dignity and security in retirement is our number one goal. It is a responsibility we take extremely seriously; we make every effort to balance risks to ensure that pensions are safe and sound for Ontario's teachers for many decades to come.

We teachers in Ontario are very fortunate. We are, however, cognizant of the fact that this pension security should be available to all Canadians. OTF supports the expansion of the Canada Pension Plan (CPP) and our legal counsel is consulting with the government on the proposed Ontario Retirement Pension Plan (ORPP). With an aging population, OTF's lobby for a quality retirement for our fellow citizens is not only a duty, but a mandate.

Yours in education,  
**Rian McLaughlin**





## “Transitioning over the next 10 years”

OTF Governors heard from Ron Mock, OTPP President and CEO at the Winter Board of Governors' meeting. Mock addressed the issue of responsible investments. He was forthright in his statement that OTPP could not maintain pensions if it withdrew all investments associated, directly or indirectly, with petroleum. "Our eyes are not closed to the issue; the question is how we will transition over the next 10 to 15 years," stated Mock. "We recognize what is happening on the one side and are completely moving into a new role."

Mock gave the OTPP investments in water assets in Chile as an example. This investment represents an investment in the distribution of clean water to 35 to 40% of the population. Sewage water and drinking water are now separated. One of the outcomes is that more people have access to safe drinking water and the infant mortality rate has dropped significantly. In Chile, it was OTPP utilities, among others, which came to the rescue during the recent earthquakes and severe forest fires.

## “Upping our game”

Jean Turmel, Chair of the Ontario Teachers' Pension Plan Board (OTPPB), also addressed the OTF Governors. He spoke of the volatility of markets in 2014 as interest rates fell. On the plus side, he reminded Governors that, in 2013, OTPP had its first surplus in a decade. This allowed the Plan sponsors to file a valuation in 2014 and partially restore inflation protection.

Turmel stated that, in 2015, the Ontario Teachers' Pension Plan (OTPP) will have to continue to "up our game" to try to manage interest rate sensitivity. The fund cannot be completely immunized from interest rate risk. Investment

returns will be lower than in the last five years.



At present, equity, real estate and infrastructure seem to be more attractive investments than bonds.

Finally, Turmel reminded the audience that 2015 is the 25-year anniversary of the OTPP. The equal partnership between teachers and the Government occurred in 1992—two years after the beginning of the OTPP.

## “Pensions have become political”

At the same meeting of the OTF Board, Rod Albert, a Director of the OTPPB, updated Governors on the status of pensions in Canada and Ontario.



"Pension stats tell a grim story but also reveal why there is pension envy," stated Albert. He went on to give the audience a few statistics. In 2012, almost 50% of Canadians did not participate in a registered pension plan or RRSP. In Ontario, 34% were in a registered plan; the majority in the public sector. Almost 400,000 Ontarians participated in a defined contribution plan.

As well, studies show that Canadians are not saving enough money for retirement—the average Canadian retires with \$60,000 in RRSPs.

In 2010, the Federal Government created the illusion of pension reform. Then Finance Minister Jim Flaherty had initially supported the expansion of the CPP, one of the best ways for Canadians to save for retirement. Businesses objected to the projected costs because the CPP is a shared cost plan between employer and employee. Prime Minister Harper abandoned this concept and introduced Pooled Registered Pension Plans (PRPPs), a defined contribution pension system offered by third party financial institutions such as insurance companies.

In Ontario, the proposed Ontario Retirement Pension Plan (ORPP) represents an attempt to expand pension coverage, given the absent CPP expansion. ORPP opponents include insurance companies which fear that employers will cut back on workplace plans.

Albert concluded with the plea that those who have defined benefit plans need to consider the larger society. "We should not remain silent. We have to become visible advocates for improved benefits for all Canadian workers."

## “Message from Rhonda Kimberley-Young Secretary-Treasurer”



There are two reasons to celebrate OTTP's annual meeting on April 9. First, it's a sure signal that spring is actually here; many of us were hard pressed to believe spring would come at all. Also, by that time, OTTP will have announced the results of last year's investment returns and hopefully, that will be a positive announcement. That news would be as welcome as spring itself.

On April 9, OTF will host the annual Pension Forum, prior to the Board of Governors' Meeting the following day. This is an opportunity for leaders from OTF and the Affiliates to learn about aspects of our plan specifically and pension plans generally. We cover topics in depth and bring in experts to discuss governance, investment, plan funding and design, changing demographics, sustainability, responsible investing and the value of defined benefit pension plans. The forum provides an opportunity for both education and discussion. While we don't have space for all members at our forum, we accommodate as many requests to attend as we can.

On the evening of April 9, the OTTP AGM is also an opportunity for both education and discussion. And, it is

possible for ALL plan members to attend. To attend in person, you need only register on the OTTP website at [bit.ly/1AVydUW](http://bit.ly/1AVydUW). For those who can't be in Toronto, there is a live webcast which allows members to tune in.

The AGM provides much more than just financial results. The Plan has evolved in many ways. The size of the fund is the most obvious, but hearing firsthand reports from the Plan's senior staff and the Chair of the OTPPB about the complexity of the fund and the sophisticated way in which the assets are managed to meet members' retirement security needs is truly an eye opener.

Consistently ranked first in service among other large pension plans, the OTTP meets its administrative objectives very successfully. Its assets are invested across all asset classes and across the globe. The plan must make its investment decisions carefully and deliberately with an eye to the long term nature of pension investment. The experienced staff, leadership team and Board at OTTP provide the expertise to do just that. If you wish to better understand how and why our pension plan operates, I highly recommend you stop in or tune in to the OTTP AGM.

## “Two new members appointed to OTTP Board”

“The teachers of Ontario will be very well served by these two appointments,” stated Rian McLaughlin, OTF President. “While each of these individuals bring tremendous strength to the Board, their combined and complementary experiences will serve to enhance and deepen the overall skill set of the Board even further.”

### John Murray

John Murray brings more than 35 years of experience as a global macro-economist. He served as Deputy Governor of the Bank of Canada from January 2008 until his retirement, directing research and policy analysis in the international area and representing Canada at the International Monetary Fund, the G7 and G20, and the Organization for Economic Cooperation and Development. Earlier in his career, he was head of the bank's International Department, responsible, among other duties, for managing Canada's foreign exchange reserves.



### Bill Chinery

Bill Chinery offers over 30 years of experience in investment management, including senior roles in managing an overall business as well as serving as a licensed portfolio manager and Chief Investment Officer. He was with BlackRock/Barclays Global Investors from 2001 to 2013. Acting as Managing Director and CEO of BlackRock Canada from 2010 to 2013, Chinery was responsible for the oversight of \$130B in assets under management.







# “OTPP this & that”

A visit to the OTPP website reveals anything you might want to know about teachers' pensions. Following are just a few highlights.

[otpp.com](http://otpp.com)

## Responsible investing – An evolving story

Check out this video on responsible investing and the OTPP policies re responsible investing: [bit.ly/1B5bK6u](http://bit.ly/1B5bK6u).

## OTF pension video

The Ontario Teachers' Pension Plan video in the OTF series, *Public education in Ontario: Who does what?* is an excellent overview of the OTPP: [bit.ly/1F5hRbT](http://bit.ly/1F5hRbT).

## OTPP ranks #1 globally

For the third year in a row, CEM Benchmarking Inc. ranked OTPP #1 for pension service in their peer group and #1 internationally.

CEM Benchmarking Inc. is an independent provider of objective and actionable benchmarking information currently serving more than 350 blue-chip corporate and government clients worldwide. It ranked OTPP's Member Services division top of the class for pension service among 49 international pension systems, as well as #1 for peer pension plans in North America, based on 2013 data.

## Defined benefit evolution

Pension plans all over the world are under increasing pressure. Aging populations, longer lifespans, low interest rates and market volatility are straining traditional retirement systems.

Defined Benefit (DB) plans like the OTPP provide low-cost investing, shared longevity risk, and predictable

## The evolution of a teacher's pension

See how the teachers' pension plan has adapted to changing membership needs and economic times since its inception in 1917.

[bit.ly/1CpXw3s](http://bit.ly/1CpXw3s)

## Member service in 2014

An excellent summary of the services provided by OTPP to members:

[bit.ly/1EezJ5x](http://bit.ly/1EezJ5x).

and adequate retirement income for their members. On top of that, DB plans are usually cost effective. For example, OTPP investment returns have funded about 77 cents of every dollar paid in pensions since 1990. Shared member and government contributions have funded the rest.

[bit.ly/1ACnwSh](http://bit.ly/1ACnwSh)

Check out the following PDFs on the evolution of DB plans:

- Defined Benefit Pension Plans: Strengthening the Canadian economy: [bit.ly/1vYrrNV](http://bit.ly/1vYrrNV).
- The Top 10: Investing for Canada on the world stage: [bit.ly/1GMXf9g](http://bit.ly/1GMXf9g).



## BabySteps

BabySteps allows you to track buyback payments and deadlines. Not ready to buy back your maternity leave? Don't have an online account yet? You can still use the app to learn more about buying back and to hear what your peers have to say about their experience. [bit.ly/1wHhqFI](http://bit.ly/1wHhqFI)



## Worklog

Tracks your re-employment days. Record the days worked and OTPP will let you know when you are getting close to the 50-day re-employment limit. [bit.ly/1CpW2Gi](http://bit.ly/1CpW2Gi)



## Classtime

Occasional teachers can keep track of their work schedule. Enter the date and school of each of your assignments. For each teaching assignment you enter, there is a box that can be checked-off to track whether or not you've been paid for that assignment. [bit.ly/1NcPaB](http://bit.ly/1NcPaB)



# Professional Development

## OTF and COPA release new guide for teachers!

### *Building Safe and Inclusive Schools: Partnering with Parents and Caregivers*

Developed in partnership with le Centre ontarien de prévention des agressions (COPA), our new Safe@School Teachers' Guide offers a practical and visionary, community-based, wholistic approach to help draw all parents and guardians into dialogue and activity to ensure greater participation in efforts to prevent bullying and promote equity and inclusion.

Effective collaboration with parents and guardians in the development of a safe and inclusive school culture requires a team approach. As teachers, our role is fundamental, but we cannot do it alone—nor should we. Working in tandem with our peers, our school administration, our board and school support staff, we can help to ensure that our elementary and secondary schools are welcoming places for a broad diversity of parents and guardians.

As we know, many parents and guardians experience social exclusion and inequity,



as do their children. This may affect their ability to involve themselves in school life and in efforts to prevent or redress bullying and inequity at their children's school.

*Building Safe and Inclusive Schools: Partnering with Parents and Caregivers* is a print-format version of our latest Professional Learning Module about working with parents. Check it out at <http://www.otffeo.on.ca/en/learning/safeschool/>.

## OTF does connect!

OTF Connects, our online webinar program, has grown at an incredible rate this winter. OTF is happy to offer our members an opportunity to learn, share and collaborate together while remaining in the warmth and comfort of their own homes amid the record-breaking cold temperatures. We have been thrilled to see the rich perspectives of teachers from every corner of the province being drawn together.

The spring schedule is crammed full of diverse and highly relevant topics. Some upcoming sessions:

**April 7:** *Creativity & Innovation Through Critical Thinking*

- April 8:** *OneNote for Class Collaboration*
- April 9:** *Mindomo Mindmapping for Ontario Learners*
- April 13:** *Gaming for Literacy*
- April 14:** *Deep Assessment Without Testing*
- April 16:** *Communication and Collaboration in the Early Years*
- April 20:** *Introduction to the Methods of JUMP Math*
- April 21:** *Taking Math Outdoors*
- April 22:** *Student Blogging in Secondary Classes*
- April 23:** *Building Community through Collaborative Classroom Projects using Technology*
- April 28:** *Addressing Domestic Violence in the Workplace*
- April 29:** *Teaching through Problem Solving in Intermediate Math*
- April 30:** *Safe Social Media*

## Math

AQ  
ABQ &  
undergraduate  
course  
subsidies

### Yes, there is still funding available!

The Ministry of Education, through the Ontario Teachers' Federation (OTF), is providing a subsidy of **up to \$450** to teachers who successfully complete an AQ or ABQ course in mathematics or an undergraduate math course that is a prerequisite for an AQ/ABQ Math course. Just go to the Math AQs, ABQs page on the OTF website: <http://www.otffeo.on.ca/en/learning/4594-2/>.

**COMING SOON**

OTFEO **SUMMER Institutes** 2015

[www.otffeo.on.ca](http://www.otffeo.on.ca)

For more information on these or other webinars, check out the full calendar at [www.otffeo.on.ca/en/learning/otf-connects/calendar](http://www.otffeo.on.ca/en/learning/otf-connects/calendar).



**The Ontario Teachers' Federation proudly announces...**

...a suite of new resources on

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**SURF**



[www.parentengagement.ca](http://www.parentengagement.ca)



*Supporting the work of elementary and secondary teachers and educators*