

Pension Life®

Your continued connection to your plan

The Teachers' Pension Plan Newsletter for Retired Members

Winter 2019

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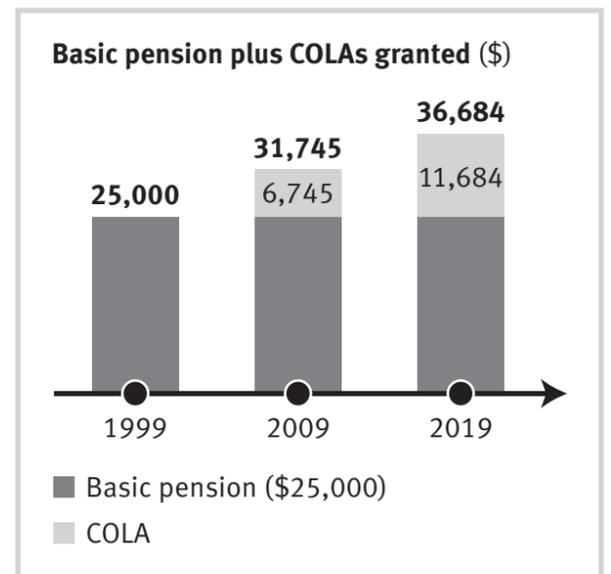
Your 2019 COLA is 2.2%

The cost-of-living adjustment matches the full percentage increase in the Canadian consumer price index in the 12 months up to September 30, 2018

Good news: as a retired member of the Teachers' Pension Plan (plan), effective January 1, 2019, you received a 2.2 per cent cost-of-living adjustment (COLA) to your pension. This matches the increase in the Canadian consumer price index (CPI) in the 12 months up to September 30, 2018, meaning your pension is keeping up with inflation.

If you retired partway through 2018, your COLA will be pro-rated based on the number of months in 2018 you received a pension. For example, if you retired halfway through the year, your COLA would be 1.1 per cent (which is half of 2.2 per cent).

(continued on page 2)



Valuation results are in: the plan is healthy and sustainable

The final results of the December 31, 2017, valuation have been released, and they show your plan is healthy and sustainable



The Teachers' Pension Plan's (plan's) basic account has actuarial assets of \$26.8 billion and actuarial liabilities of \$26.2 billion, for a surplus of \$644 million as at December 31, 2017. This means the plan is 102.5 per cent funded and has more money than is needed to pay the pensions of current and future retired members.

What is a valuation?

A valuation is the most important measurement of plan health. It determines, using a series of economic and demographic assumptions, how much money the plan needs to pay current and future pensions. An independent actuary—a professional with specialized training in financial modelling, laws of probability and risk

management—performs a valuation at least every three years.

How does the positive valuation affect members?

In the summer issue of *Pension Life*, we told you that early indicators from the valuation showed the plan is in a surplus position. This means there's more money in the plan than we expect is needed to pay the pensions of current and future retired members.

These early indicators allowed us to make improvements to the plan, such as allotting more money to pay retired members' cost-of-living adjustments.

Now that the final results are known, we are also able to reduce active member contribution rates (continued on page 3)

Pension payments 2019

January	30	July	30
February	27	August	29
March	28	September	27
April	29	October	30
May	30	November	28
June	27	December	23

Sign in to My Account to view your payment history. Your pension payment is deposited directly to your bank account on the second-to-last business day each month—except in December, when we deposit your payment two business days before December 25.

If you are still receiving a cheque, and you have a Canadian or U.S. bank account, visit My Account and sign up for direct deposit.

Though we process direct deposit payments for plan members living in the United States, your deposit date may vary from the scheduled date depending on U.S. bank processing requirements.

• Sign up for direct deposit at myaccount.pensionsbc.ca



Follow us on Twitter for timely tips, news and links @BCTeachersPlan

Tax time

Don't throw away that envelope! Your T4A is inside

Important information for your taxes

Your T4A is included with the printed copy of this newsletter. You can also sign in to My Account to access your current and previous T4As. Your pension is taxable income. Make sure you report your pension income on your 2018 tax return.

Note

When filing your taxes, take special note of Box 135 on your T4A, which shows your premiums for health coverage, if you have extended health care and/or dental coverage under your pension. You cannot claim the premiums you paid for Medical Services Plan coverage on your tax return.

- Questions about completing your return? Visit canada.ca or call 1-800-959-8281

Your 2018 COLA is 2.2%, continued from page 1

The plan rules allow the Teachers' Pension Board of Trustees to grant a COLA each year up to the annual percentage increase in the CPI; however, COLAs are not a guaranteed benefit and may not be provided every year. Once you receive a COLA, it is applied to your basic lifetime pension (becoming a permanent part of your pension) and, if applicable, to your bridge benefit and temporary annuity.

Where does the money for COLAs come from?

When you were working, both you and your employer contributed toward your pension. Most of those contributions went into the basic account, which covers your lifetime pension; however, some went into the inflation adjustment account (IAA), which is made up of your contributions, employer contributions and returns on investment. Money in the IAA is used specifically for funding COLAs.

What is the consumer price index?

The CPI is an indicator of changes in consumer prices experienced by Canadians. The CPI, which measures about 600 goods and services on a monthly basis, is generated by Statistics Canada, an appropriate and reliable third party. The average price difference, weighted proportionally based on how much Canadians spend on each good or service, determines the CPI change.

Between September 2017 and September 2018, Statistics Canada determined the average price of the 600 goods and services increased 2.2 per cent.

New improvements to My Account

We've improved My Account based on feedback from retired members like you. All the information you need is still available; it's simply easier to find.

When you first sign in, you will see a new dashboard with your most recent pension payment—including itemized deductions—and your most recent annual statement. You will also see notifications and updates about your plan in the sidebar.

Sign in to My Account to update your information

- Personal details
 - Address and phone number
 - Banking information
 - Account settings
- Sign in to myaccount.pensionsbc.ca to see the new dashboard

Check your annual statement

You now only receive one pension statement per year instead of two. Please review your statement carefully.

If there is important information we need to tell you during the year, we'll get in touch with you. Also, you can find all your pension information in My Account anytime.

Health coverage: the basics

Unsure about BC's Medical Services Plan (MSP) and your extended health care (EHC) coverage? Here are some basic facts.

MSP—basic required insurance

Enrolment with MSP is mandatory for all eligible BC residents and their dependants.

MSP insures medically required services. These include necessary services provided by physicians, dental and oral surgery performed in a hospital, eye examinations (if medically required) and some orthodontic services. Diagnostic services performed at approved facilities are also covered.

EHC—extra coverage

EHC coverage is optional. It covers a portion of prescription drugs and other health-related expenses, offering added protection against unexpected health expenses. You must be receiving a monthly pension to be eligible for group EHC coverage through Green Shield Canada. Only residents of Canada are eligible for coverage.

If you did not enrol in EHC coverage within the 60-day enrolment period when you retired, you may be able to enrol later with proof of continuous comparable coverage through another health plan.

Contact GSC with any questions you may have about coverage. Contact the plan if you have questions about eligibility for EHC.

Helpful resources

Canada Pension Plan, Old Age Security, Guaranteed Income Supplement › canada.ca

Phone: [1-800-277-9914](tel:1-800-277-9914) TTY: [1-800-255-4786](tel:1-800-255-4786)

Canada Revenue Agency › canada.ca Phone: [1-800-959-8281](tel:1-800-959-8281)

Medical Services Plan › hibc.gov.bc.ca Phone: [1-800-663-7100](tel:1-800-663-7100) Lower Mainland: [604-683-7151](tel:604-683-7151)

SeniorsBC › seniorsbc.ca Phone: [1-877-952-3181](tel:1-877-952-3181)

Resources and tips for planning and living a healthy life

Aging Well › healthyfamiliesbc.ca/aging-well Email: healthyfamiliesbc@gov.bc.ca

Free access to health professionals, and community health and fitness programs



BC Retired Teachers' Association › bcrta.ca

Guarding the interests and promoting the welfare of its members.

Phone: [604-871-2260](tel:604-871-2260), [604-871-2262](tel:604-871-2262) or [1-877-683-2243](tel:1-877-683-2243)

Email: kristi@bcrta.ca or laurie@bcrta.ca



Retired Principals' & Vice-Principals' Association › bcrpvpa.ca

BCRPVPA is a group of retired professionals with common goals and interests. It promotes the welfare of its members, fosters liaisons among members and active principals and vice-principals, and supports young people by providing scholarships and bursaries.



BCSSA BC School Superintendents Association › bcssa.org

Transforming, Reforming and Innovating: Leading and Learning Together.

Cheryl Eason’s southern exposure



Your Teachers’ Pension Plan is big by any measure. One of the largest pension plans in Canada, it has more than \$28 billion in assets and almost 100,000 members. However,

Cheryl Eason, whom the provincial government recently appointed to the Teachers’ Pension Board of Trustees, has experience with an even bigger pension plan south of the border: the California Public Employees’ Retirement System (CalPERS).

“CalPERS has 1.8 million members, with assets exceeding \$300 billion,” Cheryl says. “Measured by assets, CalPERS is one of the 10 largest pension funds on the planet.”

Cheryl spent more than four years as chief financial officer (CFO) at the Sacramento-based agency, which manages pension and health benefits for California’s public employees.

“I was the first CFO in CalPERS’ 85-year history, and it was a rewarding challenge to direct its financial accounting and reporting,” she says. Cheryl successfully mastered that challenge, and the Government Finance Officers Association ultimately recognized her with an Award for Excellence in Government Finance.

Previous to her time at CalPERS, Cheryl gained experience with public sector pension plans on this side of the border. Cheryl was vice-president of Financial and Plan Board Services at Pension Corporation, the administrative agent for your plan, from 2009 to 2012. In this role, she had regular contact with plan trustees and learned about the plan’s governance and administrative structure.

Following her time in California, Cheryl returned north in 2017 to take the role of

vice-president and CFO at Royal Roads University in Colwood, just west of Victoria. “Royal Roads’ motto of ‘Life.Changing’ is an inspiration for me, especially as a Royal Roads MBA alumna,” she says. “The position allows me to serve the teaching community and experience the transformational educational experience first-hand by applying learning to bring positive change to work, life and community.”

“I believe that good governance is good business...”

Cheryl is eager to be a part of a board that deeply understands the complexities of pension plan issues. “The discussion of pension plans is both exciting and thought-provoking. I believe that good governance is good business, and ensuring the sustainability of the pension plan as a trustee allows me to use my skills and knowledge along with my commitment to public service.”

Outside of work, Cheryl loves to curl. “I have been curling as long as I can remember, and even in California, I found a curling club—Wine Country Curling—to curl all year round. I was fortunate to take my curling team to represent California at the Arena National Championships in 2016.” Cheryl also enjoys gardening, hiking and golfing.

Married to Vic, her husband of 25 years, Cheryl lives in Langford, west of Victoria, with cocker spaniel Max.

Your monthly deductions

We deduct income tax from your monthly pension payment according to Canada Revenue Agency (CRA) requirements.

Send us a completed TD1 or TD1BC *Personal Tax Credits Return* form (available online) if you would like to decrease the amount of tax deducted from your pension payment. Advise us in writing if you would like to increase the amount of tax we deduct from your pension. Note that if you have additional forms of income, including old age security or Canada Pension Plan payments, you might be in a higher tax bracket and owe more tax to CRA. We recommend you seek professional advice from an independent financial advisor before making any decisions about tax deductions.

If you move out of BC to another province or territory, we will withhold tax at the rate for that province or territory; you may see a change in your pension payments. If you live outside Canada, we will use tax withholding rates given to us by CRA for the country you live in.

➤ [Download forms or get more information at canada.ca or call 1-800-959-8281](#)

Valuation results are in, continued from page 1

from 12.92 per cent to 11.17 per cent of salary, and employer contribution rates from 13.23 per cent to 11.30 per cent of member salary, effective January 1, 2019.

In addition, the surplus will make up a new rate stabilization account (RSA), created in accordance with *Pension Benefits Standards Act* rules around plan surpluses. Funds in the RSA will help mitigate any significant increases to contribution rates that may result from future valuations.

We will continue to carefully monitor the plan’s financial health to ensure it remains financially sound. The next valuation will occur as at December 31, 2020.

➤ [Read more about how the 2017 valuation means lower contribution rates in Board Communique: October 15, 2018 at tpp.pensionsbc.ca](#)

Extended health care and dental rates for 2019

Your new Green Shield Canada rates are effective February 1, 2019, and are valid for one year. Rate changes are heavily influenced by member usage of the extended health care (EHC) and dental plans.

Monthly EHC and dental plan rates, 2016–2019 (\$)

Plan	People	2016	2017 (Feb.)	2017 (Apr.)	2018	2019
EHC	Single	74.29	81.74	70.75	70.75	76.06
	Couple	148.73	163.66	141.65	141.65	152.27
	Family	289.08	318.10	275.27	275.27	295.92
Dental—essential	Single	24.00	25.68	25.05	25.05	28.31
	Couple	45.64	48.84	47.64	47.64	53.83
	Family	76.92	82.31	80.29	80.29	90.73
Dental—enhanced	Single	45.41	47.06	47.40	47.40	53.56
	Couple	86.22	89.36	90.00	90.00	101.70
	Family	121.76	126.19	127.09	127.09	143.61

Let us serve you better

We regularly contract companies to do research on our behalf. Why? To help us improve the services we provide you as a plan member. You may be contacted to complete a survey or participate in a focus group or personal interview. Your involvement in this research is voluntary, and all responses are confidential. Thank you for your participation.

➤ [Questions about how research works? Email research@pensionsbc.ca](#)

Medical Services Plan

Premium assistance

If you are a BC resident, you may be eligible for MSP premium assistance.

- Apply at gov.bc.ca/msp/applyforpremiumassistance

Rates

- Learn more about premiums at hibc.gov.bc.ca

For more information, contact Health Insurance BC

- hibc.gov.bc.ca
- 604-683-7151 (Lower Mainland) or 1-800-663-7100 (toll-free in BC)

Fair PharmaCare

Have you registered for Fair PharmaCare?

Looking for financial assistance for eligible prescription drugs and certain medical supplies? If you are a BC resident, register for Fair PharmaCare; you may be eligible to receive reimbursement for prescription drug expenses under your extended health care (EHC) plan.

- Register at pharmacare.moh.hnet.bc.ca or call 1-800-663-7100

If you have questions about how this government program integrates with the coverage under your EHC plan, please contact Green Shield Canada.

Updating your information

New mailing address

If you (or your power of attorney) do not give us your new mailing address, **you risk having your pension suspended** until we receive your current address. For your security, we may stop your payments if your mail is returned to us three times. Please ensure we're on your notification list when you move to avoid any disruption in your pension payment.

If you're staying in your current province or country for an extended period of time, update your address in My Account—otherwise, notify the plan in writing.

New phone number

Update your phone number in My Account.

Beneficiaries and marital status

- Name a beneficiary
- Your spouse or beneficiary has died
- Your beneficiary has a new address

Health coverage

- You need to change information about yourself, your spouse and/or a dependant with Medical Services Plan (MSP), extended health care (EHC) or dental coverage
- You have questions about your eligibility, enrolment or premiums

Note: for questions about your EHC and dental coverage, contact Green Shield Canada; for MSP, contact Health Insurance BC.

Pension payments, deductions and tax slips

- To change the amount of tax taken off your pension payment

Sign in to My Account to register for or update your direct deposit information.

Teachers' Pension Plan

Include your Person ID number (see your pension statement) in all correspondence.

Web: tpp.pensionsbc.ca

Email: retired@pensionsbc.ca

Phone: 1-866-876-8877
(toll-free in Canada & U.S.)
8:00 a.m. to 4:30 p.m. weekdays

Mail: PO Box 9460
Victoria BC V8W 9V8



Teachers' Pension Plan contracts with Green Shield Canada (GSC) to administer health and voluntary dental benefits.

Please contact GSC directly with specific questions about your coverage.

Phone: 1-888-711-1119 (Monday to Friday, 5:30 a.m. to 5:30 p.m. Pacific Standard Time)

Web: greenshield.ca

At Green Shield Canada, we're always looking for ways to make life simpler for you, our plan members. With that in mind, here are a few helpful hints and reminders.

Pre-determinations

If the cost of any proposed dental treatment or medical item is expected to exceed \$300, we recommend submitting a pre-determination (or pre-authorization) before you begin treatment or make a purchase. This helps to ensure you know ahead of time if the expense will be eligible before you make a payment. For example:

Durable medical equipment (including prosthetic appliances)

Send a pre-authorization form, completed by you and your physician, indicating the diagnosis, prescribed item(s), and estimated cost. Pre-authorization forms are available once you log into Plan Member Online Services, or by contacting our Customer Service Centre.

Dental

Request that your dental office submit:

- A treatment plan estimate completed by your dentist
- X-rays (your dentist can submit these online via our health provider portal—providerconnect.ca—so be sure to let them know)

Your pre-determination request will be reviewed, and a statement will be sent confirming coverage results.

Claim submission deadline

We always encourage submitting expenses as soon as they are incurred, but we understand that sometimes this is not possible, or that receipts appear months later. If you still have expenses to claim:

- Health claims** for expenses incurred in 2018 can be submitted to GSC for reimbursement as long as they are received by GSC no later than June 30, 2019.
- Dental claims** can be submitted to GSC for reimbursement as long as they are received by GSC no later than 12 months from the date the eligible benefit was incurred.

Your health deductible

The start of the new year means the \$200 per person health plan deductible resets and must be satisfied again before you begin receiving reimbursement for your claims.

For more information on pre-determinations or other benefit eligibility inquiries, or for more information on claim submission deadlines, please contact our Customer Service Centre.



Pension Life is published twice a year. You may receive more than one copy of *Pension Life* if you receive a pension from more than one pension plan. Read your statement letter to determine which plan provides your group benefits.
Any person entitled to a benefit, or their agent, has the right to examine plan documents, data and public information about the plan.