



Teachers' Pension Plan: value for employers



Teachers' Pension Plan is one of the largest pension plans in Canada. With a proven track record of good governance and a focus on prudent, responsible management, the plan is the ideal choice for employers that want to attract and retain great employees.

How the plan can help your organization

Retirement income security: a strong draw for job seekers

By contributing to the future retirement income of your employees, you demonstrate that you care for your people and want them to stay with you for the long term. Your organization's participation in the plan will help you stand out with job seekers. Key findings from Willis Towers Watson's 2015/16 Global Benefit Attitudes Survey indicate that defined benefit pension plans like the Teachers' Pension Plan have "stronger attraction and retention effects," and that employees with this kind of pension plan are "nearly twice as likely as those with only a defined contribution plan to cite their retirement plan as an important reason for joining their company."

*You're never alone
when working
with the plan.
Training, support
and information are
just a click or phone
call away.*



Administration made easy: meet BC Pension Corporation

You don't need to hire specialized pension administrators to oversee your retirement income program—the plan does the work for you. The plan is administered by BC Pension Corporation with the oversight and guidance of the Teachers' Pension Board of Trustees. Pension Corporation provides you with administrative support, training and a monthly newsletter, and guides your employees along every step of their pension journey, with online tools and information, telephone counselling, workshops and more.

Resources available to you

You're never alone when working with the plan. Training, support and information are just a click or phone call away through

- a secure portal on the plan website for transactions and e-Remittances;
- comprehensive training workshops and instructions;
- a monthly newsletter featuring a to-do checklist, course offerings, and the latest tips and information; and
- ongoing support from the employer operations team.

The most bang for your buck: meet BCI

British Columbia Investment Management Corporation (BCI) provides investment management services to the plan. One of Canada's largest investment managers, BCI manages more than \$135 billion (as at March 31, 2017) in assets on behalf of public sector pension plans, the Province of British Columbia, publicly administered trust funds and public bodies. Based in Victoria, BC, and supported by industry-leading expertise, BCI offers its public sector clients responsible investment options across a range of asset classes, including fixed income, mortgages, public and private equity, real estate, infrastructure and renewable resources. BCI's investments provide the returns that help secure the plan's future payments and meet obligations to members. Learn more at bci.ca.

How to answer common questions from your employees

You'll likely be the first person your employees come to for information about their pension plan. To help them understand the value of plan membership, here's some information you can share.



First, some basic facts

- Your pension benefit consists of three sources of funding: employee contributions, employer contributions and investment income.
- Pension contributions are pooled and invested. Approximately 80 per cent of your pension is funded by investment returns.
- The basic pension benefit is pre-funded—members of each generation pay in advance for their own pensions.
- Your pension income is based on a formula that uses your service and salary from when you worked and contributed as a plan member; changes in the financial markets won't affect your basic pension income. This formula makes retirement planning easier and pension income more predictable.
- The plan is healthy and strong. The latest valuation (2014) determined the plan is fully funded, with a funded ratio of 102 per cent.
- The plan's website is a powerful resource. It provides secure access to your pension information through My Account, as well as learning tools and an online course to help you learn more about your pension.

Q: I'm only a few years away from retirement. What does the plan do for me?

The plan can help you at every stage of your career—even if you start your pension contributions later in life.

- The basic pension you receive in retirement will be paid for the rest of your lifetime, ensuring a reliable monthly source of income.
- If you have a spouse, they may be eligible to receive a pension from the plan following your death.
- The plan offers options for beneficiaries so you can provide for those you care about.
- When you retire, the plan may offer access to optional member-paid extended health care and dental coverage. These benefits are not guaranteed.
- The plan may also provide non-guaranteed cost-of-living adjustments to your pension.

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Q: I work part time. What does the plan do for me?

As a part-time employee, you will receive a pension in retirement based on your actual service and salary. The basic pension you receive in retirement will be paid for the rest of your life, ensuring a reliable monthly source of income.

- If you have a spouse, they may be eligible to receive a pension from the plan following your death.
- The plan offers options for beneficiaries so you can provide for those you care about.
- When you retire, the plan may offer access to optional extended health care and dental coverage. These benefits are not guaranteed.
- The plan may also provide non-guaranteed cost-of-living adjustments to your pension.

Q: I'll only be working here a few years. What does the plan do for me?

The plan offers flexibility and portability. You can start earning a pension now and decide what to do later if you leave your position. Your options may include:

- Leaving your contributions in the plan for a future pension or taking a commuted value payment (a lump-sum value based on the amount of money the plan would need to put aside today to pay for your future pension at retirement).
- Leaving your contributions in the plan in case you rejoin at a later date. If you return to work with your same employer or another employer in the same pension plan, you will begin contributing again, which will increase your service, which could lead to a larger pension.
- Transferring your service to another pension plan. The Teachers' Pension Plan has transfer agreements with other plans in BC and across Canada.

Q: What's the value of contributing early in my career? I'm young and have other financial priorities right now.

Starting early in life will make a big difference down the road. We doubt you'll ever hear a retired member say they wished they'd waited longer to start saving for retirement.

- For every dollar you contribute, your employer contributes as well.
- The more years of service you earn, the larger your pension will be and as a result, you may be able to retire at a younger age.
- With the plan, the pension contributions you and your employer make are pooled and invested by BCI. With personal investing, you take on all the risk—your funds are exposed to all the ups and downs in the financial markets. In contrast, the large scale of the plan's fund offers stability, better investment opportunities and lower administrative fees than you typically get with personal financial advisers and banks.
- If you leave your job, you can take your service with you to school boards around the province. You may also be able to transfer your service to another pension plan in BC or another province, leave your contributions with the plan for a deferred pension or take a commuted value payment. Check the eligibility rules if you are interested. Whatever happens, you will never lose your contributions.



Teachers'
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Contact us:

Toll-free in Canada and U.S.
1 855 356-9701

Employer Operations
Teachers' Pension Plan

PO Box 9460
Victoria, BC V8W 9V8

employer.services@
pensionsbc.ca