PROVINCE OF BRITISH COLUMBIA

Eighth Annual Report

of the business done in pursuance of the

TEACHERS' PENSIONS ACT

for the period

JANUARY 1ST TO DECEMBER 31ST

1948

VICTORIA, B.C.:
Printed by DON MCDIARMID, Printer to the King's Most Excellent Majesty.
1949.

To His Honour C. A. BANKS,

Lieutenant-Governor of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the "Teachers' Pensions Act" during the period January 1st, 1948, to December 31st, 1948.

GEO. S. PEARSON,

Provincial Secretary.

Provincial Secretary's Office,

Victoria, B.C.

The Honourable G. S. Pearson,
Provincial Secretary, Victoria, B.C.

SIR,—I have the honour to lay before you the Report of the business done in pursuance of the "Teachers' Pensions Act" during the period January 1st, 1948, to December 31st, 1948.

I have the honour to be,
Sir,
Your obedient servant,

R. A. PENNINGTON,
Commissioner of Teachers' Pensions.

"TEACHERS' PENSIONS ACT."

ANNUAL REPORT

REPORT OF THE BUSINESS DONE IN PURSUANCE OF THE "TEACHERS' PENSIONS ACT" DURING THE PERIOD JANUARY 1ST, 1948, TO DECEMBER 31ST, 1948.

Section 4.—Superannuation-allowance payments pursuant to this section amounted to $104,050.40. The Minister of Finance reimbursed the Fund for this amount out of Consolidated Revenue. As at December 31st, 1948, there were 198 persons in receipt of an allowance under this section.

Section 6.—Contributions received from teachers amounted to $721,029.33, consisting of ordinary contributions of $596,606.64 and special 1-per-cent. contributions of $124,422.69. Contributions amounting to $400 were transferred from the Retirement Annuity Account to the Service Pensions Account in accordance with the provisions of subsection (9) of this section.

Section 8.—Employer contributions received pursuant to this section amounted to $871,373.22.

Section 11.—Superannuation allowances were granted to thirty-one teachers who attained retirement age. For analysis *see* statements of comparative statistics appended hereto.

Section 15.—Superannuation allowances were granted to four teachers who had become totally and permanently disabled.

Section 16 (1) and (2).—Superannuation allowances were granted to the dependent in the case of nine teachers who died while still in service.

Section 16 (4) and (5).—Refunds amounting to $5,648.28 were made in the case of three teachers who died while still in service.

Section 18.—Refunds amounting to $124,388.95 were made to 552 teachers who left the service of their employer.

Section 23.—Administration expenses paid from the Fund amounted to $16,345.72.

Section 26.—During the year three meetings of the Teachers' Pensions Board were held, at which seventeen individual cases were dealt with.

Section 31.—The securities held by the Trustees on December 31st, 1948, are set out in Schedule No. 1 of this Report.

Section 36 (1).—In accordance with the provisions of this section, an actuarial valuation of the assets and liabilities of the Fund as at December 31st, 1946, was made by Messrs. Pipe and Eckler, consulting actuaries, and the actuarial balance-sheet appears as Schedule No. 2 of this Report.

R. A. PENNINGTON,
Commissioner of Teachers' Pensions.

TEACHERS' PENSIONS FUND.

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31ST, 1948.

Revenue.

Contributions as per requirements of the "Teachers' Pensions Act"—			
Employees, section 6—			
Contributions for retirement annuities	$596,606.64		
Contributions, special 1-per-cent.	124,422.69		
		$721,029.33	
Employers, section 8	$871,373.22		
Employers, section 6 (9)	400.00		
		871,773.22	
Minister of Finance, section 4 (as per *contra*)		104,050.40	
Interest on investments and bank interest		284,670.76	
			$1,981,523.71

Expenditure.

Superannuation allowances—			
Payable from Teachers' Pensions Fund—			
Service pensions	$136,525.34		
Less amount refunded	379.55		
		$136,145.79	
Retirement annuities	$58,556.44		
Less amount refunded	48.98		
		58,507.46	
Payable by Minister of Finance, section 4—			
Allowances paid	$104,515.33		
Less amount refunded	464.93		
Net amount (as per *contra*)		104,050.40	
Refund of employees' contributions—			
Section 16 (4)	$4,448.28		
Section 16 (5)	1,200.00		
Section 18	124,388.95		
Miscellaneous	930.00		
		130,967.23	
Administration expenses, section 23		16,345.72	
			446,016.60
Net increase of ledger assets			$1,535,507.11

TEACHERS' PENSIONS FUND.

BALANCE-SHEET AS AT DECEMBER 31ST, 1948.

Assets.

		General Account.	Trustees' Account.	Total.
Cash at Canadian Bank of Commerce		$10,559.74	$146,193.71	$156,753.45
Accounts receivable—				
Due from employees	$50,281.12			
Due from employers	181,501.98			
		231,783.10		231,783.10
Investments at cost—net after amortization of premiums and discounts (Schedule No. 1)			9,564,305.46	9,564,305.46
(Valuation on Dominion Department of Insurance basis or market value at December 31st, 1948, $9,471,096.18.)				
Accrued interest on investments			69,323.93	69,323.93
		$242,342.84	$9,779,823.10	$10,022,165.94

Liabilities.

Employees' Retirement Annuity Account		$5,407,125.07
Employers' Service Pensions Account		4,581,840.67
Accounts payable—Administration expense		15,933.92
Investment Adjustment Account—		
Profit on sale of securities during year ended December 31st, 1948	$26,970.50	
Less transferred to Interest Account to provide interest earnings of 3 per cent.	9,704.22	
		17,266.28
		$10,022,165.94

COMPTROLLER-GENERAL'S CERTIFICATE.

I certify that the accounts of the Commissioner and Trustees of the Teachers' Pensions Fund for the year ended December 31st, 1948, have been examined under my direction.

The liabilities in respect of Employees' Retirement Annuity Account and Employers' Service Pensions Account are stated at book value. Under the terms of section 36 (1) of the "Teachers' Pensions Act, 1940," an actuarial valuation of these liabilities was made as at December 31st, 1946, and is attached hereto as Schedule No. 2.

Subject to the foregoing remarks, I certify that the above balance-sheet is in my opinion properly drawn up so as to exhibit a true and correct statement of the affairs of the Fund according to the best of my information and the explanations given to me and as shown by the books of the Fund.

J. A. CRAIG, C.A.,
Comptroller-General, Province of British Columbia.

Victoria, B.C., October 24th, 1949.

SCHEDULE No. 1.

TRUSTEES OF THE TEACHERS' PENSIONS FUND AND THE MINISTER OF FINANCE FOR THE PROVINCE OF BRITISH COLUMBIA.

Securities held as at December 31st, 1948.

Description.	Date of Maturity.	Par Value.	Cost Price.	Book Value.	Market Value.
Guaranteed by the Dominion of Canada—					
Canadian National Railways—					
2¾% Bonds	Jan. 2, 1967	$470,000.00	$456,487.50	$456,487.50	$455.900.00
Province of British Columbia—					
3½% Bonds	June 1, 1950	5,000.00	5,075.00	5,021.49	5,100.00
4% Bonds	Nov. 1, 1950	89,000.00	90,451.75	89,436.04	91,670.00
3½% Bonds	June 1, 1951	5,000.00	5,081.50	5,030.69	5,150.00
3½% Bonds	June 1, 1952	14,000.00	13,767.60	13,918.89	14,420.00
3½% Bonds	June 1, 1953	24,000.00	23,649.50	23,861.21	24,720.00
5% Bonds	Sept. 1, 1953	81,000.00	91,926.40	86,907.25	88,290.00
3½% Bonds	June 1, 1954	15,500.00	15,692.40	15,590.97	16,120.00
3½% Bonds	June 1, 1955	56,000.00	54,939.00	55,461.62	58,240.00
3½% Bonds	June 1, 1956	171,000.00	167,668.00	169,209.84	176,130.00
3% Bonds	Feb. 1, 1958	18,000.00	17,758.80	17,830.00	18,000.00
2¾% Bonds	Oct. 15, 1959	5,000.00	4,931.25	4,936.70	4,862.50
4½% Bonds	Apr. 1, 1960	500.00	558.13	538.02	605.00
3% Bonds	Dec. 15, 1960	327,000.00	331,492.50	330,704.40	327,000.00
3½% Bonds	Dec. 31, 1960	2,325,000.00	2,325,000.00	2,325,000.00	2,406,375.00
2¾% Bonds	Oct. 15, 1963	100,000.00	99,500.00	99,532.87	95,000.00
2¾% Bonds	Apr. 15, 1966	173,000.00	169,103.75	169,275.39	164,350.00
2¾% Bonds	Oct. 15, 1966	36,000.00	33,795.00	33,883.03	34,200.00
2¾% Bonds	Jan. 15, 1967	485,000.00	476,625.50	477,012.45	460,750.00
2¾% Bonds	Feb. 1, 1967	400,000.00	400,000.00	400,000.00	380,000.00
2¾% Bonds	May 15, 1967	310,000.00	310,000.00	310,000.00	294,500.00
2¾% Bonds	June 15, 1968	184,000.00	178,443.75	178,679.42	174,800.00
3% Bonds	July 2, 1968	300,000.00	297,780.00	297,835.35	291,000.00
2¾% Bonds	July 2, 1968	200,000.00	200,000.00	200,000.00	190,000.00
3% Bonds	July 31, 1970	2,075,000.00	2,058,400.00	2,058,712.23	2,012,750.00
3% Bonds	Aug. 10, 1970	410,000.00	406,720.00	406,777.60	397,700.00
2¾% Bonds	Oct. 1, 1971	750,000.00	750,000.00	750,000.00	697,500.00
2¾% Bonds	Sept. 26, 1972	200,000.00	200,000.00	200,000.00	200,000.00
Guaranteed by the Province of British Columbia—					
Vancouver and Districts Joint Sewerage and Drainage Board—					
4% Bonds	Oct. 1, 1952	1,000.00	1,042.10	1,017.16	1,060.00
4% Bonds	May 1, 1958	4,000.00	4,260.00	4,158.43	4,240.00
5% Bonds	Sept. 1, 1959	11,000.00	12,650.00	12,053.14	13,090.00
4% Bonds	May 1, 1962	3,000.00	3,195.00	3,134.57	3,180.00
5% Bonds	Sept. 1, 1962	3,000.00	3,521.70	3,364.75	3,630.00
5½% Bonds	Sept. 1, 1962	2,000.00	2,505.00	2,350.46	2,500.00
4% Bonds	May 1, 1963	2,000.00	2,140.20	2,100.25	2,120.00
4% Bonds	May 1, 1964	5,000.00	5,389.00	5,287.25	5,400.00
4½% Bonds	Sept. 1, 1965	7,000.00	8,202.50	7,958.31	8,190.00
4½% Bonds	Mar. 1, 1968	3,000.00	3,475.00	3,375.45	3,570.00
5% Bonds	Sept. 1, 1969	18,000.00	22,390.25	21,430.85	22,500.00
4½% Bonds	Sept. 1, 1970	1,000.00	1,157.90	1,123.64	1,200.00
West Nicomen Dyking District—					
4% Bonds	May 1, 1953	2,500.00	2,672.25	2,587.06	2,562.50
Issued pursuant to section 4, "Teachers' Pensions Act"—					
3½% Bonds	Dec. 31, 1963	65,065.97	65,065.97	65,065.97	65,065.97
3½% Bonds	June 30, 1964	63,710.86	63,710.86	63,710.86	63,710.86
3½% Bonds	Dec. 31, 1964	62,639.46	62,639.46	62,639.46	62,639.46
3½% Bonds	June 30, 1965	60,701.69	60,701.69	60,701.69	60,701.69
3½% Bonds	Dec. 31, 1965	60,603.20	60,603.20	60,603.20	60,603.20
Totals		$9,604,221.18	$9,570,169.41	$9,564,305.46	$9,471,096.18

SCHEDULE No. 2.

TEACHERS' PENSIONS FUND.

ACTUARIAL BALANCE-SHEET AT DECEMBER 31ST, 1946.

Service Pensions Account.

Assets.			*Liabilities.*		
Ledger assets	$2,753,986		Present value of future service pensions in respect of employees—		
Accrued interest on investments	11,463				
		$2,765,449	(*a*) In service January 1st, 1941, and still in service December 31st, 1946	$8,305,418	
Present value of 1-per-cent. employee contribution for fifteen years		1,078,010	(*b*) In service January 1st, 1941, and on pension December 31st, 1946	1,403,784	
Present value of employer contribution based on ages at entry in respect of existing employees		3,276,561			$9,709,202
Present value of excess of 7-per-cent. employer contribution over employer contribution based on age at entry in respect of future new employees and existing employees		5,008,972	(*c*) Who entered service after January 1st, 1941		2,419,790
		$12,128,992			$12,128,992

Retirement Annuity Account.

Ledger assets	$4,349,094		Outstanding refund values		$43,199
Accrued interest on investments	18,103		Actuarial reserve in respect of employees—		
		$4,367,197	(*a*) In service December 31st, 1946	$4,361,599	
Arrears in contributions of ex-service personnel		14,455	(*b*) On pension December 31st, 1946	495,325	
Deficit		518,471			4,856,924
		$4,900,123			$4,900,123

This is to certify that the above valuation balance-sheet represents the assets and liabilities of the Teachers' Pensions Fund as of December 31st, 1946, on the basis of its experience prior to December 31st, 1946.

SAMUEL ECKLER,

Fellow, Actuarial Society of America and American Institute of Actuaries.

SCHEDULE No. 3.

TEACHERS' PENSIONS FUND.

COMPARATIVE STATISTICS, JANUARY 1ST, 1941, TO DECEMBER 31ST, 1948.

Fiscal Year.	Number of Contributors at End of Fiscal Year.	Contributions.				Withdrawals.		Allowances.			
		Minister of Finance (Sec. 4).	Employer.	Employees.	Employees (Special 1%).	Number.	Amount refunded.	Number granted during Year.	Deaths and Expirations during Year.	Number in force at End of Year.	Amount paid.
1941	4,198 296*	$141,514.54	.....	$297,852.51	.....	302	$92,849.30	61	10	340	$158,452.93
1942	4,612 429*	135,468.85	$434,035.57	304,520.82	$63,022.22	432	102,735.67	41	13	368	176,305.17
1943	4,544 835*	130,494.41	461,472.26	317,305.93	64,170.80	272	62,590.16	39	10	397	190,496,55
1944	4,439 1,314*	126,350.32	481,269.99	332,895.23	68,338.00	333	61,188.09	33	11	419	202,943.22
1945	4,609 1,350*	121,304.89	535,473.59	369,607.14	75,958.50	489	93,984.29	57	13	463	225,230.19
1946	5,129 893*	117,553.65	616,154.40	426,814.26	87,671.11	608	129,007.32	49	14	498	250,132.55
1947	5,942 607†	109,796.25	759,506.91	525,893.19	108,538.25	622	125,937.09	57	14	541	273,593.21
1948	6,147 702†	104,050.40	871,773.22	596,606.64	124,422.69	555	130,967.23	44	15	570	298,703.65
		$986,533.31	$4,159,685.94	$3,171,495.72	$592,121.57	.....	$799,259.15	....	....	.....	$1,775,857.47

* Non-active accounts of teachers who are temporarily unemployed at the close of the fiscal year, or who have left the teaching profession permanently.

† Non-active accounts now considered as those accounts of teachers who have been out of teaching service over two years.

TEACHERS' PENSIONS FUND.

COMPARATIVE STATISTICS, JANUARY 1ST, 1946, TO DECEMBER 31ST, 1948—ALLOWANCES GRANTED AND IN FORCE, SUBDIVIDED BY TYPE AND PLAN OF ALLOWANCE.

Fiscal Year.	In Force at Beginning of Year.				Granted during Year.				Expired during Year.					In Force at End of Year.			
	Single Life.	Guaranteed.	Joint Life.	Modified.	Single Life.	Guaranteed.	Joint Life.	Modified.	Single Life.	Guaranteed.* (a.)	Guaranteed.* (b.)	Joint Life.	Modified.	Single Life.	Guaranteed.	Joint Life.	Modified.
1946—																	
Normal retirement	183	97	29	11	18	12	9	....	3	2	1	2	....	198	106	36	11
Disability	76	16	11	....	1	2	1	....	5	....	....	....	....	72	18	12	....
Death	40	.....	....	....	6	....	....	....	1	....	....	....	....	45	.....	....	....
Totals	299	113	40	11	25	14	10	....	9	2	1	2	....	315	124	48	11
1947—																	
Normal retirement	198	106	36	11	21	14	9	2	7	1	1	....	....	212	118	45	13
Disability	72	18	12	....	5	4	1	....	4	....	....	....	....	73	22	13	....
Death	45	.....	....	....	1	....	....	....	1	....	....	....	....	45	.....	....	....
Totals	315	124	48	11	27	18	10	2	12	1	1	....	....	330	140	58	13
1948—																	
Normal retirement	212	118	45	13	12	17	2	....	5	1	1	3	1	219	133	44	12
Disability	73	22	13	....	2	2	....	....	3	....	....	....	....	72	24	13	....
Death	45	.....	....	....	9	....	....	....	1	....	....	....	....	53	.....	....	....
Totals	330	140	58	13	23	19	2	....	9	1	1	3	1	344	157	57	12

* Guaranteed: (*a*) Superannuant died after expiration of guaranteed period; (*b*) guaranteed period expired, superannuant having died previously.

COMPARATIVE STATISTICS, JANUARY 1ST, 1946, TO DECEMBER 31ST, 1948, SUBDIVIDED ACCORDING TO SEX OF CONTRIBUTOR.

Fiscal Year.	Number of Contributors.		Number of Refunds granted.		Allowances.					
					Number of Allowances granted.		Number of Deaths and Expirations.		Number of Allowances in Force at End of Year.	
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
1946	1,742	3,387	97	511	29	20	5	9	200	298
Non-active	227	666	.....	.....	.....	.....	.....	.....	.....	.....
1947	2,100	3,842	118	504	26	31	4	10	222	319
Non-active	169	438	.....	.....	.....	.....	.....	.....	.....	.....
1948	2,135	4,012	111	444	25	19	11	4	236	334
Non-active	170	532	.....	.....	.....	.....	.....	.....	.....	.....

VICTORIA, B.C.:
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