PROVINCE OF BRITISH COLUMBIA

Twenty-first Annual Report

of the Business Done in Pursuance of the

TEACHERS' PENSIONS ACT

for the Period

JANUARY 1 TO DECEMBER 31

1961

Printed by A. SUTTON, Printer to the Queen's Most Excellent Majesty
in right of the Province of British Columbia.
1963

To His Honour GEORGE RANDOLPH PEARKES, V.C., P.C., C.B., D.S.O., M.C.,
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 1, 1961, to December 31, 1961.

WESLEY D. BLACK,
Provincial Secretary.

Provincial Secretary's Office,
Victoria, B.C., October 3, 1962.

The Honourable Wesley D. Black,
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 1, 1961, to December 31, 1961.

I have the honour to be,

Sir,

Your obedient servant,

W. H. FORREST,
Commissioner of Teachers' Pensions.

October 2, 1962.

TEACHERS' PENSIONS ACT

ANNUAL REPORT

Report of the Business Done in Pursuance of the Teachers' Pensions Act during the Period January 1, 1961, to December 31, 1961

Sections 6 and 7.—Contributions received from teachers totalled $4,539,264.01, consisting of basic 6-per-cent contributions of $4,252,780.50, extra and voluntary contributions of $176,350.56, individual repayment of refunds for reinstatement of $102,309.59, and individual 12-per-cent contributions for approved periods of leave of absence of $7,823.36. As at December 31, 1961, there were 14,664 active contributors to the Fund.

Section 8 (1).—Employer basic contributions received pursuant to clause (*a*) amounted to $3,407,194.

Section 8 (3).—Employer 6-per-cent contributions received from the British Columbia Teachers' Federation and employers other than school districts for teachers on loan, etc., amounted to $28,492.14.

Section 8 (5) and (6).—The net rate of interest earnings of the Fund after charging administration expenses was 4.46 per cent. An amount of $288,941.58, being the excess of the net interest earnings over the required 4 per cent, was transferred to the Investment Adjustment and Interest Reserve Account.

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

Section 14.—Superannuation allowances were granted to eight teachers who had become totally and permanently disabled.

Section 15.—Superannuation allowances were granted to the dependent in the case of six teachers who died while still in service, and refunds totalling $37,294.05 were made in the case of fifteen teachers who died while still in service.

Section 16.—Refunds totalling $476,016.70 were made to 752 teachers who left the service of their employers.

Section 20.—Administration expenses paid from the Fund amounted to $51,464.91.

Section 25.—The securities held by the trustees on December 31, 1961, are set out in Schedule No. 1 of this Report. During the year $11,109,750 par value bonds were purchased, the average yield being 5.442 per cent; $1,851,400 par value bonds were sold at an average yield of 4.741 per cent; and $414,000 par value bonds were redeemed, resulting in a net increase of $8,844,350 par value bonds held by the trustees between December 31, 1960, and December 31, 1961. Prices paid for securities bought or sold are determined by market conditions at the time of transfer. Every effort is made to invest the funds as soon as they become available and at the maximum yield possible at the time of purchase.

Section 37.—During the year three meetings of the Teachers' Pensions Board were held, at which approximately ninety-five individual cases were dealt with and Board policy was established for guidance in the administration of the Act in respect of reinstatement of past teaching service, periods of absence, and applications to be exempt from contributing to the Fund.

LEGISLATION

The 1961 Session of the Legislature repealed the former *Teachers' Pensions Act* and approved a new *Teachers' Pensions Act* with effect from January 1, 1961. Among the more important changes under the new Act are the following:—

1. The allowance benefit formula was changed from the combination of service pension based on years of service only with a retirement annuity purchased from employee contributions to a service pension based on years of service, highest average salary during ten years of service, and the age of retirement together with a retirement annuity purchased from the employees' contributory credit as at December 31, 1960.

2. The service pension portion of every subsisting teacher's allowance granted under the former Act was recalculated on the new allowance benefit formula, and the resulting increase in monthly allowance was payable retroactive to July 1, 1960, or the effective date of the granting of the allowance, if later.

3. The minimum service requirement for eligibility for an allowance was reduced from twenty years to ten years, except that twenty years' service is still required in respect of a teacher who ceases teaching after attaining age 55 but before attaining age 60 and elects to receive a deferred allowance on attaining age 60 or later.

4. Provision was also made for a deferred allowance on attaining age 60 or later without a minimum service requirement for a teacher who, within five months of making his last contribution to the Fund, enters the service of an approved employer and becomes qualified to receive a pension as a result of that service.

5. Basic employee contributions are at the rate of 6 per cent of salary, all of which is refundable in the event of withdrawal in place of the former 5-per-cent ordinary contribution and non-refundable special 1-per-cent contributions. Also, the provision for estreatment of the first ten months' contributions has been deleted.

6. Provision was made that in the case of termination of service and application for refund, payment shall not be made until after October 31st in the calendar year in which the last contribution is made, nor is it payable if the employee re-enters the teaching service before the refund is paid.

W. H. FORREST,
Commissioner of Teachers' Pensions.

TEACHERS' PENSIONS FUND

Statement of Revenue and Expenditure for the Year Ended December 31, 1961

Revenue

Contributions as per requirements of the *Teachers' Pensions Act*—			
Employee contributions—			
Basic 6-per-cent contributions	$4,252,780.50		
Extra and voluntary contributions	176,350.56		
Repayment of refunds for reinstatement	102,309.59		
12-per-cent contributions for approved periods of leave of absence	7,823.36		
		$4,539,264.01	
Employer contributions—			
Basic contributions	$3,407,194.00		
6-per-cent contributions paid by employers other than school districts for teachers on loan, etc.	28,492.14		
		3,435,686.14	
Interest on investments and bank interest		2,869,881.99	
			$10,844,832.14

Expenditure

Superannuation allowance payments (including increases retroactive to July 1, 1960)		$1,866,428.34	
Refund of employee contributions—			
Resignation, etc.	$476,016.70		
Death in service	37,294.05		
Miscellaneous	409.18		
		513,719.93	
Administration expenses		51,464.91	
			2,431,613.18
Net increase of ledger assets			$8,413,218.96

TEACHERS' PENSIONS FUND

BALANCE-SHEET AS AT DECEMBER 31, 1961

Assets

Cash in bank		$66,900.11
Accounts receivable—		
Due from employees, etc.	$403,889.53	
Due from employers	2,627.78	
		406,517.31
Investments at cost or par—net after amortization of premiums and discounts (*see* Schedule No. 1) (par value, $69,813,350)		68,084,453.48
Accrued interest on investments		714,882.76
		$69,272,753.66

Liabilities

Teachers' Pensions Fund Basic Account	$43,294,516.45
Employees' Retirement Annuity Account	25,642,119.78
Investment Adjustment and Interest Reserve Account	288,941.58
Sundry accounts payable	47,175.85
	$69,272,753.66

Approved.

W. H. FORREST,
Superannuation Commissioner.

G. S. SOUTAR,
Accountant.

The accounts of the Teachers' Pensions Fund for the year ended December 31, 1961, have been examined under my direction, and in my opinion the above balance-sheet is 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.

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

Victoria, B.C., October 1, 1962.

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 31, 1961

	Par Value	Book Value
Government of Canada guaranty—Canadian National Railway Company	$110,000.00	$108,696.94
Province of British Columbia	96,000.00	95,171.07
Province of British Columbia guaranty—		
British Columbia Power Commission	7,688,500.00	7,594,289.80
British Columbia Electric Company Limited	658,750.00	582,930.15
British Columbia Toll Highways and Bridges Authority	2,581,000.00	2,579,695.17
Pacific Great Eastern Railway Company	4,906,000.00	4,781,369.10
Greater Vancouver Water District	2,028,000.00	2,005,627.22
Vancouver and District Joint Sewerage and Drainage Board	1,024,000.00	1,025,406.38
British Columbia school district serials	36,903,600.00	35,478,139.13
British Columbia municipal serials	2,473,000.00	2,375,486.22
British Columbia hospital improvement district serials	480,000.00	479,040.00
British Columbia irrigation and waterworks district serials	253,000.00	251,594.00
Province of Alberta guaranty—		
Alberta Government Telephone Commission	108,000.00	105,852.87
Alberta Municipal Financing Corporation	564,000.00	547,982.11
Province of Manitoba	2,612,000.00	2,617,216.76
Province of Ontario	30,000.00	30,316.83
Province of Ontario guaranty—		
Ontario Hydro Electric Power Commission	29,500.00	29,839.84
Ontario Municipal Improvement Corporation	3,666,000.00	3,731,646.51
University of Toronto	2,725,000.00	2,792,894.94
Province of Quebec	127,000.00	128,421.83
Province of Quebec guaranty—Quebec Hydro	750,000.00	742,836.61
	$69,813,350.00	$68,084,453.48

SCHEDULE No. 2.—TEACHERS' PENSIONS FUND

Comparative Statistics, January 1, 1941, to December 31, 1961

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	$141,514.54	.....	$297,852.51	.....	302	$92,849.30	61	10	340	$158,452.93
1942	4,612	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	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	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	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	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	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	104,050.40	871,773.22	596,606.64	124,422.69	555	130,967.23	44	15	570	298,703.65
1949	6,645	97,958.55	1,033,099.36	677,367.32	147,537.80	433	115,542.92	46	13	603	319,158.08
1950	7,285	90,782.49	1,148,868.57	740,587.71	164,258.26	411	115,482.01	49	18	634	359,836.13
1951	7,581	88,810.02	1,325,133.11	908,236.01	189,091.29	497	134,231.35	54	16	672	440,312.02
1952	8,015	82,018.50	1,467,741.52	1,236,879.14	233,290.53	446	125,207.23	64	18	718	627,018.92
1953	8,644	77,029.41	1,573,606.55	1,384,581.94	262,420.92	528	165,874.20	39	32[1]	725	752,134.63
1954	9,261	71,932.24	1,769,715.04	1,561,986.45	296,499.84	490	167,831.43	44	28[1]	741	799,234.41
1955	10,009	66,086.48	1,965,776.85	1,749,336.21	328,681.18	554	208,845.80	51	23	769	848,082.98
1956	10,871	61,195.98	2,165,528.75	1,915,977.08	360,987.79	593	281,237.59	47	26	790	894,177.37
1957	10,327	56,840.07	2,555,055.23	2,243,943.86	425,782.50	604	299,930.27	63	25	828	939,787.14
	1,400[2]										
	1,002[3]										
1958	10,967	52,504.12	2,836,071.52	2,734,155.57	513,928.39	579	327,072.03	42	28	842	1,207,393.83
	1,635[2]										
	1,113[3]										
1959	11,622	48,875.68	3,292,889.26	3,170,828.06	593,735.73	627	367,236.57	58	25	875	1,191,586.78
	1,730[2]										
	979[3]										
1960	12,283	46,300.21	3,480,676.85	3,581,528.60	672,691.03	724	410,682.25	67	20	922	1,286,831.59
	1,778[2]										
	1,269[3]										
1961	12,963	.....	3,439,597.82	4,535,352.33	.....	767	513,719.93	91	23	990	1,866,428.34
	1,701[2]										
	1,646[3]										
Totals	.....	$1,826,867.06	$32,213,446.37	$29,612,256.00	$4,781,026.83	.....	$4,032,152.73	.....	.....	.....	$13,307,839.69

[1] Expirations include allowances rescinded: 1953, 13; 1954, 1.
[2] Non-active open accounts of teachers who have been out of service less than two years.
[3] Non-active open accounts of teachers who have been out of service over two years. From 1955, accounts without refundable credits are excluded.

SCHEDULE No. 3.—TEACHERS' PENSIONS FUND

COMPARATIVE STATISTICS, JANUARY 1, 1952, TO DECEMBER 31, 1961—ALLOWANCES GRANTED AND IN FORCE, SUBDIVIDED BY TYPE AND PLAN OF ALLOWANCE

Fiscal Year	Granted during Year				Expired during Year				In Force at End of Year			
	Single Life	Guaranteed	Joint Life and Modified	Temporary Annuity	Single Life	Guaranteed	Joint Life and Modified	Temporary Annuity	Single Life	Guaranteed	Joint Life and Modified	Temporary Annuity
1952—												
Normal retirement	2	1	---	48	8	5	---	1	233	159	60	87
Disability	6	---	1	---	4	---	---	---	69	28	16	---
Death	5	---	1	---	---	---	---	---	65	---	1	---
Totals	13	1	2	48	12	5	---	1	367	187	77	87
1953—												
Normal retirement	2	3	1	27	10	6	---	11	225	156	61	103
Disability	---	---	2	---	1	---	1	---	68	28	17	---
Death	4	---	---	---	3	---	---	---	66	---	1	---
Totals	6	3	3	27	14	6	1	11	359	184	79	103
1954—												
Normal retirement	3	2	---	32	13	3	2	4	215	155	59	131
Disability	2	---	1	---	5	---	1	---	65	28	17	---
Death	3	---	1	---	---	---	---	---	69	---	2	---
Totals	8	2	2	32	18	3	3	4	349	183	78	131
1955—[1]												
Normal retirement	---	4	1	39	11	5	---	---	126	114	58	286
Disability	2	---	---	---	3	3	1	---	69	25	15	---
Death	3	---	---	2	---	---	---	---	72	---	2	2
Totals	5	4	1	41	14	8	1	---	267	139	75	288
1956—												
Normal retirement	3	4	1	35	10	3	2	3	119	115	57	318
Disability	3	---	---	---	6	2	---	---	66	23	15	---
Death	1	---	---	---	---	---	---	---	73	---	2	2
Totals	7	4	1	35	16	5	2	3	258	138	74	320
1957—												
Normal retirement	4	2	1	46	7	4	3	6	116	113	55	358
Disability	4	---	---	---	5	---	---	---	65	23	15	---
Death	5	---	---	1	---	---	---	---	78	---	2	3
Totals	13	2	1	47	12	4	3	6	259	136	72	361
1958—												
Normal retirement	5	4	1	27	6	8	---	4	115	109	56	381
Disability	2	---	---	---	5	2	1	---	62	21	14	---
Death	3	---	---	---	1	---	---	1	80	---	2	2
Totals	10	4	1	27	12	10	1	5	257	130	72	383
1959—												
Normal retirement	4	3	1	49	5	8	---	6	114	104	57	424
Disability	---	---	---	---	3	---	1	---	59	21	13	---
Death	1	---	---	---	2	---	---	---	79	---	2	2
Totals	5	3	1	49	10	8	1	6	252	125	72	426
1960—												
Normal retirement	10	7	2	45	4	8	---	5	120	103	59	464
Disability	---	---	---	---	---	2	---	---	59	19	13	---
Death	2	---	---	1	1	---	---	---	80	---	2	3
Totals	12	7	2	46	5	10	---	5	259	122	74	467
1961—												
Normal retirement	11	13	3	50	5	8	---	5	126	108	62	509
Disability	---	6	2	---	1	1	---	---	58	24	15	---
Death	---	---	5	1	3	---	---	---	77	---	7	4
Totals	11	19	10	51	9	9	---	5	261	132	84	513

[1] From 1955 the figures are on actual count by plan in force, including those changed to temporary annuity effective January 1, 1952.

SCHEDULE No. 4.—TEACHERS' PENSIONS FUND

Comparative Statistics, January 1, 1946, to December 31, 1961, 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	-----	-----	-----	-----	-----	-----	-----	-----
1949	2,385	4,260	71	362	21	25	5	8	252	351
Non-active	129	711	-----	-----	-----	-----	-----	-----	-----	-----
1950	2,724	4,561	52	359	24	25	5	13	271	363
Non-active	105	630	-----	-----	-----	-----	-----	-----	-----	-----
1951	2,976	4,605	85	412	25	29	6	10	289	383
Non-active	148	898	-----	-----	-----	-----	-----	-----	-----	-----
1952	3,159	4,856	70	376	28	36	9	9	308	410
Non-active	174	972	-----	-----	-----	-----	-----	-----	-----	-----
1953	3,384	5,260	59	469	27	12	10	22[1]	325	400
Non-active	93	622	-----	-----	-----	-----	-----	-----	-----	-----
1954	3,668	5,593	54	436	27	17	10	18[1]	342	399
Non-active	146	777	-----	-----	-----	-----	-----	-----	-----	-----
1955	4,055	5,954	76	478	28	23	14	9	357	412
Non-active[3]	148	466	-----	-----	-----	-----	-----	-----	-----	-----
1956	4,397	6,474	93	500	21	26	9	17	369	421
Non-active[3]	147	668	-----	-----	-----	-----	-----	-----	-----	-----
1957	4,305	6,022	103	501	23	40	12	13	383	445
Non-active[2]	330	1,070	-----	-----	-----	-----	-----	-----	-----	-----
Non-active[3]	201	801	-----	-----	-----	-----	-----	-----	-----	-----
1958	4,629	6,338	96	483	21	21	14	14	390	452
Non-active[2]	330	1,305	-----	-----	-----	-----	-----	-----	-----	-----
Non-active[3]	234	879	-----	-----	-----	-----	-----	-----	-----	-----
1959	4,982	6,640	103	524	19	39	12	13	397	478
Non-active[2]	409	1,321	-----	-----	-----	-----	-----	-----	-----	-----
Non-active[3]	169	810	-----	-----	-----	-----	-----	-----	-----	-----
1960	5,378	6,905	123	601	18	49	11	9	404	518
Non-active[2]	386	1,392	-----	-----	-----	-----	-----	-----	-----	-----
Non-active[3]	233	1,036	-----	-----	-----	-----	-----	-----	-----	-----
1961	5,738	7,225	131	636	30	61	9	14	425	565
Non-active[2]	379	1,322	-----	-----	-----	-----	-----	-----	-----	-----
Non-active[3]	325	1,321	-----	-----	-----	-----	-----	-----	-----	-----

[1] Expirations include allowances rescinded: 1953, 13; 1954, 1.
[2] Non-active open accounts of teachers out of service less than two years.
[3] Non-active open accounts of teachers out of service more than two years.

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1963

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