PROVINCE OF BRITISH COLUMBIA

Twenty-fifth Annual Report

of the Business Done in Pursuance of the

TEACHERS' PENSIONS ACT

for the Period

JANUARY 1 TO DECEMBER 31

1965

Printed by A. SUTTON, Printer to the Queen's Most Excellent Majesty
in right of the Province of British Columbia.
1966

To Major-General the Honourable 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, 1965, to December 31, 1965.

WESLEY D. BLACK,
Provincial Secretary.

Provincial Secretary's Office,
Victoria, B.C., November 25, 1966.

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, 1965, to December 31, 1965.

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

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

November 24, 1966.

TEACHERS' PENSIONS ACT

ANNUAL REPORT

Report of the Business Done in Pursuance of the Teachers' Pensions Act during the Period January 1, 1965, to December 31, 1965

Sections 6 and 7.—Contributions received from teachers totalled $6,417,058.75, consisting of basic 6-per-cent contributions of $6,036,054.84, extra and voluntary contributions of $338,072.73, individual repayment of refunds for reinstatement of $25,962.22, and individual 12-per-cent contributions for approved periods of leave of absence of $16,968.96.

As at December 31, 1965, there were 16,143 teachers making current contributions, of whom 66 were employed by other than school districts. In addition there were open accounts in the following categories:—

Teachers out of service less than 2 years	1,709
Teachers with deferred vested pension rights	137
	1,846
Teachers out of service more than 2 years	1,745

Section 8 (1).—Employer basic contributions received from the Minister of Finance based on 15,116 teachers contributing in December, 1964, amounted to $4,251,539.10.

Section 8 (3).—Employer contributions received from the British Columbia Teachers' Federation and employers other than school districts for teachers on loan, etc., amounted to $36,245.73. As at December 31, 1965, there were 66 teachers in this category.

Section 8 (5) and (6).—The net rate of interest earned during 1965 after charging administration expenses was 5.0858 per cent. After distributing interest for 1965 to the Basic Account at the guaranteed rate of 4 per cent, amounting to $3,006,667, and to the Retirement Annuity Account at the net earned rate of 5.0858 per cent, amounting to $1,347,756, the excess net interest earned during 1965, amounting to $882,499, was transferred to the Investment Adjustment and Interest Reserve Account.

On the recommendation of the Fund actuary, retroactive calculations were made for the 4-year period 1961–65, inclusive, to provide the Retirement Annuity Account with interest at the net earned rate each year, instead of at the guaranteed rate of 4 per cent. An adjusting entry was made debiting the Investment Adjustment and Interest Reserve Account in the amount of $672,050 and crediting the Basic Account with $81,053 and the Retirement Annuity Account with $590,097. As a result of these entries the Investment Adjustment and Interest Reserve Account totals $2,185,765 as at December 31, 1965.

Section 11.—Superannuation allowances were granted to 116 teachers who attained retirement age. For analysis *see* statements of comparative statistics appended.

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

Section 15.—Superannuation allowances were granted to the dependent in the case of four teachers who died while still in service, and refunds totalling $57,756.96 were made in the case of 21 teachers who died while still in service.

Section 16.—Refunds totalling $961,296.05 were made to 1,170 teachers who left the service of their employers.

Section 20.—Actuarial and administration expenses paid from the Fund amounted to $69,348.49.

Section 25.—The securities held by the trustees on December 31, 1965, are set out in Schedule No. 1 of this Report. During the year $14,905,000 par value bonds were purchased, the average yield being 5.46 per cent, and $2,741,100 par value bonds were redeemed, resulting in a net increase of $12,163,900 par value bonds held by the trustees between December 31, 1964, and December 31, 1965. 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 the Teachers' Pensions Board held three meetings, at which, in accordance with the policies adopted for its guidance, 154 cases were dealt with in respect to the reinstatement of past teaching service, the recognition of service for justifiable absences, and applications for disability allowances.

LEGISLATION

The changes contained in the *Teachers' Pensions Act, 1961, Amendment Act, 1966,* provide for co-ordination with the Canada Pension Plan and the Federal Old Age Security programme and improved the general level of benefits in all categories. Among the more important changes are the following:—

(1) Contributions by teachers to the Teachers' Pensions Fund were reduced, effective January 1, 1966, from 6 to 4½ per cent on the first $500 per month of salary as an offset of the employee contributions required under the Canada Pension Plan.

(2) The formula for employer contributions to the Teachers' Pensions Fund, paid by the Government, remains unchanged, but provision was made for the excess interest earnings of the Fund, not otherwise required, to be used to reimburse Boards of School Trustees for employer contributions paid by them under the Canada Pension Plan in respect of teachers.

(3) The percentage rates used in calculating benefits under the Act were increased from 13 to 25 per cent and include a proportion of the benefits payable under the Canada Pension Plan. The proportion included is 2½ per cent of the Canada Pension Plan benefit payable for each year of pensionable service used in calculating the teacher's pension.

(4) Provision was made for all subsisting superannuation allowances to retired teachers, and widows of teachers who died during service or following retirement, to be recalculated on the increased benefit formula, with the resulting increase in monthly allowance payable effective from July 1, 1966.

(5) Provision was made for persons who are in receipt of an allowance and eligible for membership in the Provincial Teachers' Medical Services or Vancouver School Teachers' Medical Services Association to elect to have the member's monthly premium deducted from the allowance payable, and where such election is made a share of the monthly premium,

amounting to $2.25 in the case of a single member or $4 in the case of a member with one or more dependents, shall be paid out of the excess interest earnings of the Fund.

(6) The portability provisions of the Act were extended as follows:—

(*a*) Permissible absence period, on transfer to service with an approved employer, increased from 5 months to 15 months.

(*b*) The following were added as " approved employers ": Simon Fraser University and a regional college and a school district college.

(*c*) Removal of the " in service at age 55 requirement " for teachers with 20 years or more of pensionable service to be eligible for a deferred pension.

(7) Provision was made for immediate pension regardless of age for teachers who have completed 40 years of pensionable service.

(8) Provision was made for the payment of interest on refunds to teachers who cease teaching after completing 2 years of pensionable service.

(9) The provisions for optional temporary life annuities were changed, both for age and amount, to conform with changes made in the *Old Age Security Act* of Canada.

(10) The requirement to select a plan of allowance at least 12 months before a superannuation allowance is granted was eliminated.

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

TEACHERS' PENSIONS FUND

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1965

Revenue

Contributions as per requirements of the *Teachers' Pensions Act*—			
Employee contributions—			
Basic 6-per-cent contributions	$6,036,054.84		
Extra and voluntary contributions	338,072.73		
Repayment of refunds for reinstatement	25,962.22		
Contributions for approved periods of leave of absence	16,968.96		
		$6,417,058.75	
Employer contributions—			
Basic contributions	$4,251,539.10		
6-per-cent contributions paid by employers other than school districts for teachers on loan, etc.	36,245.73		
		4,287,784.83	
Miscellaneous revenue—Bequest from estate of former retired teacher		2,586.30	
Interest—			
Net on investments	$5,304,578.09		
On bank deposits	1,692.81		
		5,306,270.90	
			$16,013,700.78

Expenditure

Superannuation allowance payments		$2,476,241.73	
Refunds of employee contributions—			
Resignations, etc.	$961,296.05		
Death in service	57,756.96		
Miscellaneous	3,331.97		
		1,022,384.98	
Transfer to Civil Service Superannuation Fund of present value of one allowance granted		27,070.74	
Actuarial and administration expenses		69,348.49	
			3,595,045.94
Net increase of ledger assets			$12,418,654.84

TEACHERS' PENSIONS FUND

BALANCE-SHEET AS AT DECEMBER 31, 1965

Assets

Cash in bank		$109,054.55
Accounts receivable—		
Employee contributions, etc.	$629,075.42	
Employer contributions	4,572.85	
		633,648.27
Investments at cost or par—net after amortization of premiums and discounts (see Schedule No. 1) (par value, $112,587,950)		109,919,615.50
Accrued interest on investments		1,205,233.01
		$111,867,551.33

Liabilities

Teachers' Pensions Fund Basic Account	$82,163,686.00
Employees' Retirement Annuity Account	27,448,637.00
Investment Adjustment and Interest Reserve Account	2,185,764.99
Sundry accounts payable	69,463.34
	$111,867,551.33

Approved.

W. H. FORREST,
Superannuation Commissioner.

G. S. SOUTAR,
Accountant.

The accounts of the Teachers' Pensions Fund for the year ended December 31, 1965, have been examined under my direction.

Subject to the actuarial sufficiency of the Fund and the adequacy of the prescribed tables, 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.

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

Victoria, B.C., November 23, 1966.

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, 1965

	Par Value	Book Value
Government of Canada guaranty — Canadian National Railway Company	$50,000.00	$49,291.62
Province of British Columbia	56,000.00	55,868.50
Province of British Columbia guaranty—		
British Columbia Hydro and Power Authority	45,069,000.00	44,142,626.24
British Columbia Electric Company Limited	1,450,750.00	1,343,818.49
British Columbia Power Commission	7,175,500.00	7,108,853.70
Pacific Great Eastern Railway Company	4,906,000.00	4,800,638.86
Greater Vancouver Water District	1,528,000.00	1,523,630.58
Greater Vancouver Sewerage and Drainage District	1,002,000.00	1,002,394.56
British Columbia School Districts Capital Financing Authority serials	7,078,000.00	7,017,550.00
British Columbia school districts serials	35,946,200.00	34,648,301.32
British Columbia municipal serials	2,403,500.00	2,314,901.51
British Columbia hospital improvement district serials	819,000.00	807,192.00
Naramata Irrigation District serial	193,000.00	192,614.00
Saltair Waterworks District serial	44,000.00	43,252.00
Greater Vancouver Water District serial	500,000.00	483,000.00
Greater Vancouver Sewerage and Drainage District serial	574,000.00	568,346.10
Province of Alberta guaranty—Alberta Municipal Financing Corporation	14,000.00	13,678.08
Province of Manitoba	553,000.00	553,000.00
Province of Ontario	30,000.00	30,054.75
Province of Ontario guaranty—Ontario Municipal Improvement Corporation	3,196,000.00	3,220,603.19
	$112,587,950.00	$109,919,615.50

SCHEDULE No. 2—TEACHERS' PENSIONS FUND

COMPARATIVE STATISTICS, JANUARY 1, 1941, TO DECEMBER 31, 1965

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	.....	$297,852	.....	302	$92,849	61	10	340	$158,452
1943	4,544	130,494	$461,472	317,305	$64,170	272	62,590	39	10	397	190,496
1945	4,609	121,304	535,473	369,607	75,958	489	93,984	57	13	463	225,230
1947	5,942	109,796	759,506	525,893	108,538	622	125,937	57	14	541	273,593
1949	6,645	97,958	1,033,099	677,367	147,537	433	115,542	46	13	603	319,158
1951	7,581	88,810	1,325,133	908,236	189,091	497	134,231	54	16	672	440,312
1953	8,644	77,029	1,573,606	1,384,581	262,420	528	165,874	39	32[1]	725	752,134
1955	10,009	66,086	1,965,776	1,749,336	328,681	554	208,845	51	23	769	848,082
1957	10,327 1,400[2] 1,002[3]	56,840	2,555,055	2,243,943	425,782	604	299,930	63	25	828	939,787
1959	11,622 1,730[2] 979[3]	48,875	3,292,889	3,170,828	593,735	627	367,236	58	25	875	1,191,586
1960	12,181 1,880[2] 1,269[3]	46,300	3,480,676	3,581,528	672,691	724	410,682	67	20	922	1,286,831
1961	12,844 1,820[2] 1,646[3]	.....	3,435,686	4,539,264	.....	767	513,719	91	23	990	1,866,428
1962	13,611 1,754[2] 2,016[3]	.....	3,623,714	4,820,116	.....	857	594,097	88	25	1,053	1,899,974
1963	14,473 1,748[2] 1,256[3]	.....	3,844,244	5,262,358	.....	928	728,689	116	39	1,130	2,088,061
1964	15,216 1,805[2] 1,415[3]	.....	4,083,014	5,745,580	.....	1,058	890,882	106	36	1,200	2,285,112
1965	16,143 1,846[2] 1,745[3]	.....	4,287,785	6,417,059	.....	1,191	1,022,385	125	36	1,289	2,476,242

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

SCHEDULE No. 3.—TEACHERS' PENSIONS FUND

COMPARATIVE STATISTICS, JANUARY 1, 1956, TO DECEMBER 31, 1965—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
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
1962—												
Normal retirement	13	7	3	59	8	3	3	2	131	112	62	566
Disability	----	3	----	----	3	1	----	----	55	26	15	----
Death	----	----	3	----	5	----	----	----	72	----	10	4
Totals	13	10	6	59	16	4	3	2	258	138	87	570
1963—												
Normal retirement	8	14	1	77	5	4	3	18	134	122	60	625
Disability	----	5	2	----	3	2	1	----	52	29	16	----
Death	----	----	7	2	3	----	----	----	69	----	17	6
Totals	8	19	10	79	11	6	4	18	255	151	93	631
1964—												
Normal retirement	9	8	1	75	8	5	5	8	135	125	56	692
Disability	----	4	2	----	6	1	2	----	46	32	16	----
Death	4	----	----	3	1	----	----	----	89	----	----	9
Totals	13	12	3	78	15	6	7	8	270	157	72	701
1965—												
Normal retirement	10	9	4	93	8	5	----	11	137	129	60	774
Disability	----	3	2	----	2	2	1	----	44	33	17	----
Death	3	----	----	1	6	----	----	1	86	----	----	9
Totals	13	12	6	94	16	7	1	12	267	162	77	783

SCHEDULE No. 4.—TEACHERS' PENSIONS FUND

COMPARATIVE STATISTICS, JANUARY 1, 1950, TO DECEMBER 31, 1965, 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
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	5,291	6,890	123	601	18	49	11	9	404	518
Non-active[2]	473	1,407	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	233	1,036	.....	.....	.....	.....	.....	.....	.....	.....
1961	5,638	7,206	131	636	30	61	9	14	425	565
Non-active[2]	479	1,341	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	325	1,321	.....	.....	.....	.....	.....	.....	.....	.....
1962	5,998	7,613	166	691	25	63	12	13	438	615
Non-active[2]	490	1,264	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	422	1,594	.....	.....	.....	.....	.....	.....	.....	.....
1963	6,446	8,027	199	729	39	77	16	23	461	669
Non-active[2]	493	1,255	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	222	1,034	.....	.....	.....	.....	.....	.....	.....	.....
1964	6,706	8,510	258	800	29	77	20	16	470	730
Non-active[2]	610	1,195	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	293	1,122	.....	.....	.....	.....	.....	.....	.....	.....
1965	7,123	9,020	261	930	33	92	16	20	487	802
Non-active[2]	607	1,239	.....	.....	.....	.....	.....	.....	.....	.....
Non-active[3]	323	1,422	.....	.....	.....	.....	.....	.....	.....	.....

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

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1966

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