PROVINCE OF BRITISH COLUMBIA

Thirty-third Annual Report

of the Business Done in Pursuance of the

Teachers' Pensions Act

YEAR ENDED DECEMBER 31

1973

Printed by K. M. MacDonald, Printer to the Queen's Most Excellent Majesty
in right of the Province of British Columbia.
1975

To Colonel the Honourable WALTER S. OWEN, Q.C., LL.D.,
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 fiscal year ended December 31, 1973.

ERNEST HALL
Provincial Secretary

Provincial Secretary's Office,
Victoria, B.C., January 31, 1975.

The Honourable Ernest Hall,
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 fiscal year ended December 31, 1973.

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

W. H. FORREST
Commissioner of Teachers' Pensions

January 31, 1975.

TEACHERS' PENSIONS ACT

ANNUAL REPORT

Report of Business Done in Pursuance of the Teachers' Pensions Act

During the Fiscal Year Ended December 31, 1973

Sections 6, 7, and 10 — Contributions received from teachers totalled $16,153,300, made up as follows:

	$
Basic contributions	15,870,774
Voluntary contributions	52,746
Repayment of refunds for reinstatement	84,955
Contributions for approved periods of leave of absence	29,243
Contributions for approved military or other service	115,582

As at December 31, 1973, there were 31,799 teachers with contributory credits in the fund, made up as follows:

Current contributors—	
Teachers employed by school districts	24,227
Teachers employed other than by school districts	135
Open inactive accounts—	
Teachers out of service less than two years	3,736
Teachers with deferred vested pension rights	213
Teachers out of service more than two years	3,488

Costs assumed by the Minister of Finance in respect of recognition of approved military or other service amounted to $90,867.

Section 8 (1)—Employer basic contributions received from the Minister of Finance, based on 23,526 teachers contributing in December 1972, amounted to $8,846,636.

Section 8 (3), (4), and (5)—Employer contributions received from the British Columbia Teachers' Federation and employers other than school districts for 135 teachers on loan, etc., amounted to $105,155.

Section 8 (8)—Reimbursement to employers of Canada Pension Plan employer contributions paid by them in respect of employees to whom the *Teachers' Pensions Act* applies amounted to $2,407,258.

Sections 11, 11A, 14, and 15 (1)—Superannuation allowances were granted in respect of 291 teachers, as follows:

Normal retirement age	252
Total and permanent disability	7
Deferred	24
Death in service	8

There was a transfer in the amount of $23,246 from a reciprocal employer in respect of one allowance granted. There were transfers in the amount of $434,573 to reciprocal and approved employers in respect of 16 former contributors. For analysis and comparative statistics, *see* Schedules 2, 3, and 4 appended.

Section 13 (4)—Effective July 1, 1973, the matching portion of medical premiums deducted from eligible recipients of a superannuation allowance was paid by the Minister of Finance. Payments from the Fund prior to that date amounted to $42,661.

Sections 15 (5) and 16—Refunds were granted in respect of 1,411 teachers and totalled $1,960,678, made up as follows:

		$
Resignations	1,303	1,798,764
Death in service	28	104,706
Excess contributions on grant allowance	46	56,815
Miscellaneous	34	393

For analysis and comparative statistics, *see* Schedules 2 and 3 appended.

Section 20 — Actuarial and administrative expenses paid from the fund amounted to $147,807.

Section 25—Securities held by the trustees at December 31, 1973, amounted to $238,360,650, par value, as set out in Schedule 1 appended. Transactions during the year (par values) were as follows:

	$
Purchases	26,654,000
Redemptions	4,441,100
Net increase during year	22,212,900

The average yield on securities purchased during the year was 7.927 per cent. 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.

Based on the mean of the opening and closing balances amounting to $230,077,400, the net rate of interest earned during the year after charging administration expense $147,807 and matching portion of pensioners' medical premiums $42,661 was 6.544 per cent.

Section 37—During the year the Teachers' Pensions Board held one meeting at which it dealt with some 15 cases in accordance with Board policies. Applications considered included reinstatement of previous teaching service, payment of employee-employer contributions for periods of absence, and disability allowance.

LEGISLATION

The *Teachers' Pensions Act* was amended at the 1973 Fall Session of the Legislative Assembly, allowing resumption of payment of widows' allowances which had terminated by reason of remarriage.

The Act was further amended at the 1974 Spring Session of the Legislative Assembly. Among the more important changes are the following:

(1) Providing for payment, effective July 1, 1974, to persons in receipt of an allowance prior to January 1, 1974, of a supplementary allowance calculated by applying to the basic lifetime portion of the allowance the following percentages:

Allowances Granted	Percentage Increase
1972 and before	12
1973	4

(2) Introducing, effective April 1, 1975, quarterly adjustment of eligible allowances based on the quarterly change in the consumer price index.

(3) Financing the quarterly adjustment by raising the employee and employer contributions to the Fund by one-half per cent of contributory salaries when the total amount of the supplementary allowances

reaches 1 per cent of the annual amount of contributory salaries with a further raise in such contributions of one-half per cent when required.

(4) Providing for reinstatement of a former contributor who, having taken a refund of his contributions, again becomes a contributor for a continuous period of at least 10 years after an absence of less than three years.

(5) Increasing the Government contribution on behalf of employers to an amount matching contributions by employees, effective January 1, 1975.

(6) Permitting retirement at age 55 with 35 years' service without reduction in allowance. For retirement prior to age 60, with less than 35 years' service, the reduction is 5 per cent for each year short of age 60.

(7) Increasing the rate of interest paid on refunds of compulsory contributions to 4 per cent per annum, effective January 1, 1975, authorizing the Lieutenant-Governor in Council to specify a higher rate to be applied to voluntary contributions, and providing for the cessation of accumulation of interest at the end of 10 years from the date of the last contribution.

(8) Providing for adjustment based on changes in the consumer price index of the amount of salary used in calculations with respect to deferred allowances, disability allowances, and allowances during re-employment.

W. H. FORREST
Superannuation Commissioner

TEACHERS' PENSIONS FUND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1973

ASSETS

Cash	$1,326,279
Contributions receivable	1,740,616
Accrued interest on investments	3,413,486
Investments at the lower of cost or par value after amortization of discounts (Schedule 1) (Par value $238,360,650)	235,926,008
	$242,406,389

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable		$232,829
Fund Balance		
Pensions Account, being the amount available for the payment of current pensions	$101,047,063	
Employee Contributions Account	135,190,063	
Employer Reserve Account	5,936,434	
		242,173,560
		$242,406,389

NOTE—These financial statements show only the position of the Fund and the changes in Fund balance and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan.

W. H. FORREST
Commissioner of Teachers' Pensions

C. WEBSTER, C.A.
Accountant

AUDITOR'S REPORT

I have examined the statement of financial position of the Teachers' Pensions Fund as at December 31, 1973, and the statement of changes in fund balance for the year then ended. My examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Fund as at December 31, 1973, and the changes in fund balance for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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

Victoria, British Columbia
January 17, 1975

TEACHERS' PENSIONS FUND

STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1973

Fund Balance Increased During Year by			
Contributions per requirements of the *Teachers' Pensions Act*—			
Employees:			
Basic contributions		$15,870,774	
Voluntary contributions		52,746	
Repayment of refunds for reinstatement		84,955	
Contributions for approved periods of leave of absence		29,243	
Contributions for approved military or other service		115,582	
			$16,153,300
Employers:			
Basic contributions		$8,846,636	
Contributions paid by employers other than school districts for teachers on loan, etc		105,155	
			8,951,791
Transfers from Public Service Superannuation Fund *re* one pension granted			23,246
Interest on investments			14,769,956
			$39,898,293
Fund Balance Decreased During Year by			
Superannuation allowances		$10,712,996	
Refund of contributions—			
Resignations	$1,798,764		
Death in service	104,706		
Excess on grant of allowance	56,815		
Miscellaneous	393		
		1,960,678	
Transfers to other funds—			
Public Service Superannuation Fund *re* 14 pensions granted	395,903		
Province of Manitoba Teachers' Pensions Fund	1,346		
Province of Ontario Teachers' Pensions Fund	37,324		
		434,573	
Portion of medical premiums in respect of eligible recipients of a superannuation allowance		42,661	
Reimbursement to employers of Canada Pension Plan employer contributions paid by them in respect of employees to whom the *Teachers' Pensions Act* applies		2,407,258	
Actuarial and administration expenses		147,807	
			15,705,973
Net increase in Fund balance during year			$24,192,320
Fund balance—December 31, 1972			217,981,240
Fund balance—December 31, 1973			$242,173,560

SCHEDULE 1

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

Securities Held as at December 31, 1973

	Par Value	Book Value
Province of British Columbia Guaranty		
	$	$
B.C. Hydro and Power Authority	148,650,000	147,356,076
B.C. Electric Company Limited	1,450,750	1,384,740
B.C. Power Commission	6,256,000	6,214,360
B.C. Railway Company	29,176,000	29,109,178
Greater Vancouver Water District	1,528,000	1,525,637
Greater Vancouver Sewerage and Drainage District	980,000	979,828
B.C. School Districts Serials	15,351,400	14,745,195
B.C. School Districts Capital Financing Authority Serials	4,158,000	4,123,062
B.C. School Districts Capital Financing Authority	25,127,000	24,902,097
B.C. Municipal Serials	1,208,000	1,160,975
B.C. Improvement Districts	984,000	975,713
Nechako Improvement District Serial	712,000	705,236
B.C. Hospital Improvement Districts Serials	768,000	758,694
B.C. Irrigation Districts Serials	250,000	246,956
B.C. Irrigation Districts	715,500	714,462
B.C. Water Works Districts	94,000	93,262
Greater Vancouver Water District Serial	500,000	483,000
Greater Vancouver Sewerage and Drainage District Serial	438,000	433,686
Province of Alberta Guaranty		
Alberta Municipal Financing Corporation	14,000	13,851
	238,360,650	235,926,008

SCHEDULE 2

TEACHERS' PENSIONS FUND

Main Comparative Statistics, January 1, 1941, to December 31, 1973

Fiscal Year	Number of Contributors at End of Fiscal Year	Contributions			Employer C.P.P. Abatements	Withdrawals		Allowances			
		Employer, Including Sec. 4 to 1959	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
1945	4,609	656,777	369,607	75,958	.....	489	93,984	57	13	463	225,230
1949	6,645	1,131,057	677,367	147,537	.....	433	115,542	46	13	603	319,158
1951	7,581	1,413,943	908,236	189,091	.....	497	134,231	54	16	672	440,312
1955	10,009	2,031,862	1,749,336	328,681	.....	554	208,845	51	23	769	848,082
1959	11,622 1,730[1] 973[2]	3,341,764	3,170,828	593,735	.....	627	367,236	58	25	875	1,191,586
1961	12,844 1,820[1] 1,646[2]	3,435,686	4,539,264	.....	.....	767	513,719	91	23	990	1,866,428
1963	14,473 1,748[1] 1,256[2]	3,844,244	5,262,358	.....	.....	928	728,689	116	39	1,130	2,088,061
1965	16,143 1,846[1] 1,745[2]	4,287,785	6,417,059	.....	.....	1,191	1,022,385	125	36	1,289	2,476,242
1967	18,994 2,586[1] 1,814[2]	4,937,996	7,178,000	.....	1,503,260	1,214	1,203,347	185	42	1,604	3,965,122
1969	22,454 3,030[1] 2,235[2]	5,840,194	9,372,339	.....	1,719,147	1,650 1,609[3]	1,663,815 703,318[3]	267	49	1,989	5,918,745
1971	23,905 3,993[1] 2,915[2]	6,801,074	12,059,857	.....	2,116,290	1,597	1,833,216	239	74	2,367	7,498,172
1972	23,652 3,690[1] 3,171[2]	8,176,536	14,017,285	.....	2,194,024	1,706	2,132,556	322	52	2,637	8,736,776
1973	24,362 3,949[1] 3,488[2]	8,951,791	16,153,300	.....	2,407,258	1,411	1,960,678	291	47	2,881	10,712,996

[1] Nonactive open accounts of teachers who have been out of service less than two years.
[2] Nonactive open accounts of teachers who have been out of service over two years.
[3] Refund of extra compulsory contributions under section 12 of *Teachers' Pensions (Amendment) Act, 1968.*

SCHEDULE 3

TEACHERS' PENSIONS FUND

Comparative Statistics, January 1, 1959, to December 31, 1973, Subdivided According to Sex of Contributor

Fiscal Year	Number of Contributors		Number of Refunds Granted		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
1959	4,982	6,640	103	524	19	39	12	13	397	478
Nonactive[1]	409	1,321	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	169	810	-----	-----	-----	-----	-----	-----	-----	-----
1961	5,638	7,206	131	636	30	61	9	14	425	565
Nonactive[1]	479	1,341	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	325	1,321	-----	-----	-----	-----	-----	-----	-----	-----
1963	6,446	8,027	199	729	39	77	16	23	461	669
Nonactive[1]	493	1,255	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	222	1,034	-----	-----	-----	-----	-----	-----	-----	-----
1965	7,123	9,020	261	930	33	92	16	20	487	802
Nonactive[1]	607	1,239	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	323	1,422	-----	-----	-----	-----	-----	-----	-----	-----
1967	8,329	10,665	316	898	73	112	8	34	601	1,003
Nonactive[1]	704	1,882	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	404	1,410	-----	-----	-----	-----	-----	-----	-----	-----
1969	10,009	12,445	1,756[3]	1,503[3]	93	174	21	28	739	1,250
Nonactive[1]	886	2,144	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	524	1,711	-----	-----	-----	-----	-----	-----	-----	-----
1971	10,914	12,991	393	1,204	86	153	24	50	881	1,486
Nonactive[1]	1,195	2,798	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	649	2,266	-----	-----	-----	-----	-----	-----	-----	-----
1972	11,132	12,520	430	1,276	125	197	19	28	987	1,650
Nonactive[1]	1,052	2,638	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	713	2,458	-----	-----	-----	-----	-----	-----	-----	-----
1973	11,466	12,896	380	1,031	85	206	15	32	1,057	1,824
Nonactive[1]	1,126	2,823	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	784	2,704	-----	-----	-----	-----	-----	-----	-----	-----

[1] Nonactive open accounts of teachers who have been out of service less than two years.
[2] Nonactive open accounts of teachers who have been out of service over two years.
[3] Includes refund of extra compulsory contributions only, 1,609.

SCHEDULE 4

TEACHERS' PENSIONS FUND

Summary of Normal Allowances Granted During 1973

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Number of Allowances Granted	Years of Service	Average Salary During Last 5 Years	Average Annual Allowance, Single Life Plan	Average Value of Allowance	Average Teacher's Share	Average Government Share
		$	$	$	$	$
39	10–14	9,317	1,872	20,087	6,855	13,232
36	15–19	9,979	2,736	29,201	9,877	19,324
25	20–24	10,927	4,020	42,823	12,873	29,950
36	25–29	11,193	5,748	59,360	16,091	43,269
51	30–34	11,553	7,128	73,657	18,262	55,395
35	35–39	13,170	8,916	92,156	19,563	72,593
30	40 and over	14,212	9,648	92,904	20,068	72,836

AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR

		$	$	$	$	$
252	27	11,410	5,724	58,775	14,850	43,925

TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR

		$	$	$	$	$
252	.....	.....	120,437	14,811,386	3,742,199	11,069,187

SUBDIVIDED BY YEARS OF SERVICE AND AGE AT RETIREMENT

Years of Service	Age at Retirement												
	Under 55	56	57	58	59	60	61	62	63	64	65	Total	Per Cent
Under 10 years	—	—	—	—	—	—	—	—	—	—	—		
10–14 years	—	—	—	—	—	9	2	5	3	1	19	39	16
15–19 years	—	—	—	—	—	9	5	5	4	1	12	36	14
20–24 years	—	—	—	—	—	7	2	1	6	2	7	25	10
25–29 years	—	—	—	—	—	5	2	5	4	5	15	36	14
30–34 years	—	—	—	—	—	9	8	4	5	6	19	51	20
35 years and over	—	—	—	—	—	13	9	6	3	8	26	65	26
Totals	—	—	—	—	—	52	28	26	25	23	98	252	100

ALLOWANCES OTHER THAN NORMAL GRANTED DURING 1973

Number of Allowances Granted	Death	Disability	Deferred
39	8	7	24

Printed by K. M. MACDONALD, Printer to the Queen's Most Excellent Majesty
in right of the Province of British Columbia.
1975

480-275-4268