PROVINCE OF BRITISH COLUMBIA

Thirty-fourth Annual Report

of the Business Done in Pursuance of the

Teachers' Pensions Act

YEAR ENDED DECEMBER 31

1974

Printed by K. M. MacDonald, Printer to the Queen's Most Excellent Majesty
in right of the Province of British Columbia.
1976

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, 1974.

GRACE McCARTHY
Provincial Secretary

Provincial Secretary's Office,
Victoria, B.C., March 12, 1976.

The Honourable Grace McCarthy,
Provincial Secretary, Victoria, B.C.

MADAM: 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, 1974.

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

W. H. FORREST
Commissioner of Teachers' Pensions

March 12, 1976.

TEACHERS' PENSIONS ACT

ANNUAL REPORT

Report of Business Done in Pursuance of the Teachers' Pensions Act
During the Fiscal Year Ended December 31, 1974

Section 4D—Cost-of-living supplements totalling $622,365, paid in the period July 1 through December 31, 1974, were charged to Pension Account. When the accumulated payments exceed 1 per cent of the average annual total of contributory salaries, cost-of-living supplements are to be financed by additional employee and employer contributions each at the rate of ½ per cent of salary, with a further similar increase when the accumulated payments again exceed 1 per cent of the average annual total of contributory salaries. Projections indicate the first increase in contributions will be effective on or about May 1, 1976.

Sections 6, 7, and 10—Contributions received from teachers totalled $19,088,332, made up as follows:

	$
Basic contributions	18,741,226
Voluntary contributions	45,549
Repayment of refunds for reinstatement	132,534
Contributions for approved periods of leave of absence	32,784
Contributions for approved military or other service	136,239

As at December 31, 1974, there were 36,385 teachers with contributory credits in the fund, made up as follows:

Current contributors—	
Teachers employed by school districts	28,251
Teachers employed other than by school districts	117
Open inactive accounts—	
Teachers out of service less than two years	4,102
Teachers with deferred vested pension rights	284
Teachers out of service more than two years	3,631

Costs assumed by the Minister of Finance in respect of recognition of approved military or other service amounted to $135,949.

Section 8 (1)—Employer basic contributions received from the Minister of Finance, at 70 per cent of the amount paid by teachers employed by school districts, amounted to $13,043,273.

Section 8 (3), (4), and (5)—Employer contributions received from the British Columbia Teachers' Federation and employers other than school districts for 117 teachers on loan, etc., amounted to $107,974.

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 $3,089,240.

Sections 11, 11A, 14, and 15 (1)—Superannuation allowances were granted in respect of 389 teachers as follows:

Normal retirement age	361
Total and permanent disability	5
Death in service	14
Resumption of remarried widows' allowances	9

Transfers totalling $286,944 were received from three reciprocal pension plans in respect of 13 contributors upon grant of allowance and in respect of six contributors following transfer of service.

Transfers totalling $753,707 were made to five reciprocal pension plans in respect of 17 contributors upon grant of allowance and in respect of 13 contributors following transfer of service.

For analysis and comparative statistics, *see* Schedules 2, 3, and 4 appended.

Section 13 (4)—The matching portion of medical premiums deducted from eligible recipients of a superannuation allowance was paid by the Minister of Finance.

Sections 15 (5) and 16—Refunds were granted in respect of 1,277 teachers and totalled $2,213,370 made up as follows:

		$
Resignations	1,210	2,107,773
Death in service	14	55,446
Excess contributions on grant of allowance	46	49,476
Miscellaneous	7	675

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

Section 20—Actuarial and administrative expenses paid from the fund amounted to $168,932.

Section 25—Securities held by the trustees at December 31, 1974, amounted to $259,947,550, par value, as set out in Schedule 1 appended. Transactions during the year (par values) were as follows:

	$
Purchases	24,792,000
Redemptions	3,205,100
	21,586,900

The average yield on securities purchased during the year was 9.557 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 $256,987,011 the net rate of interest earned during the year after charging administration expense $168,932 was 6.848 per cent.

Section 37—During the year the Teachers' Pensions Board held one meeting at which it dealt with some nine cases in accordance with Board policies. Applications considered all related to disability allowances.

LEGISLATION

The *Teachers' Pensions Act* was amended at the 1975 Session of the Legislative Assembly. The more important changes are as follows:

(1) Amending the formula for calculating cost-of-living supplements for pensioners.

(2) Amending the formula for calculating the highest average for pension purposes of persons who have been receiving benefits under an approved group disability salary continuance plan.

(3) Permitting employees who transferred to a reciprocal employer and elected prior to July 1, 1973, to have their contributions transferred to the voluntary account of that employer's pension plan to reinstate those contributions and their service under this Act.

(4) Permitting the spouse of an employee who dies in service, being eligible for an allowance, to select a plan with or without a temporary annuity.

W. H. FORREST
Commissioner of Teachers' Pensions

TEACHERS' PENSIONS FUND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1974

ASSETS

Cash and bank deposit notes		$7,429,323
Contributions receivable—		
Employee and employer	$2,892,249	
Province of British Columbia *re* deficit in employer reserve	2,679,472	
		5,571,721
Accrued interest on investments		4,084,044
Investments at the lower of cost or par value after amortization of discounts (Par value $259,947,550)		257,728,825
		$274,813,913

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable		$333,979
Fund Balance		
Pensions Account, being the amount available for the payment of current pensions	$118,723,731	
Employee Contributions Account	155,756,203	
		274,479,934
		$274,813,913

NOTE—These financial statements show only the position of the Fund as at December 31, 1974, and the changes in Fund balance for the year then ended 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, 1974, 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, 1974, 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, B.C.
January 30, 1976.

TEACHERS' PENSIONS FUND

STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 1974

Fund Balance Increased During Year by			
Contributions per requirements of the *Teachers' Pensions Act*—			
Employees:			
Basic contributions		$18,741,226	
Voluntary contributions		45,549	
Repayment of refunds for reinstatement		132,534	
Contributions for approved periods of leave of absence		32,784	
Contributions for approved military or other service		136,239	
			$19,088,332
Employers:			
Basic contributions		$13,043,273	
Contributions paid by employers other than school districts for teachers on loan, etc.		107,974	
			13,151,247
Province of British Columbia *re* deficit in Employer Reserve Account			2,679,472
Transfers from other funds—			
Public Service Superannuation Fund		$234,814	
College Pension Fund		8,977	
Government of Canada Public Service Pension Account		43,153	
Province of Alberta Teachers' Pensions Fund		58,451	
			345,395
Interest on investments			17,185,283
			52,449,729
Fund Balance Decreased During Year by			
Superannuation allowances—			
Contributory allowances	$13,295,741		
Cost-of-living supplements	622,365		
		$13,918,106	
Refund of contributions—			
Resignations	2,107,773		
Death in service	55,446		
Excess on grant of allowance	49,476		
Miscellaneous	675		
		2,213,370	
Transfers to other funds—			
Public Service Superannuation Fund	435,511		
College Pension Fund	188,472		
Government of Canada Public Service Pension Account	117,476		
Province of Alberta Teachers' Pensions Fund	7,470		
Province of Ontario Teachers' Pensions Fund	4,778		
		753,707	
Reimbursement to employers of Canadian Pension Plan employer contributions paid by them in respect of employees to whom the *Teachers' Pensions Act* applies		3,089,240	
Actuarial and administration expenses		168,932	
			20,143,355
Net increase in Fund balance during year			32,306,374
Fund balance—December 31, 1973			242,173,560
Fund balance—December 31, 1974			$274,479,934

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, 1974

	Par Value	Book Value
Province of British Columbia Guaranty	$	$
B.C. Hydro and Power Authority	168,877,000	167,667,630
B.C. Electric Company Limited	1,450,750	1,389,855
B.C. Power Commission	6,256,000	6,216,810
B.C. Railway Company	33,741,000	33,678,996
Greater Vancouver Water District	1,528,000	1,525,888
Greater Vancouver Sewerage and Drainage District	980,000	979,842
B.C. School Districts Serials	12,870,800	12,356,847
B.C. School Districts Capital Financing Authority Serials	3,793,000	3,761,251
B.C. School Districts Capital Financing Authority	25,127,000	24,915,216
B.C. Municipal Serials	1,001,500	962,616
B.C. Improvement Districts	984,000	976,101
Nechako Improvement District Serial	691,000	684,435
B.C. Hospital Improvement Districts Serials	674,000	665,684
B.C. Irrigation Districts Serials	234,000	231,073
B.C. Irrigation Districts	715,500	714,510
B.C. Water Works Districts	94,000	93,297
Greater Vancouver Water District Serial	500,000	483,000
Greater Vancouver Sewerage and Drainage District Serial	416,000	411,902
Province of Alberta Guaranty		
Alberta Municipal Financing Corporation	14,000	13,872
	259,947,550	257,728,825

SCHEDULE 2

TEACHERS' PENSIONS FUND

Main Comparative Statistics, January 1, 1941, to December 31, 1974

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
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
1974	28,368 4,386[1] 3,631[2]	13,151,247	19,088,332	.....	3,089,240	1,277	2,213,370	389	51	3,219	13,295,741 622,365[4]

[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.*
[4] Cost-of-living supplements, effective July 1, 1974, to be financed by additional employee and employer contributions.

SCHEDULE 3

TEACHERS' PENSIONS FUND

Comparative Statistics, January 1, 1959, to December 31, 1974, 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	-----	-----	-----	-----	-----	-----	-----	-----
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	-----	-----	-----	-----	-----	-----	-----	-----
1974	12,965	15,403	359	918	147	242	21	30	1,183	2,036
Nonactive[1]	993	3,393	-----	-----	-----	-----	-----	-----	-----	-----
Nonactive[2]	852	2,779	-----	-----	-----	-----	-----	-----	-----	-----

[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 1974

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Years of Service	Number of Allowances Granted	Average Salary During Last 5 Years	Average Annual Allowance, Single Life Plan	Average Value of Allowance	Average Teachers' Share	Average Government Share
		$	$	$	$	$
Under 10	1	17,782	3,156	32,667	7,757	24,190
10–14	42	10,728	2,256	25,108	6,657	18,451
15–19	52	11,835	3,648	38,440	10,295	28,145
20–24	48	12,060	4,860	51,031	12,754	38,277
25–29	58	11,871	6,192	66,449	15,185	51,264
30–34	32	13,694	8,280	85,822	19,638	66,184
35–39	43	14,765	9,996	108,261	19,451	88,810
40 and over	27	16,120	10,944	106,746	20,066	86,680
AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR						
303	26	12,737	6,168	64,928	14,265	50,663
TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR						
303	----	----	155,861	19,673,298	4,322,246	15,351,052

SUBDIVIDED BY YEARS OF SERVICE AND AGE AT RETIREMENT

Years of Service	Age at Retirement												
	55	56	57	58	59	60	61	62	63	64	65	Total	Per Cent
Under 10	----	----	----	----	----	----	1	----	----	----	----	1	----
10–14	1	----	1	3	2	6	2	7	2	4	14	42	14
15–19	2	1	2	2	2	7	2	6	1	6	21	52	17
20–24	----	1	----	3	3	9	1	4	5	7	15	48	16
25–29	----	----	----	1	5	12	6	6	9	6	13	58	19
30–34	----	2	----	----	5	7	2	4	1	1	10	32	11
35 and over	2	1	2	8	8	13	5	4	5	4	18	70	23
	5	5	5	17	25	54	19	31	23	28	91	303	100

Allowances Other Than Normal Granted During 1974

Number of Allowances Granted	Death	Disability	Deferred	Resumption of Remarried Widows' Allowances
86	14	5	58	9

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