

Dear retiree,

As you may be aware, legislation was passed in May 2014 that repealed the Teachers' Pension Act (TPA). The TPA has been replaced with the Teachers' Pension Plan Act (TPPA), which provides the regulatory framework for the amended Teachers' Pension Plan.

Active and retired teachers will see changes to their pension plan as a result of amendments to the Teachers' Pension Plan. Active teachers will see their contributions increase, their age service index increase slightly for future service, and they will move to an enhanced career average earnings formula for future service.

Key features of the amended Teachers' Pension Plan for Retired Teachers include:

- **No change to your current pension.** This means that your pension benefit will not be changed as a result of the amendments to the plan.
- **On a go forward basis,** the cost of living increases calculated for your pension every January 1st will be based on **75% of the Consumer Price Index** (up to a maximum of 4.75%).
- **Cost of living increases will be applied automatically,** dependent on the financial position of the Teachers' Pension Plan. It is important to note that as of July 1st, 2014, the pension plan will be at least 100% funded and extra contributions are being made by active teachers and the province to build up a reserve in the pension plan to protect plan benefits.
- In the event of a prolonged economic downturn, there is a very low probability that your benefits could be reduced in the future. However, funding mechanisms have been developed that are designed to protect your benefit against future economic volatility. These mechanisms must be utilized before an impact on retiree benefits (indexation or base) would ever occur.