



The Alberta Teachers' Association

Government Resolves Teacher Pension Cap Issue

November 9, 2018

The Alberta government has approved an order in council fixing a 1995 regulation that unfairly limits the amount of pension some teachers have received.

The provision in the *Teachers' Pension Plan Act* applied the federal *Income Tax Act* pension maximum in a manner that reduced the pension payable for members earning salaries above certain amounts. Even though the members made contributions into the plan based on a higher expected pension amount, the pension payments after retirement were reduced. The reductions primarily affected teachers with six years of education who were in receipt of an allowance. In recent years, increasing numbers of school and central-office administrators were being impacted by the reduction.

Today's change will remove the reduction, ensuring all plan members will receive the pension they have paid for. The change will come in to effect on January 1, 2019.

ATA president Greg Jeffery welcomed the news and commended Education Minister David Eggen and Finance Minister Joe Ceci for their work on this matter.

"We have been working with the government for a number of years to get this problem fixed and are very pleased that it has now been resolved," said Jeffery. "While the issue did not affect a large number of teachers, it unfairly denied these teachers the pension benefit to which they were fully entitled."

The regulatory change does not represent a pension improvement, as it simply resolves a problem that existed for certain members. Because contribution rates had already been based on the higher expected pension amount, the plan is sufficiently funded to handle this change without a need to adjust current contribution rates.

The Alberta Teachers' Retirement Fund is contacting pensioners affected by the reduction to inform them of the news. A posting with further information will be included on their website at www.atrf.com.