



2009 ATRF FINANCIALS

Management's Responsibility for Financial Reporting	34
Auditor's Report	35
Financial Statements	36
Notes to the Financial Statements	38
Letter from the Actuary	47
11-Year Financial & Statistical Review	48

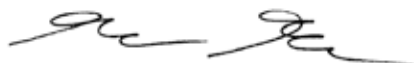
Management's Responsibility for **FINANCIAL REPORTING**

The financial statements of the Alberta Teachers' Retirement Fund Board and all information in the Annual Report are the responsibility of management and have been approved by the Board. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions with due consideration to materiality.

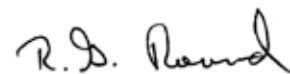
Financial and operating data elsewhere in the Annual Report is consistent with the information contained in the financial statements.

For the integrity of financial information included in this Annual Report, management relies on the organization's system of internal controls and supporting procedures. This system has been established to ensure within reasonable limits that assets are safeguarded, that transactions are properly executed in accordance with management's authorization, and that the accounting records provide a solid foundation from which to prepare the financial statements. Controls include high quality standards for hiring and training employees, an organizational structure that provides a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines throughout the organization.

Ultimate responsibility for the financial statements rests with the Board, which is assisted in its responsibilities by the staff and the Audit Committee. The Alberta Teachers' Retirement Fund Board's external auditor, the Auditor General, has conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as he considers necessary to express the opinion in his report. The Audit Committee of the Board reviews the Auditor's Report and the financial statements and recommends them for approval by the Board. The Auditor General has full and unrestricted access to discuss the audit and related findings regarding the integrity of financial reporting and the adequacy of internal control systems.



Emilian V. Groch
Chief Executive Officer



Randy G. Round, CA
Director, Financial Services



Auditor's REPORT

To the Alberta Teachers' Retirement Fund Board

I have audited the Statements of Net Assets Available for Benefits and Accrued Pension Benefits and Deficiency of the Alberta Teachers' Retirement Fund Board as at August 31, 2009 and 2008 and the Statements of Changes in Net Assets Available for Benefits and Changes in Accrued Pension Benefits for the years then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform my audits to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Pension Benefits and Deficiency of the Board as at August 31, 2009 and 2008 and the Changes in Net Assets Available for Benefits and Changes in Accrued Pension Benefits for the years then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
December 4, 2009

Original Signed by Fred J. Dunn, FCA
Auditor General

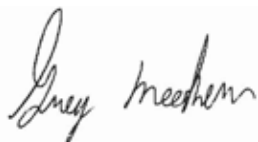
Financial STATEMENTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED PENSION BENEFITS AND DEFICIENCY AS AT AUGUST 31, 2009

\$ Thousands	2009	2008
Assets		
Cash	\$ 1,351	\$ 1,683
Investments (Note 4)	3,757,560	4,177,816
Receivables (Note 5)	24,215	26,357
Loan Receivable from the Province (Note 1b and Note 6)	1,184,685	944,099
Capital assets (Note 7)	284	360
	4,968,095	5,150,315
Liabilities		
Accounts payable (Note 8)	11,655	12,922
Net assets available for Post-August 1992 benefits	4,956,440	5,137,393
Actuarial Value of Accrued Pension Benefits (Note 12)	6,861,654	6,321,904
Deficiency	\$ 1,905,214	\$ 1,184,511

The accompanying notes are part of these financial statements.

Approved by the Board



Greg Meeker
Chair



James Fleming
Vice Chair

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED AUGUST 31, 2009**

\$ Thousands	2009	2008
Increase in Net Assets		
Investment losses (Note 9)	\$ (519,587)	\$ (209,400)
Interest on Loan Receivable from the Province (Note 1b and Note 6)	76,087	60,330
Advances Assumed by the Province (Note 1b and Note 6)	–	724,174
	(443,500)	575,104
Contributions (Note 10)		
Teachers	234,586	216,049
Province of Alberta	215,822	203,513
Employers	880	745
Past service purchases	4,884	3,772
Transfers from other plans	11,711	10,051
	467,883	434,130
Total increase in net assets	24,383	1,009,234
Decrease in Net Assets		
Pension benefits	152,976	130,032
Termination benefits	26,268	27,197
Transfer to other plans	7,893	3,988
Administrative expenses (Note 11)	18,199	18,540
Total decrease in net assets	205,336	179,757
Change in Net Assets for the Year	(180,953)	829,477
Net Assets Available for Benefits at Beginning of Year	5,137,393	4,307,916
Net Assets Available for Benefits at End of Year	\$ 4,956,440	\$ 5,137,393

**STATEMENTS OF CHANGES IN ACCRUED PENSION BENEFITS
FOR THE YEAR ENDED AUGUST 31, 2009**

\$ Thousands	2009	2008
Accrued Pension Benefits at Beginning of Year	\$ 6,321,904	\$ 11,316,191
Accrued Pension Benefits Assumed by the Province (Note 1b)	–	(5,867,827)
Increase (Decrease) in Accrued Pension Benefits		
Interest on accrued benefits	465,248	403,700
Benefits accrued	360,718	340,130
Changes in actuarial assumptions	131,023	58,300
Experience (gains) losses	(246,697)	218,804
Benefits paid	(170,542)	(147,394)
	539,750	873,540
Accrued Pension Benefits at End of Year	\$ 6,861,654	\$ 6,321,904

Notes to the Financial STATEMENTS

NOTE 1 AUTHORITY AND NATURE OF OPERATIONS

a) Authority

The Alberta Teachers' Retirement Fund Board, a corporation of the Province of Alberta (the "Province") operating under the authority of the *Teachers' Pension Plans Act*, Chapter T-1, RSA 2000, is the trustee and administrator of the Teachers' Pension Plan and the Private School Teachers' Pension Plan (the "Plans"). The Plans are Registered Pension Plans as defined in the *Income Tax Act* and are not subject to income taxes. The income tax registration number is 0359125.

b) Obligations relating to the Pre-September 1992 Period

The Teachers' Pension Plan assets and obligations arising from operations since August 31, 1992 (the "Post-August 1992 period") have been accounted for separately from the assets and obligations arising from operations prior to September 1, 1992 (the "Pre-September 1992 period") and, accordingly, the actuarial value of accrued pension benefits and resulting surpluses or deficiencies have been determined on a Pre-September 1992 period and Post-August 1992 period basis in each actuarial valuation completed since August 31, 1992.

During the 2002-2003 year, net assets available for benefits arising from operations during the Pre-September 1992 period were depleted. In accordance with legislation, each month since that time, assets were notionally advanced from Post-August 1992 period operations to Pre-September 1992 period operations to facilitate the segregation of accounting for the ongoing requirements relating to the Pre-September 1992 period. A rate of interest equal to the assumed rate of return on invested assets was used to charge interest on amounts advanced. Interest on amounts advanced

is a component of the total unfunded liability related to Pre-September 1992 period operations.

Legislation has been enacted to provide for the Province to:

- pay the total additional contributions relating to the unfunded liability in respect to service earned prior to September 1992 for the period September 1, 2007 to August 31, 2009;
- assume full responsibility effective September 1, 2009 for the unfunded liability in respect to service earned prior to September 1992; and,
- pay, no earlier than January 1, 2010, the amount advanced relating to the Pre-September 1992 period, including interest, at a prescribed rate, for the period September 1, 2009 until payment occurs.

These financial statements and notes include transactions relating to the Post-August 1992 period and to the Private School Teachers' Pension Plan.

NOTE 2 DESCRIPTION OF THE PENSION PLANS

The following description of the Plans is a summary only.

a) General

The Plans are contributory defined-benefit pension plans for the teachers of Alberta.

b) Funding

The determination of the value of the benefits and the required contributions for the Plans is made on the basis of periodic actuarial valuations (Note 12).

All teachers under contract with school jurisdictions and charter schools in Alberta are required to

contribute to the Teachers' Pension Plan. Current service costs and related deficiencies are funded by equal contributions from the Province and the teachers. An additional 10 percent cost-of-living adjustment for service earned after 1992, as described in Note 2(h), is funded entirely by the teachers.

The unfunded liability and responsibility for funding of benefits earned for service prior to September 1, 1992 have been assumed by the Province. Benefits for Pre-September 1992 service are guaranteed by the Province. Transactions relating to the Pre-September 1992 period are not included in these financial statements.

Certain public colleges and other designated organizations in Alberta also participate in the Teachers' Pension Plan under the same funding arrangements, except these organizations make the employer contributions rather than the Province.

Certain private schools participate in the Private School Teachers' Pension Plan. Plan costs are funded by contributions from the employers and the teachers.

c) Retirement Pensions

Retirement pensions are based on the number of years of pensionable service and the highest consecutive five-year average salary. Pensions are payable to teachers who retire after completion of at least five years of pensionable service, with certain restrictions, and who have attained age 65. Unreduced pensions are also payable to teachers who have reached at least age 55 and the sum of their age and service equals 85. With certain restrictions, reduced early retirement pensions are payable to teachers who retire on or after age 55 with a minimum of five years of pensionable service.

d) Disability Benefits

Teachers who are disabled after August 31, 1992 are credited with pensionable service while disabled. Teachers do not contribute to the Plans while disabled.

e) Termination Benefits

Refunds or commuted value transfers are available when a teacher ceases employment.

f) Death Benefits

Death benefits are available upon the death of a teacher and may be available upon the death of a pensioner. The benefit may take the form of a lump sum payment or a survivor pension.

g) Other Provisions

Purchase of past service and reinstatement of refunded service is allowed on a basis that is cost neutral to the Plans.

h) Cost-of-Living Adjustments

Pensions payable are increased each year by an amount equal to 60 percent of the increase in the Alberta Consumer Price Index. The portion of pension earned after 1992 is increased by an additional 10 percent of the increase in the Alberta Consumer Price Index.

NOTE 3

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

a) Basis of Presentation

The financial statements are prepared on a going-concern basis in accordance with Canadian generally accepted accounting principles and present the aggregate financial position of the Plans. The statements disclose the net assets available to meet future benefit payments, and are prepared to assist participants and others in reviewing the activities of the Plans for the fiscal year.

b) Investments

Investments are recorded as of the trade date and are stated at fair value. The methods used to determine year-end fair value are explained in the following paragraphs.

- Money-market securities are recorded at cost which approximates fair value.
- The fair value of publicly traded securities is based on market prices quoted by independent suppliers of securities related data.
- The fair value of non-publicly traded equity investments reflects cash outlays adjusted by periodic third party valuations and fees charged by general partners.

- The fair value of real estate and oil and gas properties not publicly traded is based on estimates as determined by management in conjunction with industry specialists.

Premiums and discounts arising on acquisitions are amortized using the effective interest rate method and included in investment earnings. Changes in fair value subsequent to acquisition are included in investment earnings (Note 9).

c) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars at rates of exchange prevailing at the dates of the transactions. At year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Gains or losses resulting from exchange differences are included in the determination of the change in fair value of investments.

d) Derivative Financial Instruments

Derivative financial instruments are valued based on quoted market prices. Gains or losses on these instruments are recognized with changes in market value, and are included in the determination of current year change in fair value of investments.

e) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the straight-line method at the following annual rates:

Furniture and equipment	10-25%
Computer hardware and software	20-33.3%

Software under development is not amortized until implemented.

f) Compensation

Details of senior staff compensation and Board member remuneration included in “Salaries and benefits” (Note 11) are presented in the Compensation and Discussion Analysis section of the Annual Report.

g) Measurement Uncertainty

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Measurement uncertainty exists in the calculation of the Plans’ actuarial value of accrued benefits. Uncertainty arises because the Plans’ actual experience may differ significantly from assumptions used in the calculation of the Plans’ accrued benefits.

Measurement uncertainty exists in the valuation of the Plans’ private investments as values may differ significantly from the values that would have been used had a ready market existed for these investments.

**NOTE 4
INVESTMENTS**

\$ Thousands	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Fixed Income and Cash				
Cash	\$ 47,276	\$ 47,276	\$ 65,776	\$ 65,776
Money-market securities	110,981	110,981	148,404	148,404
Bonds and debentures	597,921	568,223	563,507	552,032
	756,178	726,480	777,687	766,212
Equities				
Publicly traded equities				
Canadian	1,016,244	958,120	1,248,455	979,184
Global	1,857,460	1,899,497	2,031,072	2,148,831
Non-publicity traded equities	127,678	157,339	120,602	115,984
	3,001,382	3,014,956	3,400,129	3,243,999
	\$ 3,757,560	\$ 3,741,436	\$ 4,177,816	\$ 4,010,211

a) Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates.

- Foreign currency forwards are contractual obligations either to buy or sell specified amounts of foreign currencies at predetermined future dates and exchange rates;
- Credit default swaps allow counterparties to buy and sell protection on credit risk inherent in a bond;
- Interest rate swaps allow parties to exchange fixed and floating interest rate cash flows based on notional amounts; and,
- Futures contracts are agreements to receive or pay cash on settlement dates based on changes in the levels of specified indices.

The maturities, notional amounts and the net fair values of the Plans' derivative contracts are as follows:

	2009					2008	
	Terms of Maturity (%)			\$ Thousands		\$ Thousands	
	Within 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value	Notional Amount	Net Fair Value
Foreign currency forwards	100	–	–	1,060,685	3,614	742,645	(3,501)
Credit default swaps	–	44	56	14,104	(391)	17,395	381
Interest rate swaps	–	–	100	56,686	3,028	34,945	(43)
Fixed income futures	100	–	–	21,604	272	55,772	–

b) Interest Rate Risk

Interest rate risk relates to the impact of interest rate changes on the Plans' cash flows and financial position. This risk arises from differences in the timing and amount of cash flows related to the Plans' assets and liabilities.

As at August 31, 2009, a 1% increase in nominal interest rates would result in a decline in the fair value of Fixed Income investments of 7.0 % (2008: 6.3%).

Based on fair values at August 31, 2009, Fixed Income investments have the following average effective yields and term structures:

	2009					2008	
	\$ Thousands					\$ Thousands	
	Terms of Maturity			Total	Average Effective Yield	Total	Average Effective Yield
Within 1 Year	1 to 5 Years	Over 5 Years					
Money-market securities	110,981	—	—	110,981	0.28%	148,404	3.04%
Bonds and debentures	19,320	192,173	386,428	597,921	5.17%	563,507	5.47%

c) Credit Risk

Credit risk arises from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract.

The Plans limit their credit risk by dealing with counterparties that are considered to be of high quality, setting and monitoring compliance with portfolio guidelines, diversification and obtaining collateral where appropriate.

The Plans record all investments at fair value. Consequently, investment values reflected in Note 4 of these financial statements represent the maximum credit risk exposure of the Plans as at August 31, 2009.

d) Currency Risk

Currency risk arises from the Plans' holding of investments that are denominated in foreign currencies.

Currency exposure may be managed using derivative contracts, primarily currency forwards. The Plans' foreign currency exposure is as follows:

\$ Thousands	2009			2008
	Foreign Currency Exposure	Currency Derivatives	Net Foreign Currency Exposure	Net Foreign Currency Exposure
United States	\$ 1,080,438	\$ (153,525)	\$ 926,913	\$ 1,008,811
Euro	338,186	(46,977)	291,209	403,239
United Kingdom	207,091	(29,055)	178,036	121,108
Japan	125,641	37,144	162,785	142,066
Australia	40,699	59,164	99,863	32,200
Switzerland	89,467	(6,000)	83,467	121,304
Other	126,371	27,045	153,416	215,067
	\$ 2,007,893	\$ (112,204)	\$ 1,895,689	\$ 2,043,795

**NOTE 5
RECEIVABLES**

\$ Thousands

	2009		2008
Accrued income	\$ 9,140	\$	10,004
Contributions - teachers	11,166		9,031
Contributions receivable from the Province	3,733		7,141
Other	176		181
	\$ 24,215	\$	26,357

**NOTE 6
LOAN RECEIVABLE FROM THE PROVINCE**

\$ Thousands

	2009		2008
Opening balance	\$ 944,099	\$	724,174
Contributions relating to Pre-September 1992 period			
Teachers	(28)		(25)
The Province	(243,850)		(229,944)
Employers	(71)		(60)
	(243,949)		(230,029)
Benefit payments relating to Pre-September 1992 period			
Pension benefits	401,474		383,838
Termination benefits	2,677		2,395
Transfer to other plans	4,297		3,391
	408,448		389,624
Current year Pre-September 1992 period operations	164,499		159,595
Interest on Loan Receivable from the Province	76,087		60,330
	\$ 1,184,685	\$	944,099

**NOTE 7
CAPITAL ASSETS**

\$ Thousands

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 415	\$ 369	\$ 46	\$ 37
Computer hardware and software	4,596	4,358	238	323
	\$ 5,011	\$ 4,727	\$ 284	\$ 360

**NOTE 8
ACCOUNTS PAYABLE**

\$ Thousands

	2009		2008
Tax withholdings	\$ 6,583	\$	6,271
Investment transactions	2,770		2,158
Supplementary Employee Pension Plan	823		584
Other	1,479		3,909
	\$ 11,655	\$	12,922

**NOTE 9
INVESTMENT LOSSES**

\$ Thousands

	2009		2008
Interest and dividend income			
Cash and money-market securities	\$ 3,335	\$	7,332
Bonds and debentures	26,216		21,637
Publicly traded equities			
Canadian	40,969		27,684
Global	46,822		70,115
Non-publicly traded equities	859		4,520
	118,201		131,288
Realized net (loss) gain on disposal of investments	(486,306)		9,479
Unrealized net loss on investments	(151,482)		(350,167)
	\$ (519,587)	\$	(209,400)

**NOTE 10
CONTRIBUTIONS**

\$ Thousands

	2009		2008
Teachers			
Current service	\$ 181,929	\$	167,542
Current service additional 10% COLA	11,835		10,899
Post-August 1992 deficiency	40,822		37,608
	234,586		216,049
The Province			
Current service	178,001		167,849
Post-August 1992 deficiency	37,821		35,664
	215,822		203,513
Employers			
Current service	869		736
Post-August 1992 deficiency	11		9
	880		745
Past service purchases	4,884		3,772
Transfers from other plans	11,711		10,051
	\$ 467,883	\$	434,130

**NOTE 11
ADMINISTRATIVE EXPENSES**

\$ Thousands

	2009		2008
	Budget	Actual	Actual
Investment management	\$ 13,471	\$ 9,976	\$ 11,164
Salaries and benefits	4,625	4,481	3,952
External professional services	1,392	1,330	942
Custodial and banking	1,079	992	1,027
Premises and equipment	603	604	610
Communications	699	601	592
Board and Investment Committee	150	116	153
Audit	62	78	70
Other	58	21	30
	\$ 22,139	\$ 18,199	\$ 18,540

NOTE 12
OBLIGATIONS FOR BENEFITS

a) Valuations and Assumptions

Best-estimate valuations of the Teachers' Pension Plan for the Post-August 1992 period and the Private School Teachers' Pension Plan were done as at August 31, 2009. Valuations for the Plans were also prepared as at August 31, 2008. The present value of accrued benefits was determined using the projected benefit method prorated on service. The assumptions used in the valuations are based on management's best estimate of future events.

The major long-term economic assumptions used in the best-estimate valuations are:

	2009	2008
Rate of return on invested assets	7.00%	7.25%
Rate of inflation	2.75%	3.00%
Real wage increases	1.00%	1.00%

Future experience will differ from those assumptions. Any differences between the assumptions and future experience will emerge as gains or losses in future best-estimate valuations.

b) Sensitivity of Changes in Major Assumptions

The table below shows the impact of changes to major assumptions, holding all other assumptions constant:

	Teachers' Pension Plan		Private School Teachers' Pension Plan	
	0.50% decrease in Rate of Return on Invested Assets	0.50% increase in Rate of Inflation	0.50% decrease in Rate of Return on Invested Assets	0.50% increase in Rate of Inflation
Increase in current service costs (% of total teacher salaries)	1.60%	1.24%	1.90%	1.39%
Increase in accrued pension benefits	\$583 million	\$425 million	\$2 million	\$2 million

The current service cost (excluding 0.2% for administrative expenses) as a per cent of total teacher salaries for the Teachers' Pension Plan was 13.66% and for the Private School Teachers' Pension Plan was 14.80%.

c) Results Based on Valuations

The valuation for the Post-August 1992 period of the Teachers' Pension Plan as at August 31, 2009 determined a deficiency of \$1.900 billion. The valuation for the Private School Teachers' Pension Plan to August 31, 2009 determined a deficiency of \$5.357 million. (Note 12c continued on page 46).

\$ Thousands	2009			2008		
	Teachers' Pension Plan	Private Teachers'	Total	Teachers' Pension Plan	Private Teachers'	Total
Net assets at beginning of year	\$ 5,106,622	\$ 30,771	\$ 5,137,393	\$ 4,275,056	\$ 32,860	\$ 4,307,916
Advances assumed by the Province	–	–	–	724,174	–	724,174
	5,106,622	30,771	5,137,393	4,999,230	32,860	5,032,090
Net contributions	432,278	1,444	433,722	402,008	936	402,944
Benefits	(151,647)	(1,329)	(152,976)	(128,757)	(1,274)	(130,031)
Investment losses	(515,674)	(3,913)	(519,587)	(207,790)	(1,610)	(209,400)
Interest on Loan Receivable from Province	76,087	–	76,087	60,330	–	60,330
Administrative expenses	(18,070)	(129)	(18,199)	(18,399)	(141)	(18,540)
Net Assets	4,929,596	26,844	4,956,440	5,106,622	30,771	5,137,393
Actuarial value of accrued pension benefits	(6,829,453)	(32,201)	(6,861,654)	(6,290,000)	(31,904)	(6,321,904)
Deficiency	\$ (1,899,857)	\$ (5,357)	\$ (1,905,214)	\$ (1,183,378)	\$ (1,133)	\$ (1,184,511)

**NOTE 13
INVESTMENT RETURNS AND RELATED BENCHMARK RETURNS**

Investment returns and related benchmark returns by Plan for the year ended August 31 are as follows:

Plan	2009		2008	
	Investment Return	Benchmark Return	Investment Return	Benchmark Return
Teachers' Pension Plan – Post-August 1992 period	-8.5%	-6.8%	-2.8%	-2.7%
Private School Teachers' Pension Plan	-12.7%	-10.7%	-4.9%	-4.7%

Benchmark returns are weighted averages of certain market index returns based on the policy asset mix of each Plan.

**NOTE 14
COMPARATIVE FIGURES**

Comparative figures, including amounts shown for the estimates of benefits accrued and experience losses used to determine accrued pension benefits, have been reclassified, where necessary, to conform to the 2009 presentation.

**NOTE 15
BUDGET INFORMATION**

The accrued pension benefits are based on management's best estimates of future events after consultation with the Plans' actuary. Differences between actual results and management's expectations are disclosed as net experience gains in the statement of changes in accrued pension benefits. Accordingly, a budget is not included in these financial statements, with the exception of administrative expenses (Note 11).



Letter from the **ACTUARY**

We have performed actuarial valuations of the post-August 1992 benefit period of the Teachers' Pension Plan and the Private School Teachers' Pension Plan as at August 31, 2009. The purpose of our actuarial valuations was to determine the financial position of the plans, to determine the estimated cost of benefits expected to be earned in the future, and to determine the amount of additional contributions required to finance any deficiency.

We established demographic and economic actuarial assumptions that are appropriate for the 2009 actuarial valuations. The demographic assumptions are appropriate for the plans. The economic assumptions are consistent with the current and projected economic environment and the investment policy adopted by the Board. The 2009 actuarial valuations were performed in accordance with accepted actuarial practice.

The 2009 actuarial valuation of the post-August 1992 benefit period of the Teachers' Pension Plan revealed that:

- The actuarial value of the plan's assets was \$5,304 million.
- The plan had a deficiency of \$1,766 million.
- The cost of benefits expected to be earned by plan members after the valuation date is 14.64% of earnings of active plan members.
- Additional contributions of 6.05% of earnings of active plan members are required to fund the deficiency.
- The total contribution required to fully fund the plan benefits and deficiency with effect from September 1, 2010 is 20.69% of earnings of active plan members.

The 2009 actuarial valuation of the Private School Teachers' Pension Plan revealed a deficiency of \$4,992,000. The cost of benefits expected to be earned in the Private School Teachers' Pension Plan after the valuation date is 16.89% of the earnings of active plan members. Additional contributions of 3.09% of the earnings of active plan members are required to fund the deficiency. The contribution rate should be increased to 19.98% effective September 1, 2010.

An actuarial valuation is a current assessment of probable future financial transactions. The actual experience of the plan in the future will deviate from the assumptions used in the actuarial valuation. Actuarial valuations must be performed periodically, and the experience of the plan should be evaluated relative to the assumptions.



Wayne R. Berney
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries



Robert J. Thiessen
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries