

2023

# Member Report



**ATRF**

Alberta Teachers'  
Retirement Fund

A photograph of an elderly woman with short, wavy white hair and glasses, wearing a light blue sleeveless top. She is smiling broadly and looking towards a group of children. The children, of various ethnicities and ages, are also smiling and looking at her. They are in a classroom setting with bookshelves in the background.

## Dedicated to the Pensions Teachers Count On

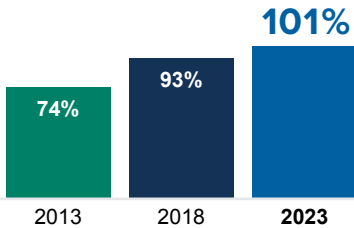
In this year's Member Report: Updates on your pension plan's fully funded status, contribution rate reduction, investment returns, and more!

# 2022-23 HIGHLIGHTS

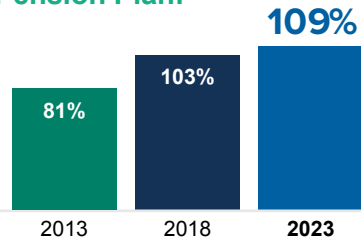


## Teachers' Pension Plans Funded Ratio

### Teachers' Pension Plan:



### Private School Teachers' Pension Plan:



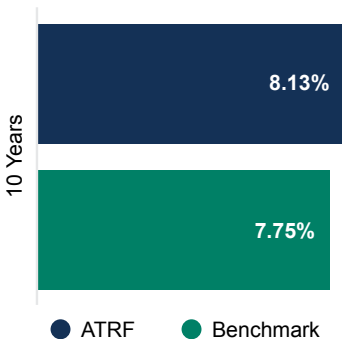
*TPP fully funded for the first time in 2023*



## Long-Term Rates of Return

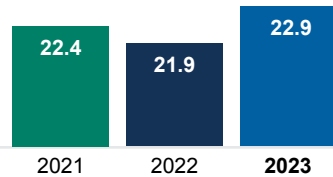
*As at August 31, 2023*

ATRF takes a carefully informed, strategic view of investments that focuses on the longterm. Full results can be found on page 7, and more detail and analysis is available by scanning the QR code.



## Net Assets

*\$ Billions*



## Interesting Member Facts

255 pensioners who are **aged 95 to 99**

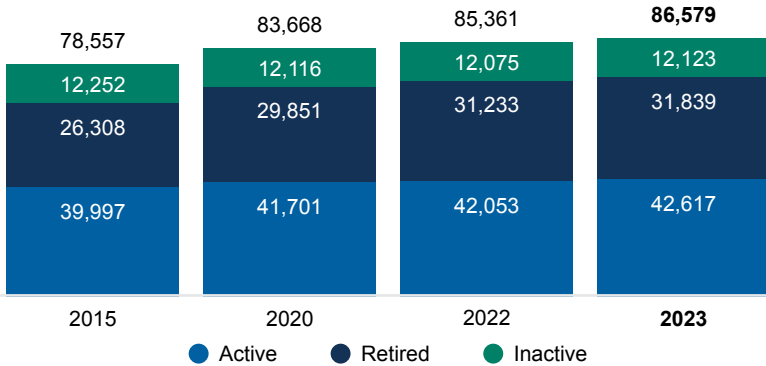
56 pensioners over the **age of 100**

Oldest plan member is **105**

**Average retirement age of 60** with 25 years of pensionable service



## Membership Over The Years



### Contribution Rates

*Contribution rates will again be reduced in the next school year.*

The ATRF Board remains committed to ensuring the plans can continue to meet funding objectives of benefit security, intergenerational equity, and contribution rate stability and affordability.

With the elimination of the deficit and the plans' strong funded status, along with robust risk management levers in place, such as healthy margins, **we are pleased to announce contribution rates will be reduced for TPP members in 2024 for the fifth time since 2016.**

### Teachers' Pension Plan (TPP) Contribution Rates

*% of pensionable salary*

	Current Rates	Sept 1, 2024
Total Teachers' Contribution	10.32	9.29
Total Government Contribution	9.89	8.92

### Private School Teachers' Pension Plan (PSTPP) Contribution Rates

*% of pensionable salary*

	Current Rates	Sept 1, 2024
Total Teachers' Contribution	9.95	9.45
Total Employer Contribution	9.51	9.01

# BOARD CHAIR MESSAGE

Alberta's teachers make a tremendous contribution to our province throughout careers that can last 40 years or more. I am proud to be part of an organization that ensures the pensions teachers earn during those long careers will be there for them when they expect it.

ATRF has been dedicated to Alberta teachers' pensions since its inception in 1939. We are proud of our unique experience and expertise that enables us to provide exceptional pension oversight and member service that results in tremendous value for sponsors, stakeholders, employers, and members.

Teachers see that value when they look to the future and rest comfortably, knowing their pension will be there for them throughout their entire retirement. That value is enhanced by pension payments that include annual cost-of-living adjustments (COLA) to help keep up with inflation.

We also understand pension plans are vital in attracting, retaining, and compensating Alberta teachers, and so our plans are equally important to our sponsors, the Government of Alberta and the Alberta Teachers' Association. Plan sponsors share the ATRF Board's attention to long-term viability, so I am particularly pleased to announce that through prudent management and governance, the teachers' pension plans are now fully funded.

For teachers actively working and serving our communities, contribution rates continue to be stable and affordable. In fact, the elimination of the deficit and the strong plan funded status, along with the robust risk management levers in place, allowed the board to reduce contribution rates (effective September 1, 2024) by a total of 2% of pay for the Teachers' Pension Plan, shared between the members and government/employers, and a total of 1% of pay for the Private School Teachers' Pension Plan, shared between the members and employers.

ATRF's unique pension management expertise and specific experience with the teachers' plans allow us to provide high quality services on behalf of plan sponsors. In addition, as trustees of the plans, we focus exclusively on our fiduciary duty and put the needs of our plans first in all decisions.

I want to conclude by offering my sincere thanks to the members of ATRF's board, who serve with such diligence and professionalism. I would also like to thank ATRF's staff, who work tirelessly to serve our members and strengthen our plans.

And finally, I would like to again offer my heartfelt thanks to our amazing members. Our organization is honoured to serve Alberta teachers who have given so much to help our students learn and thrive over the years. Your support means the world to all of us.

*Sandra Johnston*

# BOARD MEMBERS



**Sandra Johnston**  
(2012) **Board Chair**, Member: Investment Committee and Human Resources and Compensation Committee



**Greg Francis**  
(2019) Vice-Chair: Governance Committee, Chair: Human Resources and Compensation Committee, Member: Investment Committee



**Paul Haggis**  
(2019) Vice-Chair: Audit and Finance Committee, Chair: Governance Committee, Member: Investment Committee



**Maria Holowinsky**  
(2017) Chair: Investment Committee, Member Audit and Finance Committee, and Governance Committee



**Brad Langdale**  
(2019) Vice-Chair: Human Resources and Compensation Committee, Member: Investment Committee



**Alexandria Matos**  
(2021) Member: Governance Committee and Investment Committee



**Chioma Ufodike**  
(2023) Member: Investment Committee, Audit and Finance Committee



**Tim Wiles** (2020)  
Chair: Audit and Finance Committee, Member Investment Committee, Human Resources and Compensation Committee

# CEO MESSAGE



**Rod Matheson**

I am proud to present this annual report that provides an overview of the excellent work done at ATRF in 2022-2023.

Our plan funded status is of particular note, as the Teachers' Pension Plan is now fully funded for the first time in its history. Many years of work in carefully managing our plans and achieving strong investment returns led to this accomplishment, which is an excellent indication of the long-term health of our plans.

Our investment returns improved last year from the previous year, with an overall return of 4.4%. That result did not meet our benchmark targets, which is explained in the Investment section of the report, but ATRF's focus remains on the long term – and our longer-term results continue to be excellent. Over a 10-year period, ATRF's total fund has generated an annualized return of 8.1%, surpassing benchmark by 0.4%, net of all costs.

I am also pleased to report that ATRF staff continue to provide excellent service to our members. The member survey conducted last year showed that 89% of members are satisfied or very satisfied with ATRF's service.

ATRF staff are not content to rest on those strong results, but rather continue working to improve how we deliver services and support. Last year we completed numerous important projects that improved the functionality of our *MyPension* online portal and made our information easier for members to access. This is in line with our member service philosophy of connecting with members where, when, and how it is most convenient for them.

We also made significant progress on our enterprise Project Lantern, that is taking a comprehensive look at the way we serve members and modernize our systems to ensure we have a sound foundation we can build on to continue improving for many years to come. This large and complex work continues on track and on budget, and we look forward to employers and members beginning to see the benefits of this work in the future as it progresses.

I would like to take a moment to thank the staff at ATRF for their work over the past year. Their dedication to serving our plans and our members is truly remarkable – and appreciated. I would also like to thank the ATRF Board for their guidance, expertise, and collaborative spirit that serves our organization and our plans so well.

# EXECUTIVE LEADERSHIP TEAM

## Rod Matheson

Chief Executive Officer

## Marcie Chisholm

Vice President, People & Culture

## Alwyn Christian

Vice President, Information  
& Technology Services

## Julie Joyal

Vice President, Pension Services

## Myles Norton

Vice President, Finance

## Gary Smith

Vice President, Funding & Investments

## PLAN FUNDED STATUS

*For the first time in the plan's history, the Teachers' Pension Plan is fully funded, meaning both ATRF plans are now fully funded.*

The ATRF Board continues prudently managing the plans' long-term sustainability, which includes making funding decisions in consideration of the funding objectives of benefit security, contribution rate affordability and stability, and intergenerational equity.

### Teachers' Pension Plan

#### Post-1992 Period

\$ Millions

Market Value of Assets	22,755
Fluctuation Reserve	743
Funding Value of Assets	23,498
Funding Liabilities	23,237
Funding Surplus (Deficit)	261
Funded Ratio	101%

### Private School Teachers'

#### Pension Plan

\$ Millions

Market Value of Assets	122.4
Fluctuation Reserve	4.0
Funding Value of Assets	126.4
Funding Liabilities	115.7
Funding Surplus (Deficit)	10.7
Funded Ratio	109%

*"As a senior I will be forever grateful for my pension and the intelligence and integrity of those who continue to preserve and strengthen the pension plan. Thank you."*

Quote from the 2023 ATRF member survey

# INVESTMENTS

In addition to managing and administering the pension plans, ATRF also sets the strategic direction of all ATRF investments. The day-to-day implementation of that strategy and management of ATRF assets is conducted by Alberta Investment Management Corporation (AIMCo).

An internal ATRF Funding and Investments team supports the ATRF Board in setting an investment policy that will provide consistent delivery of plan benefits, maintain affordable contribution rates that are relatively stable over time, and achieve and maintain fully funded plans.



## Investment Results

Asset Class	1 Year (%)		4 Years (%)		10 Years (%)	
	ATRF	Benchmark	ATRF	Benchmark	ATRF	Benchmark
Fixed Income	0.06	-0.10	-2.77	-3.06	1.93	1.95
Return Enhancing	10.95	16.99	10.23	10.20	11.10	10.97
Inflation Sensitive	-4.05	0.59	5.89	7.39	9.77	6.78
Absolute Return	4.01	6.81	4.73	4.48	NA	NA
<b>TOTAL PLAN</b>	<b>4.39</b>	<b>8.45</b>	<b>5.73</b>	<b>6.15</b>	<b>8.13</b>	<b>7.75</b>

## Policy Asset Mix



*Policy as at Aug 31, 2023*

TOTAL	100%
<b>Return Enhancing</b>	<b>45%</b>
● Global Equity	35%
● Private Equity	10%
<b>Fixed Income</b>	<b>20%</b>
● Universe Bonds	9%
● Long-term Bonds	9%
● Short Term	2%
<b>Inflation Sensitive</b>	<b>25%</b>
● Real Estate	15%
● Infrastructure	10%
<b>Absolute Return</b>	<b>10%</b>



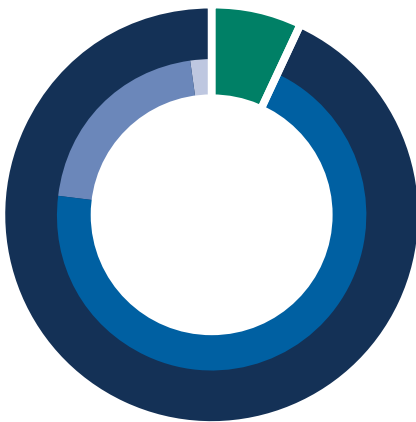
## Responsible Investing

Central to all decisions made by the ATRF Board is the fiduciary duty to protect the interests of ATRF plans, which include ensuring investment returns are adequate to fund the needs of the plans over the long term. In this fiduciary role, the organization has a responsibility to consider Environmental, Social, and Governance (ESG) issues,






including climate change. We consider ESG factors an important part of our focus on long-term investment value and sustainability. The ATRF Board has committed to developing an enhanced Responsible Investment (RI) policy that addresses climate change risk. We will report on our progress in next year's annual report.

## ATRF COSTS

*ATRF's 2022-23 Member Service costs were \$170 per active and retired member and remain below our peers' average of \$176.*



### Total ATRF Costs 2022-23

 <b>Member Services Costs</b>	<b>\$12.6M</b>
 <b>Investment Costs</b>	<b>\$182.3M</b>
 AIMCo Investment Management	\$136.2M
 AIMCo Performance Fees	\$41.3M
 ATRF Expenses	\$4.8M

*ATRF's total costs each year support the organization's operations in the areas of investment management and member service / governance.*



### External Investment Costs

AIMCo investment management costs have remained consistent with cost levels before ATRF's mandated transition to external investment management was completed in 2021. To date, there has been no material change in investment management costs.

ATRF will continue to evaluate external investment costs to determine if we are receiving appropriate value for the costs incurred.



Julie Joyal

## Message from the VP, Pension Services

As a pension manager our *raison d'être* is to deliver our members a pension they can count on.

At ATRF, we take member service seriously. Our service purpose is to make a positive difference, to provide pension expertise and support focused on the unique needs of teachers. And in turn, by providing peace of mind with their pensions, we help teachers focus on what's most important: building and shaping strong future generations.

It is truly a pleasure to support teachers throughout their career, from their first years as young professionals, to seasoned teachers planning for retirement, and of course during the retirement process itself. Even afterward, during their post-retirement years, ATRF is here to provide the pension support teachers need...

Full message at  
[www.atrf.com/M23PS](http://www.atrf.com/M23PS).



## Online Services

	2022-23	Overall increase from 2021-22
Pension Estimates	99,632	+13%
Total Estimates	109,697	+12%
Pension Applications	749	+3%
Total Online Applications	1,438	+0.5%

## Total Benefits Paid

# \$1.255 Billion\*

\*Of which \$497 Million was received from the Government of Alberta for benefits paid by ATRF relating to the pre-1992 period.

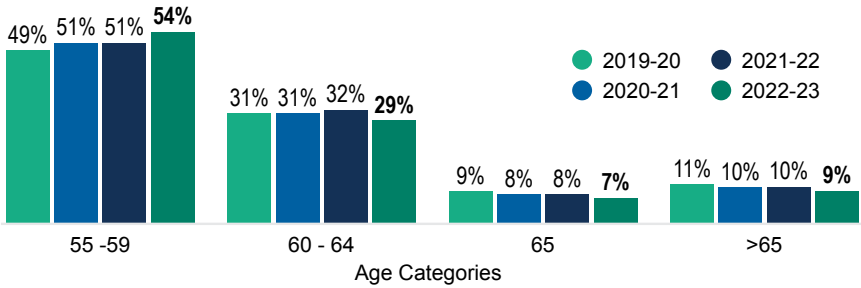
## Total Contributions Received

# \$744 Million

*"I'm so happy and grateful to have ATRF on my side.... After almost 40 years of teaching, this has given me quality of life financially in my retirement."*

Quote from the 2023  
ATRF member survey

## Age at Which Members Began Receiving a Pension



## MEMBER FEEDBACK SURVEY



*We are pleased to report that 89% of members indicated that they were satisfied or very satisfied with the services provided by ATRF.*

Last year, ATRF sent a survey to members asking about their experience with ATRF. We want to understand what our members need at each stage of their careers so that we can provide them with information and service that is tailored to their personal situations when possible.

**We are very pleased to report positive results, including 9-in-10 members who rate the service they receive when they contact ATRF as good or excellent.**

Thank you again to the over 10,000 members who took part in the survey. We appreciate your time, feedback, and your excellent ideas.

## COST-OF-LIVING ADJUSTMENT (COLA)



The Alberta teachers' pension plans have a provision providing retired members with partial indexation or COLA on their pension to help with the impact of inflation. This means that unlike some other pension plans, ATRF pensions increase each year.

The COLA rates reflect the average increase in inflation in Alberta as per the plan rules. **The inflation rate for the previous period is 3.90%, providing a January 1, 2024 COLA increase of 2.34% for pensionable service before January 1, 1993, and 2.73% for pensionable service after December 31, 1992.**

