optrust

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B elow a high-level review (from our legal) of the (A) Procedural Steps and (B) Pitfalls associated with transferring responsibility for the OPT from TBS to MOF.

A. <u>Procedural Steps</u>

- OIC would be needed under the *Executive Council Act* to assign the responsibility for the administration of the *OPSEU Pension Act, 1994* and any associated ministerial powers/duties to MOF This would require the approval of the Premier and both ministers to proceed to Cabinet.
- Staffing changes would likely be required to support OPSEU PP oversight at MOF. Consideration would have to be given as to whether new non bargaining positions at MOF would need to be created. **FTE transfers may require TB/MBC approval.**
- A TB Order would be needed to transfer any financial allocation between the two ministries though it may be possible to do via delegated TB Order that is just approved by both Ministers.

B. <u>Pitfalls</u>

- Potential conflict re MOF standing in the role of both regulator under the PBA (FSCO is their agency) and the regulated (Joint Sponsor of OPSEU PP)
- Pensions is tied to the bargaining mandate – does it make sense to have pension terms negotiated by one Ministry and all other terms and conditions of employment negotiated by another?
- There are important parallels between the OPSEU PP and the PSPP, which provide pension benefits primarily in the OPS. Many of the provisions in the two plans are identical as the OPSEU PP was originally rolled out of the PSPP. Synergies would be lost in separating them between two ministries.
- The OPSEU PP is essentially an employee pension plan for OPSEU members of the Ontario Public Service. Having MOF represent the Crown as the employer-sponsor and not TBS does not seem to be in keeping with the respective mandates of these two ministries.
- There are also important policy considerations. TBS has voiced a number of sensitive governance concerns about the OPSEU Pension Trust over the last few months – including the remuneration for the current CEO which is out of step with the payment provided in comparable positions. There has been some sensitivity over the years that OPT perceives it may receive preferential and more efficient treatment from MOF and potentially less stringent/cumbersome oversight compared to TBS.