



News Release

For Immediate Release

February 16, 2017

Auditor General to Government: 'Show Me the Letter'

(TORONTO) Ontario's Auditor General says the government's Pension Asset Advisory Panel Report supports her Office's main position: before the Province can use surpluses of two public pension plans, it must obtain agreement from the plans' co-sponsors.

"The Province shares any pension surplus with OPSEU and the Ontario Teachers' Federation," Bonnie Lysyk said today. "It's like a joint bank account that requires two signatures on every cheque. That's what we've been saying, and we are pleased to see the Panel saying the same thing."

The government claims the pension surplus is \$10.7 billion, with the majority of that amount— \$10.1 billion—associated with the Ontario Teachers' Pension Plan. The Province wants to use this increasing pension surplus to balance its budget.

The Auditor says the Province does not need her permission to record that money on its books—but if it wants the Auditor's seal of approval in the form of a clean audit opinion on that issue, she will need to see a negotiated and signed agreement by the teachers and the government as evidence that there is an amount that should be recorded as a net pension asset on the government's financial statements.

"That money is for the benefit of employees and retirees, people who have paid in to be able to live a comfortable life in retirement," said the Auditor. "So we need evidence of an agreement between the Ontario Teachers' Federation and the Province saying that the Province can use \$10.1 billion. Once we have that letter of agreement, this Office could sign off and give a clean audit opinion on this issue. It's as simple as that."

The Auditor points out that the Ontario Teachers' Pension Plan has accounted for its pension as being in a liability position—not a surplus like the provincial government is claiming. She says this further supports her need for a written agreement between all parties that her Office can use as evidence.

-30-

To schedule an interview, please contact:

Bonnie Lysyk
Auditor General
(416) 327-1326

 @OntarioAuditor