Treasury Board Secretariat
Office of the President
99 Wellesley Street West
Room 4320, Whitney Block
Toronto, ON M7A 1W3
Tel.: 416-327-2333
Fax: 416-327-3790

Secrétariat du Conseil du Trésor
Bureau du président
99, rue Wellesley Ouest
Édifice Whitney, bureau 4320
Toronto, ON M7A 1W3
Tél. : 416 327-2333
Téléc. : 416 327-3790

Ontario

Memorandum to: Mr. Warren Thomas

Subject: **OPSEU Press Release "Thomas to Wynne: 'Pension assets belong to pension plan members'"**

As you are aware, the Pension Asset Expert Advisory Panel ("Panel") released its report on February 13, 2017 and concluded that the net pension assets of both the Ontario Teachers' Pension Plan and the Ontario Public Sector Employees' Union Pension Plan should be recognized in Ontario's financial statements.

The OPSEU pension plan, which is jointly-sponsored by OPSEU and the province, clearly states that no amount of the surplus shall be paid out of the plan to either sponsor. Simply put, the province does not have the ability to withdraw assets from the plan.

Your February 14 press release and your subsequent comments in a February 15 *Toronto Sun* article, suggest that you are unaware of these rules. I trust that you are not only reassured by this news, but will refrain from future accusations you now know to be untrue.

The province has also not proposed any pension contribution increases or reductions at this time. Any decisions with respect to changes to pension contributions or benefits must be made jointly by the Plan Sponsors. Any decision to take a contribution holiday would result in an equal benefit to both Plan Sponsors, by definition. In particular, contribution holidays are of benefit to employees, as they leave more money in their pockets, while ensuring that the benefits received in retirement remain unchanged Moreover, contribution reductions are available only when pensions are sufficiently funded to guarantee the benefits of the plan to members and are therefore indicators of the success of the plan.

As you know, retirement security is an important priority for the Ontario Government. Joint sponsorship of the OPSEU Pension Plan between OPSEU and Ontario provides for shared governance and risk among the employer and plan members, thereby enhancing affordability and sustainability.

Should you have any further questions or concerns please do not hesitate to contact Marc Rondeau, Assistant Deputy Minister, Centre for Public Sector Labour Relations and Compensation at 416-325-4545.

Thank you

Liz Sandals
President of the Treasury Board