Re: Toronto Star: Pensions are an asset, expert panel concludes

From: EJS (TBS) <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=ejs (tbs)67a">
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Sounds good :-)
Liz

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ostergard, Matt (TBS)
Sent: Monday, February 13, 2017 1:06 PM
To: EJS (TBS)
Cc: Tedesco, Lauren (TBS)
Subject: Toronto Star: Pensions are an asset, expert panel concludes

Just Toronto Star so far. Will send more coverage as it comes.

Pensions are an asset, expert panel concludes
A panel of accounting experts says that $10.7 billion in government-sponsored pension plans should count toward the province's bottom line.

By ROBERT BENZIE Queen's Park Bureau Chief
Mon., Feb. 13, 2017

A panel of accounting experts has concluded that $10.7 billion in government-sponsored pension plans should count toward the province's bottom line.

As first disclosed by the Star last week, the finding undermines Auditor General Bonnie Lysyk's surprise interpretation that the funds are not a public asset.

“There was a difference of a professional opinion between the professional accounting staff of government and the staff at the office of the auditor general on how the surpluses of these two plans ought to be dealt with in the public accounts,” panel chair Tricia O'Malley said Monday.

“We believe that an asset does exist — the net pension asset meets the definition of an economic resource, which is what an asset is,” said O'Malley, chair of the Canadian Actuarial Standards Oversight Council.

The panel's conclusion is significant because the government's share in the Ontario Public Service Employees' Union Pension Plan and the Ontario Teachers' Pension Plan is worth $1.5 billion of the annual budget.

Last fall, the auditor unexpectedly decreed the pension surpluses shouldn't be considered an asset because the government did not have ready access to the funds.

But O'Malley likened the joint-sponsorship to co-owning a home that could not be sold off unless both partners agreed.

“Many government assets are not accessible. A road is an asset to a government because it allows it to provide public services of transportation, but you can't move a road or you can't sell a road unless it's a toll road, but it's still an asset,” she said.

Lysyk, who was briefed on the expert panel's review on Feb. 3 and has had the report for about two weeks, had no comment Monday on whether she would accept the findings.

In a statement, her office said she "will be reviewing the report being made public this morning by the provincial government's pension asset advisory panel regarding two of Ontario's jointly sponsored pension plans."

"Once her office and her expert advisers have finished reviewing this final report, the auditor will then provide comment to the media later in the week."

Treasury Board President Liz Sandals said the government is "committed to implementing the advice of this independent panel and will use it in preparing the province's financial statements."

Finance Minister Charles Sousa, who has promised to finally balance the books in the spring budget, also welcomed O'Malley's review.

"As a result of the expert assessment of the independent advisory panel, we now have additional advice on how to account for these jointly sponsored pension plans as assets," said Sousa.

"This advice will help us continue to present the province's finances fairly and accurately as we work toward balancing the budget in 2017-18. We will provide a full update on the province's fiscal situation in the near future."