# (PwC touch based on position paper and panel) Notes

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(Notes on teleconference October 13. Lucy, Cindy, Nadine)

Lucy

- Addendum to statement of work to clarify respective roles and responsibilities (Lucy to draft on extension) may be more third party interaction
- Valuation opinion on the pension asset (may still involve a lot of accounting) – spoke with their actuary (about past precedents) – 1st Q is the underlying information that the actuary can rely upon for the purposes of the valuation (ie funding valuation assumptions). A lot of the assumptions are deferred to the accountants – is this assumption committed under that set of standards, etc.
- From an actuaries' perspective, should have a good understanding of the plans terms ….would they take the data as given because it has already been reviewed by another actuary? Or do they need to do data analysis themselves to run valuations?

Cindy – still in the process of identifying potential panel members

- PwC's role would be determined by the panel
- But would love to get all of the pieces in motion (working document)
- Possible think it would be a great idea – may engage directly vs. through province
- Question re: support for actuarial valuation opinion on the assets – what would that look like?
- Stochastic models run for target benefit plans – to come up with 97% reasonability estimates
- Different actuarial analyses were done for purposes of our report – but how many would be realistic to run in order to perform a robust analysis (benefit improvement partial, running up against ceiling, etc.)
- Scenario (50/50 benefit/contribution reductions) to achieve CRA ceiling….if asking for an opinion on value, do they ask for different scenarios to be run? Is it management that should be coming up with all of the scenarios? Lucy – in the opinion of the Actuary, it would be difficult for the actuary to id the scenarios that should be run.
- Target benefit plans are more prescriptive w.r.t. requirements at each level. Problem here is that the 'likely' future scenarios are difficult to be able to give comfort w.r.t. likelihood of different scenarios.

May be a combined effort – actuaries who are advisors to the sponsors (AON – Alan Shapira and Morneau) working on potential outcomes that may be impactive to the analysis, while a 3rd part actuary performs the analysis. Question – how would the other actuaries advise the panel?

Status of position paper:

- Lucy to start w/e October 14
- OPCD to share draft opinion letter (subject to DT confirmation). Shared subject to confidentiality terms and conditions under current SOW.
- Regroup Wed October 19 (draft to be received in advance)

Panel:

- Addendum to SOW would be required (WIP to be finalized pending direction/decision by Panel members)