Ontario

OTF FEO

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August 8, 2016

Ron Mock
President and CEO
Ontario Teachers' Pension Plan
5650 Yonge Street
Toronto, ON M2M 4H5

Dear Ron Mock:

Re: Filing of the January 2016 Plan Valuation

The preliminary valuation of the Ontario Teachers' Pension Plan ("the Plan") as at January 1, 2016 indicates that the Plan has a going concern surplus of approximately $13 Billion. Although this valuation is not required to be filed with the Financial Services Commission of Ontario, the Partners have decided that it would be to our mutual advantage to do so.

On account of the surplus and in keeping with the commitment made to Plan members when conditional inflation protection was introduced, we propose that for post-2009 service, inflation protection should be raised to 90 percent starting with the January 1, 2017 adjustment. Further, we propose to restore pensions to the level that would have been payable if full inflation protection had been provided since retirement, also effective January 1, 2017. It is our understanding that both of these measures can be taken within the framework of the available surplus funds.

We request that you instruct the Plan Actuary to prepare a revised valuation based on the Plan amendments outlined above so that this valuation may be filed with the regulator in accordance with the relevant regulations.

We are most grateful to you and your staff for your assistance in filing this valuation.

Yours sincerely,

Francine LeBlanc-Lebel
President
Ontario Teachers' Federation

Nancy Matthews
Deputy Minister
Ministry of Education

FLL/NM/am