FW: Extracts (any comments/info?)

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Tue, 20 Sep 2016 21:23:36 -0400

Cindy,
Any advice?

From: Paul, Joshua (EDU)
Sent: September-20-16 6:42 PM
To: Killoch, Alex (MOF); Roberto, Nicole (EDU); Petsche, Nadine (TBS); Pomykacz, Rob (MOF)
Cc: Sekaly, Gabriel (EDU); Franks, Sebastian (EDU); Duffy, Paul (EDU)
Subject: Re: Extracts (any comments/info?)

I agree w Alex's assessment. We could find an actuary to explain the funding val impacts (either Allan Shapira or someone at OTPP) but that will not bridge to the accounting side

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Killoch, Alex (MOF)
Sent: Tuesday, September 20, 2016 6:24 PM
To: Roberto, Nicole (EDU); Petsche, Nadine (TBS); Paul, Joshua (EDU); Pomykacz, Rob (MOF)
Cc: Sekaly, Gabriel (EDU); Franks, Sebastian (EDU); Duffy, Paul (EDU)
Subject: Re: Extracts (any comments/info?)

This really highlights the problem. The share the pain payments exist for the funding valuation and have value wrt the funding of the plan as they are cash in.

They are not of the same value on an accounting perspective, as we already assume full indexation. As such, they are not something that we would have a lot of background on. The otpp would do the calculations as part of its work, but I doubt we have a lot of background on it and we can't walk back to a number on the gov't books

Alex

From: Roberto, Nicole (EDU)
Sent: Tuesday, September 20, 2016 5:40 PM
To: Petsche, Nadine (TBS); Killoch, Alex (MOF); Paul, Joshua (EDU); Pomykacz, Rob (MOF)
Cc: Sekaly, Gabriel (EDU); Franks, Sebastian (EDU); Duffy, Paul (EDU)
Subject: RE: Extracts (any comments/info?)

As Josh suggested, it may be helpful to have the government's actuary walk the OAG staff through the development of the share the pain calculations for 2014 through 2016.

Alternatively, we could ask the OTPP and its actuary to provide additional detail on the amounts, but we would need some time to formally request this through the appropriate channels.

In terms of the agreement for the 2016 action, we do not have any further documentation (MOU, etc.) that was in place before March 31, 2016. Has the OAG said that the Minister's decision to file and the letter directing the OTPP to do so (from the Gvt and OTF) does not meet their requirements for documentation?

From: Petsche, Nadine (TBS)
Sent: September-20-16 4:48 PM
To: Killoch, Alex (MOF); Paul, Joshua (EDU); Roberto, Nicole (EDU); Pomykacz, Rob (MOF)
Subject: Extracts (any comments/info?)

Alex/Rob/Josh/Nicole,
Just sharing an extract from a response from the AG regarding the Statement of Facts. If you have any additional info/comments that could be helpful, please advise.
Thanks.
Nadine

- We do not have sufficient support for the $1.95 billion- 2014, $1.85 billion – 2015 and the $4.3 billion figures. Assuming the amounts of $1.85 billion for 2015 and $1.95 billion for 2014 have support, we believe the impact of these would have already been taken into account in the $10.6 billion accounting asset –therefore unrelated to a value at March 31, 2016.

- We have not received any clear legal written agreement in place regarding the $4.3 billion related to the proposed 2016 action. **We are not aware of any agreement that was in place at March 31, 2016.** At this time, we do not believe that there is sufficient evidence to support an accounting net Pension Benefit Asset of $10.6 billion (Pension Benefit Asset – Valuation Allowance = 0) on the Government's Consolidated Balance Sheet at March 31, 2016 as per PS3250.