

FW: ONTC Q+A

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Date: Wed, 07 Feb 2018 13:49:22 -0500
Attachments: ONTC Transfer Summary_Final.docx (191.66 kB)

Hi Scott, Kim,

As a follow-up to our t/c on Monday, please find attached our analysis for your reference on the ONTC pension merger. I've also updated the Q&A below to reflect the source of the estimate as per the note.

Cheers,
Mark

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Sent: February-02-18 1:08 PM
To: White, Kim (MNDM)
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Subject: ONTC Q+A

Hi Kim

Here's a draft of the Q+A we discussed. Hope this helps

Tim

Q: What is the cost of the transfer of the ONTC pension plan to the Public Sector Pension Plan?

A: The impact of the transfer of the ONTC Pension Plan as an asset is neutral. As both the ONTC Pension Plan and the Public Sector Pension Plan (PSPP) are part of the Province's overall financial statements, combining these into one plan will not have an impact. However, there are differences between the benefits of the two plans. As the PSPP is slightly more generous than the what was previously offered in the old ONTC plan, there is a one-time cost that will arise. This cost is estimated at approximately \$21

million. This estimate is based on the preliminary calculations of Ernst and Young funding analysis from AON Hewitt that was hired to review the transaction. While the final calculation of the fiscal impact will not be known until another valuation is conducted following approval in principle of the merger, it is not anticipated that the impact will deviate substantially from the current estimate.