

# FW: Pension Assets

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**From:** "Laughton, Patrick (TBS)" <patrick.laughton@ontario.ca>  
**To:** "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>  
**Date:** Mon, 13 Mar 2017 14:40:35 -0400

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FYI and further to our conversation at OTB ADM meeting.

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**From:** David West [mailto:dwest@fao-on.org]  
**Sent:** March-13-17 2:26 PM  
**To:** Hughes, Karen (TBS)  
**Cc:** Laughton, Patrick (TBS); Peter Harrison; Schuurman, Tim (MOF)  
**Subject:** Pension Assets

Hello Karen,

Following our telephone call last week and your offer of assistance (I think you offered! ☺), there are two areas that we are hoping your staff could provide some assistance.

Specifically,

- Are there any precedents (perhaps with OPSEUPP) where the government benefited from a contribution holiday? If so, what agreement existed in these circumstances?  
Our understanding is that the government has never taken a contribution holiday with the OTPP and in fact the government's OTPP contribution rates have only ever increased.
- Can the FAO obtain updated values for the impact of the pension adjustment on expense and net debt over the next four years – as was provided on page 141 of the 2016 FES?  
We haven't determined (yet) how we will reflect the debate on the appropriate accounting treatment of net pension assets in the budget projections included in the FAO's next Economic and Fiscal Outlook report. However, it seems likely that we will want to present the budget balance both with and without the valuation allowance that was used in the 2016 FES presentation – which would require this updated information. (By the way, we plan to release our next EFO post Budget.)

As always, we greatly appreciate your assistance.

Cheers,  
David

David West  
Chief Economist



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