

FW: Pension Assets

From: "Veinot, Cindy (TBS)" </o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>, "Tam, Nelson (TBS)" <nelson.tam@ontario.ca>, "Keates, James (TBS)" <james.keates@ontario.ca>, "Killoch, Alex (MOF)" <alex.killoch@ontario.ca>, "Pomykacz, Rob (MOF)" <robert.pomykacz@ontario.ca>
Date: Wed, 15 Mar 2017 19:08:56 -0400

Hi everyone -- We have a meeting with the FAO on Friday re: pension accounting.

Re the questions in the email below:

Alex/Rob – do you have the data that shows the percentage of the OTPP contributions as a percentage of salary on a historical basis – there is a comment below that it has never gone down – not sure I've seen that data.

Nelson/Jim – we have all the data re: past uses of surpluses for OTPP and OPSEU – can you pull together what we need to show the FAO how past surpluses have been used (e.g. may not have reduced future contributions, but has been used to eliminate extra payments, etc.)

Sarah – see the request re: updated pension information – can you check with Patrick re: whether this is something we will share at this point? If so, we'll need slide – expect there may be one in the pension deck that Pauline had prepared that was shared upstairs while I was away.

Thanks all,

Cindy

From: Hughes, Karen (TBS)
Sent: March-13-17 3:03 PM
To: Veinot, Cindy (TBS)
Cc: Laughton, Patrick (TBS)
Subject: Fw: Pension Assets

Further to our conversation.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: David West <dwest@fao-on.org>
Sent: Monday, March 13, 2017 2:25 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



2 Bloor Street W, Suite 900, Toronto, Ontario M4W 3E2
t.416.579.1465 | dwest@fao-on.org
www.fao-on.org