Fw: Draft Position Paper

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Sat, 22 Oct 2016 10:58:21 -0400
Attachments: Outline of position paper to JK PF tab2 v5 - PwC CLEAN.docx (451.86 kB); Outline of position paper to JK PF tab2 v5 - PwC edits Version 3.docx (495.53 kB)

Cindy,
I'm at the clinic and it's taking loner than I thought. Sending this along in advance of a chance to review. Will plan to review it once I get back home. N

From: lucy.durocher@ca.pwc.com
Sent: Saturday, October 22, 2016 8:49 AM
To: Petsche, Nadine (TBS)
Subject: Re: Draft Position Paper

Hi Nadine,

Please see attached the revised position paper. I attach a tracked changes for reference (although I moved lots of paragraphs around so it looks like more red ink then it really is). I also attach a clean version for ease of reading and as I assume that Cindy would read a clean version. I thought you might want to take a look before passing on to Cindy, but let me know if you would like me to forward the clean version to Cindy directly.

In respect of the outstanding questions from the differences between the various valuations. I have left highlighted comments in the appendix for where these should be resolved. Specifically they include:

- In respect of the funding valuation for OTTP - What is the actuarial cost method used? The valuation report indicates that it might diverge from those required by regulation and applies that required by the TPA, but it is not clear to me what the basis for this is - whether it is the projected benefit method pro rated on services or another method.
- In respect of the funding valuation for OTTP - What was the asset valuation methods actually used? Was it a combination of all of the methods listed (depending on class of asset) or some other approach.
- In respect of the funding valuation for OTTP - What was the "best estimate" approach used in the going concern funding valuation before an adjustment for adverse deviations - Can it be confirmed as being an asset return amount or was it based on fixed income investments.
- In respect of the funding valuation and OTTP financial statements - Were the best estimates for other assumptions consistent with those used by the Province in their pension surplus calculations under PSAS. If the same "Management" is making the assumptions one would expect them to be the same. However, if different management is making those judgements then the actual estimates could be different - for example if the OTPP board determines the inflation rate for use in the OTTP financial statements and the funding valuation but the Province separately determines the inflation rate used in their PSAS calculations.

Please let me know if you have any questions. I will work on the "visual aid" of the impacts of the asset valuation this weekend.

Lucy

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From: "Petsche, Nadine (TBS)" <Nadine.Petsche@ontario.ca>
To: Lucy Durocher/CA/ABAS/PwC@Americas-CA
Cc: "Veinot, Cindy (TBS)" <Cindy.Veinot@ontario.ca>
Date: 10/21/2016 04:16 PM
Subject: Draft Position Paper

Thanks for the update Lucy. I'm sure that Cindy won't mind receiving it tomorrow morning. I'll look forward to reviewing the draft.
Take care,
Nadine

From: lucy.durocher@ca.pwc.com [mailto:lucy.durocher@ca.pwc.com]
Sent: October 21, 2016 4:15 PM
To: Petsche, Nadine (TBS)
Subject: RE: Draft input to position paper (background)

Hi Nadine,

The paper is coming together, but it is taking a bit longer then I expected. I'd like to work on it a bit more this evening, so "end of day" today seems a bit ambitious. Would you rather than I send you what I have at end of day (5pm) for you to circulate for initial comments from Cindy or send it later, say tomorrow morning.

Let me know.

Lucy

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