ONTARIO TEACHERS' PENSION PLAN

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January 26, 2017

Cindy Veinot, Assistant Deputy Minister & Provincial Controller
Office of the Provincial Controller Division
Treasury Board Secretariat
2nd Floor, Frost Building South
7 Queen's Park Crescent
Toronto, Ontario M7A 1Y7

Via email: cindy.veinot@ontario.ca

Dear Ms. Veinot:

I am responding to a letter dated December 15, 2016 from Ms. Leah Myers that requested actuarial and financial information about the Ontario Teachers' Pension Plan (registered pension plan - RPP) and the Retirement Compensation Arrangement (RCA) at December 31, 2016.

Items 1, 3 (except the benefit payment breakdown), 6, 10, 11 and 12 are included in the enclosed letter from Mercer (Canada) Limited.

Item 2 - Market Value of Pension Fund Assets ($ millions)

Please note that we no longer use an asset smoothing method for our financial statements. As such, there is no separate "actuarial" value of assets.

Market value of assets at December 31, 2016	$ 175,561

Item – 3(a) RPP Benefits Paid ($ millions)

Retirement Pensions	$ 5,227
Survivor Pensions	291
Disability Pensions	26
Lump Sum Death Benefits	85
Refunds	0
Commuted Value Transfers	64
Transfers to Other Plans	8
Family Law Value Transfers	24
Total	$ 5,725

Item – 3(b) RCA Benefits Paid

The RCA pension payments made in 2016 were $8.1 million and the RCA lump sum payments in 2016 were $1.4 million.

Item - 4(a) RPP Contributions ($ millions)

Members		
Current Service	$	1,619
Optional Credit		34
Total	$	1,653
Province of Ontario		
Current Service	$	1,596
Interest		36
Optional Credit		31
Total	$	1,663
Other Employers	$	34
Transfers from Other Plans		13
Total	$	47
Grand Total	$	3,363

Item 4(b) - RCA Contributions ($ millions)

Members	$	10.3
Province of Ontario		8.0
Other Employers		2.4
Total	$	20.7

Item 4(c) - Payments re: Foregone Inflation Adjustments

The RPP foregone inflation amounts in respect of 2015 which are part of the government billing for payment in January 2017 are $1,577,319. The RCA foregone inflation amounts in respect of 2016 which were part of the government billing for payment in December 2016 were $20,497.

Item 5 - Economic Assumptions	**RPP**	**RCA**
Discount Rate	3.25%	1.625%
Salary Escalation Rate	2.80%	2.80%
Inflation Rate	1.80%	1.80%

Item 7 - Net Gain and Loss on Actuarial Value of Assets

Not applicable. Please note that we no longer use an asset smoothing method for our financial statements. As such, there is no separate "actuarial" value of assets.

Item 8 - Schedule of Contributions and Interest Receivable ($ millions)

Contributions	$	1,598
Interest		37
Total	$	1,635

Item 9 - Number of Pensioners and Active Members

Pensioners	136,000
Active Members	182,000

Item 13 – Financial Statements

Not yet available.

We will provide any outstanding information as soon as it is available. In addition, we will send an updated version of this letter if any of the information contained herein is subsequently changed.

Please do not hesitate to call if you have any questions.

Sincerely,

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cc: Alex Killoch – Ministry of Finance