# RE: 6.25%

**From:** "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
**To:** "Fong, Pauline (TBS)" <pauline.fong@ontario.ca>
**Cc:** "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
**Date:** Tue, 18 Oct 2016 10:42:27 -0400

Thanks Pauline! I'll send the explanation below over to the DMO and we can work out how to best respond to their remaining questions later today.

Thanks
Sarah

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**From:** Fong, Pauline (TBS)
**Sent:** October-18-16 10:35 AM
**To:** Hosick, Sarah (TBS)
**Cc:** Veinot, Cindy (TBS)
**Subject:** 6.25%

In the March 31, 2016 Public Accounts of Ontario, 6.25% rate was used to discount the accounting pension liabilities of OTPP and OPSEUPP. The Province accounts for it's pension plans in accordance with Public Sector Accounting Standards (PSAS). Under PSAS, the long-term expected rate of return on pension plan assets is permitted. The 6.25% is management best estimate on the long-term expected rate of return on plan assets for OTPP and OPSEUPP.

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