

RE: Compare doc (pension accounting vs. funding narrative)

From: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To: "Fong, Pauline (TBS)" <pauline.fong@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Date: Thu, 20 Oct 2016 09:51:14 -0400

Thanks all for your help on this!

From: Fong, Pauline (TBS)
Sent: October-20-16 9:27 AM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS)
Subject: RE: Compare doc (pension accounting vs. funding narrative)

Hi Cindy,

Based on OTPP website they have discount rate of 4.80% the January 1, 2016 preliminary/filed valuation. See below.

reduced more than necessary.

Discount rates used in recent funding valuations follow.

Valuation	Discount Rate/Inflation Rate
Jan. 1, 2016: Filed	4.80% (2.75% real, 2.0% inflation)*
Jan. 1, 2016: Preliminary	4.80% (2.75% real, 2.0% inflation)*
Jan. 1, 2015: Filed	4.85% (2.85% real, 2.0% inflation)
Jan. 1, 2015: Preliminary	4.85% (2.85% real, 2.0% inflation)
Jan. 1, 2014: Filed	4.95% (2.85% real, 2.1% inflation)
Jan. 1, 2014: Preliminary	4.95% (2.85% real, 2.1% inflation)
Jan. 1, 2013: Preliminary	5.00% (2.75% real, 2.25% inflation)
Jan. 1, 2012: Filed	5.30% (3.1% real, 2.2% inflation)
Jan. 1, 2012: Preliminary	5.05% (2.85% real, 2.2% inflation)
Jan. 1, 2011: Filed	5.40% (3.25% real, 2.15% inflation)
Jan. 1, 2011: Preliminary	5.30% (3.15% real, 2.15% inflation)

*Real rate shown as the geometric difference between the discount rate and the inflation rate at Jan. 1, 2016. Previously, the real rate shown was based on the arithmetic difference between the discount rate and the inflation rate.

Discount Rate Review

From: Veinot, Cindy (TBS)
Sent: October-20-16 9:24 AM
To: Petsche, Nadine (TBS)
Cc: Hosick, Sarah (TBS); Fong, Pauline (TBS)
Subject: RE: Compare doc (pension accounting vs. funding narrative)

Thanks Nadine – I'm fine with the revised version going, once we fact check the 4.8 number.

From: Petsche, Nadine (TBS)
Sent: October-19-16 9:25 PM
To: Veinot, Cindy (TBS)
Cc: Hosick, Sarah (TBS); Fong, Pauline (TBS)
Subject: Compare doc (pension accounting vs. funding narrative)

Cindy,
Attached is the compare doc version of the narrative, as requested. n