RE: For your review (FES briefing deck -- rush)

From: "Veinot, Cindy (TBS)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Cc: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
Date: Tue, 24 Jan 2017 09:42:19 -0500

I haven't seen a q3 update – are the prior year results published? -- will impact the comments below.

Cindy

From: Petsche, Nadine (TBS)
Sent: January-23-17 10:00 PM
To: Veinot, Cindy (TBS)
Subject: For your review (FES briefing deck -- rush)

Cindy – we received a request earlier today for a few bullets on the pension adjustment for a FES deck. The bullets are needed on a rush basis. Please review below and advise of any edits. Thanks.n

(Draft bullets for FES Deck - FES expected to be released Feb 12? After release of PAEAP Report public release? FES reflects reversal of write off for OTPP and OPSEUPP but continues to reflect write off of assets related to HOOPP and CAATPP?)

- Following the release of the 2015-16 Public Accounts the government engaged an independent Expert Advisory Panel to review the application of public sector accounting standards (PSAS) for the governments pension plans, including two jointly sponsored pension plans – the Ontario Teachers' Pension Plan (OTPP) and Ontario Public Service Employees' Union Pension Plan (OPSEUPP).
- The four expert members of the Panel met several times in late 2016 and early 2017.
- The two main pension issues considered by the Panel focused on whether the net pension assets for the plans should be recognized under PSAS and if so, how they should be measured
- At the time that the Q3 update was being prepared, the Panel's results as related to the OTPP and the OPSEUPP had been released; however, work related to HOOPP and CAATPP was still in progress.
- The Panel's review recommended that the net pension assets of OTPP and OPSEUPP be recognized on the books of the Province and that no valuation allowance is required
- The government has accept ed the Panel's recommendations related to accounting for OTPP and OPSEUPP . Therefore, in the Q3 update, adjustments were made to the Fiscal Plan to reverse the provision originally taken in the 2015/16 Public Accounts for these two plans as well as the impact recorded for fiscal 2016-17. The provisions related to HOOPP and CATPP have not been reversed, pending the final results of the Panel related to those plans.
- As a result of the reversal, the forecast interim results for 2016/17 are XX higher than they would have otherwise been.
- For the 2016/17 Public Accounts, the Province will consider the Panel's full recommendations related to accounting and valuation of the OTPP, OPSEUPP, HOOPP and CATPP.