

RE: New Model Output

From: "Veinot, Cindy (TBS)" <"o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Killoch, Alex (MOF)" <alex.killoch@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "Pomykacz, Rob (MOF)" <robert.pomykacz@ontario.ca>
Cc: allan.shapira@aonhewitt.com
Date: Sat, 24 Sep 2016 09:00:42 -0400

Thanks everyone for looking at this so quickly.

One question on #3 – does the math work such that the plan would be in permanent zone when it is estimated to hit the ITA limit? In other words, based on one of the scenarios provided by Martin Raymond, does this mean that based on continued expected returns, one model suggests that the plan would be in the permanent zone in 15 years?

From: Killoch, Alex (MOF)
Sent: September-24-16 8:57 AM
To: Petsche, Nadine (TBS); Pomykacz, Rob (MOF)
Cc: allan.shapira@aonhewitt.com; Veinot, Cindy (TBS)
Subject: Re: New Model Output

I talked to Allan last night.

The answer to number 1 is that the rule applies to joint plans.

Number 2 is that the rule applies to the employer only. But under the terms of the plan it would be both parties that need to determine how to to reduce surplus.

There is no rule other than the FMP for dealing with surplus. And Raymond is correct that the plan would never get to the ITA maximum. The ofc would never allow it to get through the temp and permanent zones, (and I doubt gov't would either)

Alex

From: Petsche, Nadine (TBS)
Sent: Saturday, September 24, 2016 8:35 AM
To: Killoch, Alex (MOF); Pomykacz, Rob (MOF)
Cc: allan.shapira@aonhewitt.com; Veinot, Cindy (TBS)
Subject: RE: New Model Output

Alex/Rob,
Just wondering what the plan is w.r.t. the questions posed below? Thx. n

From: Raymond, Martin (CA - Montreal) [<mailto:maraymond@deloitte.ca>]
Sent: September-23-16 4:44 PM

To: Petsche, Nadine (TBS)
Cc: allan.shapira@aonhewitt.com; Killoch, Alex (MOF); Pomykacz, Rob (MOF); Colley, Matthew (CA - Toronto)
Subject: RE: New Model Output

After a discussion with Matthew, find enclosed the following questions that might be needed to review with the use of Income Tax Act excess surplus for contribution reduction.

- 1- Is the Income Tax Act excess surplus still applicable to a joint plan? I believe it does since the idea is to avoid excess use of pension plans as tax free deferral vehicles and therefore should apply to all types of employer provided pension plans
- 2- Is the Income Tax Act only requiring the employer to reduce contribution even in a joint plan ? if so, our estimate of using 50% of the excess surplus would move to 100%. However, we have used 50% of the excess surplus as a benefit to the employer knowing that under the plan, the sharing principle would lead to employees and employer reducing both their contributions to meet the requirement of the Income Tax Act
- 3- Finally, is there a plan provision (I did not see if one applies) that would force the employer to modify the plan benefits and therefore prevent of taking a contribution reduction that is otherwise applicable as per the Income Tax Act. I did not see one, and this is likely to be logic that the plan does not need one since the idea would generally be to deal with surplus through the Temporary and Permanent zones in the sharing of surplus and therefore not getting into the excess surplus position. However, for our illustration we assume that no surplus is used through the Temporary and Permanent zones, considering no agreement and therefore we end up dealing with the excess surplus situation.

Regards

Martin Raymond, FSA, FCIA

Partner – Audit – Actuarial services

Deloitte

1190 Avenue des Canadiens-de-Montréal, Montréal, H3B 0M7, Canada

Tel / Direct : 514-393-7367

Fax : 514-390-4104

maraymond@deloitte.ca | www.deloitte.ca

Please consider the environment before printing.

Deloitte is proud to be an Official
Supplier of the Canadian Olympic team



De : Raymond, Martin (CA - Montreal)

Envoyé : 23 septembre 2016 15:13

À : 'Petsche, Nadine (TBS)' <Nadine.Petsche@ontario.ca>

Cc : allan.shapira@aonhewitt.com; Killoch, Alex (MOF) <Alex.Killoch@ontario.ca>; Pomykacz, Rob (MOF) <Robert.Pomykacz@ontario.ca>; Colley, Matthew (CA - Toronto) <mcolley@deloitte.ca>

Objet : RE: New Model Output

Here are the 2 files

One for projection of plan situation

One for the expected future benefit and asset ceiling test

Martin Raymond, FSA, FCIA

Partner – Audit – Actuarial services

Deloitte

1190 Avenue des Canadiens-de-Montréal, Montréal, H3B 0M7, Canada

Tel / Direct : 514-393-7367

Fax : 514-390-4104

maraymond@deloitte.ca | www.deloitte.ca

Please consider the environment before printing.

Deloitte is proud to be an Official
Supplier of the Canadian Olympic team



De : Petsche, Nadine (TBS) [<mailto:Nadine.Petsche@ontario.ca>]

Envoyé : 23 septembre 2016 15:10

À : Raymond, Martin (CA - Montreal) < maraymond@deloitte.ca >

Cc : allan.shapira@aonhewitt.com ; Killoch, Alex (MOF) < Alex.Killoch@ontario.ca >; Pomykacz, Rob (MOF) < Robert.Pomykacz@ontario.ca >; Colley, Matthew (CA - Toronto) < mcolley@deloitte.ca >

Objet : New Model Output

Importance : Haute

Martin,

We are on a call with Matt and he is describing your most recent model run for the OTTP. Can you please share that with Allan Shapira and cc. Alex Killoch and Rob Pomykacz as soon as possible.

Thanks.

Nadine

Confidentiality Warning:

This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system. Thank You

If you do not wish to receive future commercial electronic messages from Deloitte, forward this email to unsubscribe@deloitte.ca

Avertissement de confidentialité:

Ce message, ainsi que toutes ses pièces jointes, est destiné exclusivement au(x) destinataire(s) prévu(s), est confidentiel et peut contenir des renseignements privilégiés. Si vous n'êtes pas le destinataire prévu de ce message, nous vous avisons par la présente que la modification, la retransmission, la conversion en format papier, la reproduction, la diffusion ou toute autre utilisation de ce message et de ses pièces jointes sont strictement interdites. Si vous n'êtes pas le destinataire prévu, veuillez en aviser immédiatement l'expéditeur en répondant à ce courriel et supprimez ce message et toutes ses pièces jointes de votre système. Merci.

Si vous ne voulez pas recevoir d'autres messages électroniques commerciaux de Deloitte à l'avenir, veuillez envoyer ce courriel à l'adresse unsubscribe@deloitte.ca