

RE: Pensions

From: "Kaufman, Paul (TBS)" <paul.kaufman@ontario.ca>
To: "Hatzis, Len (TBS)" <len.hatzis@ontario.ca>, "Kearney, Sean (TBS)" <sean.kearney@ontario.ca>
Cc: "Duffy, Stephen (TBS)" <stephen.duffy@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Smook, Nick (TBS)" <nick.smook@ontario.ca>
Date: Tue, 27 Sep 2016 11:14:04 -0400

See redline below – if the intention is to not have this rule reflected in the comparative results for 14-15 that are included in the 15-16 statements, I think the bit in the opening flush also needs to come out. We may also not need (2) anymore but will confirm with Nick.

1. Ontario Regulation 395/11 is amended by adding the following section:

Accounting policies and practices for the 2015-2016 fiscal year

3. (1) The consolidated financial statements of the Province set out in the Public Accounts for the fiscal year ending March 31, 2016, ~~including comparative financial results for the fiscal year ending March 31, 2015~~, shall be prepared in accordance with the following rules:

1. In determining a valuation allowance for a jointly sponsored pension plan with a surplus calculated for accounting purposes, the Province shall assume an expected future benefit of zero.
2. The rule in paragraph 1 shall be reflected in all related asset, revenue, liability, expense and accumulated deficit balances as if it had been implemented effective April 1, 2015~~4~~.

(2) For greater certainty, any change to the comparative financial results required by subsection (1) does not constitute a restatement of the consolidated financial statements of the Province for the fiscal year ending March 31, 2015.

(3) In subsection (1),

“jointly sponsored pension plan” has the same meaning as in the *Pension Benefits Act*.

Paul Kaufman
Counsel

Ministry of the Attorney General | Legal Services Branch | Treasury Board Secretariat

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From: Hatzis, Len (TBS)
Sent: September-27-16 11:03 AM
To: Kaufman, Paul (TBS); Kearney, Sean (TBS)
Cc: Duffy, Stephen (TBS); Petsche, Nadine (TBS); Veinot, Cindy (TBS)
Subject: Re: Pensions

Opcd is aware - we are good to go.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Kaufman, Paul (TBS)
Sent: Tuesday, September 27, 2016 11:01 AM
To: Hatzis, Len (TBS); Kearney, Sean (TBS)
Cc: Duffy, Stephen (TBS); Petsche, Nadine (TBS); Veinot, Cindy (TBS)
Subject: RE: Pensions

Is everyone sure of this? Opcd – doesn't that affect the comparative info in our cfs this year? Or is that the point? If so, other change will be needed.

Paul Kaufman
Counsel

Ministry of the Attorney General | Legal Services Branch | Treasury Board Secretariat

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From: Hatzis, Len (TBS)
Sent: September-27-16 10:41 AM
To: Kearney, Sean (TBS); Kaufman, Paul (TBS)
Cc: Duffy, Stephen (TBS); Petsche, Nadine (TBS); Veinot, Cindy (TBS)
Subject: Re: Pensions

Change is sub 3(1) 2 - change April 1 2014 to April 1 2015. Need it sealed and ready to bring to TB later today

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Kearney, Sean (TBS)
Sent: Tuesday, September 27, 2016 10:39 AM
To: Hatzis, Len (TBS); Kaufman, Paul (TBS)
Cc: Duffy, Stephen (TBS)
Subject: RE: Pensions

And they are looking at extending timing and perhaps first getting the agreement of the AG re timing deadline.

Sean Kearney
Legal Director

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Phone: 416-327-6396 Fax: 416-325-9404

From: Hatzis, Len (TBS)
Sent: September-27-16 10:38 AM
To: Kaufman, Paul (TBS); Kearney, Sean (TBS)
Cc: Duffy, Stephen (TBS)
Subject: Re: Pensions

Paul
A change is needed to reg - will be back to you

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Kaufman, Paul (TBS)
Sent: Tuesday, September 27, 2016 10:11 AM
To: Kearney, Sean (TBS); Hatzis, Len (TBS)
Cc: Duffy, Stephen (TBS)
Subject: Fw: Pensions

Fyi clients working on tb sub in case this goes to board this afternoon.
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Laughton, Patrick (TBS) <Patrick.Laughton@ontario.ca>
Sent: Tuesday, September 27, 2016 9:52 AM
To: Esmail, Selena (TBS); Provis, Ian (TBS)
Cc: Sawosch, Mercedes (TBS); Arbabzadeh, Nina (TBS); Petsche, Nadine (TBS); Kaufman, Paul (TBS); Luk, Sandy (TBS)
Subject: RE: Pensions

Hi Selena –

I'm copying Paul Kaufman who is the point person in this in TBS Legal and can assist on these Qs I hope. My understanding is that the reg has already been drafted and it's expected that cab would convene (Kyle mentioned no LRC).

Paul – our team (Ian/Sandy) are getting going on a short TB sub that we could take this afternoon if the decision is made to go with this particular option. Can you please reach out to them/share the reg so they can start pulling together the sub? My sense is that the decision in front of TB is to approve a reg change with a fiscal impact, so we'd need the reg and also the # to finalize the business case along with the context/rationale around the request.

Please jump in if I've missed/mischaracterized anything guys.

Thanks,

P.

From: Esmail, Selena (TBS)
Sent: September-27-16 9:40 AM
To: Provis, Ian (TBS); Laughton, Patrick (TBS)
Cc: Sawosch, Mercedes (TBS); Arbabzadeh, Nina (TBS); Arbabzadeh, Nina (TBS); Petsche, Nadine (TBS)
Subject: Re: Pensions

Hi there - if the board is recommending a reg - we need the reg as well. Also - is the reg expected to go to an LRC meeting or does cabinet need to convene on this? If the latter, we need to queue things up with cab office for an expedited approval - just need to know when. Let me know what I can do to assist. Thx

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Provis, Ian (TBS)
Sent: Tuesday, September 27, 2016 9:23 AM
To: Laughton, Patrick (TBS); Esmail, Selena (TBS)
Cc: Sawosch, Mercedes (TBS); Arbabzadeh, Nina (TBS); Arbabzadeh, Nina (TBS); Petsche, Nadine (TBS)
Subject: Re: Pensions

Should be no problem. I left a message with Sandy on what form is needed.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Laughton, Patrick (TBS)
Sent: Tuesday, September 27, 2016 09:20
To: Provis, Ian (TBS); Esmail, Selena (TBS)
Cc: Sawosch, Mercedes (TBS); Arbabzadeh, Nina (TBS); Arbabzadeh, Nina (TBS); Petsche, Nadine (TBS)
Subject: RE: Pensions

Hi Ian et al.

Legal is saying that the reg change would require TB/MBC approval (as an item with a fiscal impact); it is not clear what option we are landing on just yet but we need to get the gears turning on TB submission ASAP so we are ready potentially to take the board this afternoon. This should be a short 3-page submission and need to pull together this morning – please take the lead on this. I'll pop by shortly, if you need support from legal and/or corporate I'm happy to facilitate.

P.

From: Provis, Ian (TBS)
Sent: September-26-16 3:50 PM
To: Laughton, Patrick (TBS); Esmail, Selena (TBS); Arbabzadeh, Nina (TBS)
Cc: Dutton, Andrea (TBS); Luk, Sandy (TBS); Parker, Bryan (TBS); Schlaepfer, Martin (TBS)
Subject: RE: Pensions

I just got news that an old option of regulated accounting is being discussed again, so we are just in stand-by mode.

Ian Provis
 416.327.2722 |  ian.provis@ontario.ca

From: Laughton, Patrick (TBS)
Sent: Monday, September 26, 2016 3:34 PM
To: Esmail, Selena (TBS); Arbabzadeh, Nina (TBS)
Cc: Dutton, Andrea (TBS); Luk, Sandy (TBS); Parker, Bryan (TBS); Schlaepfer, Martin (TBS); Provis, Ian (TBS)
Subject: RE: Pensions

Thanks for the flag.

I am having trouble drawing this out from what's below but what's the decision that would be put before the Board?

Sorry if I'm missing something.

P.

From: Esmail, Selena (TBS)

Sent: September-26-16 2:35 PM
To: Laughton, Patrick (TBS); Arbabzadeh, Nina (TBS)
Cc: Dutton, Andrea (TBS); Luk, Sandy (TBS); Parker, Bryan (TBS); Schlaepfer, Martin (TBS)
Subject: FW: Pensions

Heads up...flagging given TBSWP meeting later today...

From: Luk, Sandy (TBS)
Sent: September 26, 2016 2:20 PM
To: Provis, Ian (TBS)
Cc: Komal, Indira (TBS); Esmail, Selena (TBS); Parker, Bryan (TBS); Schlaepfer, Martin (TBS); Stephenson, Jeremie (TBS); Dutton, Andrea (TBS)
Subject: Pensions

Thanks for the chat Ian.

I have flagged this for Agenda Office as well. If the AG is supportive of the proposal, and this would need TB/MBC approval, TB/MBC would approve the in-year pensions expense. Since this is statutory, we do not need supplementary estimates.

If this does proceed to TB/MBC tomorrow (and move forward as the first item, so that Public Accounts can be tabled after), we would need a signed submission ahead of the Board meeting. It will definitely be easier to facilitate this if we have some draft materials. I know you mentioned there's nothing available right now, but I think we typically need a signed Minister submission ahead of TB/MBC meetings. Selena /Bryan - please let me know if you have thoughts on this in light of our current circumstances ☺ .

We can work with our corporate shops to make sure they're aware that this might be coming. I had a quick chat with Martin based on what we know at this point, and flagged that EDU policy is aware of the impacts to Teachers' Pension Plan. I think the OPSEU piece is in TBS, but please let me know if I'm mistaken and it's in MOF and I can loop in the appropriate corporate shop.

We can connect again this later this afternoon to see where we're at and the likelihood that this will need to go to TB/MBC tomorrow.

Happy to discuss if that's easier.

Thanks,
Sandy

From: Provis, Ian (TBS)
Sent: September-26-16 12:16 PM
To: Luk, Sandy (TBS)
Subject: Just checking in

If we need something approved today what would it take? We have a new proposal to the AG and if it goes we would like to table tomorrow and we would need to have the Pension amount approved by TB to complete Volume 1 so it can go to print tonight?

Don't panic as we have low expectations it will be accepted.

Thanks
Ian

Ian Provis, CPA C.A.

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