Re: OTTP question

From: "Veinot, Cindy (TBS)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=veinot, cindy (tbs)d57">
To: "Raymond, Martin (CA - Montreal)" <maraymond@deloitte.ca>
Date: Mon, 12 Sep 2016 12:34:08 -0400

Actually I can step out now. What number?

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Veinot, Cindy (TBS)
Sent: Monday, September 12, 2016 12:31
To: Raymond, Martin (CA - Montreal)
Subject: Re: OTTP question

OK. Can I call you in 10 minutes? What number?

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Raymond, Martin (CA - Montreal)
Sent: Monday, September 12, 2016 12:28
To: Veinot, Cindy (TBS)
Subject: Re: OTTP question

Just for out

Envoyé de mon iPhone

> Le 12 sept. 2016 à 09:54, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> a écrit :
>
> Ok
>
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> Original Message
> From: Raymond, Martin (CA - Montreal)
> Sent: Monday, September 12, 2016 11:53
> To: Veinot, Cindy (TBS)
> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
> Subject: Re: OTTP question
>
>
> Ok
> And break seems to be delayed !!!
> So will email you when it happens
>
>
> Envoyé de mon iPhone
>
>> Le 12 sept. 2016 à 09:50, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> a écrit :
>>
>> Email me as I have to step out of a meeting.
>>
>> Sent from my BlackBerry 10 smartphone on the Rogers network.
>> Original Message
>> From: Raymond, Martin (CA - Montreal)
>> Sent: Monday, September 12, 2016 11:43

>> To: Veinot, Cindy (TBS)
>> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
>> Subject: Re: OTTP question
>>
>>
>> Will call you when the break occurs
>> Let me the number to reach you
>>
>>
>> Envoyé de mon iPhone
>>
>>> Le 12 sept. 2016 à 09:29, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca> a écrit :
>>>
>>> OK. Can I call you then? What number?
>>>
>>> Sent from my BlackBerry 10 smartphone on the Rogers network.
>>> From: Raymond, Martin (CA - Montreal)
>>> Sent: Monday, September 12, 2016 10:06
>>> To: Veinot, Cindy (TBS)
>>> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
>>> Subject: Re: OTTP question
>>>
>>>
>>> Will have a break at 9:55 here of want to talk - 11:55 yours
>>>
>>>
>>> Envoyé de mon iPhone
>>>
>>> Le 12 sept. 2016 à 07:53, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>> a écrit :
>>>
>>> Understood – except in 2014 and 2015 part of the surplus is being to for inflation protection – wouldn't that have an impact on the contributions required by the government – e.g. the government will not have to make the payments it otherwise would have had to make if the surplus was not used to increase the inflation protection?
>>>
>>> If it would be easier to talk this through live, let me know – I can call you.
>>>
>>> Thanks,
>>>
>>>
>>> 2014
>>> $5.1 billion preliminary funding surplus used to boost pensions of members who retired after 2009 to the level they would have been at if full inflation protection had been provided each year since they retired. The surplus funds were also used to raise conditional inflation protection to 60% of the increase in the cost of living for the portion of retirees' pensions earned after 2009. Both changes are effective with January 2015 pension payments.
>>>
>>> 2015
>>>
>>> $6.8 billion preliminary funding surplus used to boost pensions of members who retired after 2009 to the level they would have been at if full inflation protection had been provided each year since they retired. The surplus funds were also used to raise conditional inflation protection for pension credit earned after 2009 to 70% from 60% of the increase in the cost of living.
>>> Both changes go into effect in January 2016. In addition, some surplus funds were reserved to help facilitate stability in contribution and benefit levels should a future funding valuation show a decline in assets or increase in
>>> pension costs.
>>>
>>>
>>> From: Raymond, Martin (CA - Montreal) [mailto:maraymond@deloitte.ca]
>>> Sent: September-12-16 9:48 AM
>>> To: Veinot, Cindy (TBS)
>>> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
>>> Subject: Re: OTTP question

>>>
>>> The plan itself "aims"at 100% but it is not automatic, it is conditional
>>> But the 100% notion remains through the surplus that may come up
>>> Also the 50/50 concept remains for the situation when not 100% is provided
>>>
>>> So if in a year we provide less than 100% - ex it represents 1B of missing indexation- the government contributes 1B. This is the share of employee missing a benefit and employer contributing
>>>
>>> When surplus generates, it is first used to restore benefit
>>>
>>> So if benefits are restored and 100% is provided in the year, the government does not contribute for that part of contributon
>>>
>>> However recently it has been situation of retirees not getting full 100% and employer contributing the "foregone inflation"
>>>
>>>
>>> Envoyé de mon iPhone
>>>
>>> Le 12 sept. 2016 à 07:26, Veinot, Cindy (TBS)
<Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>> a écrit :
>>> The text below is an excerpt from the employee announcement (attached – see bottom of left column on page 1) when the conditional indexation was commenced in 2011 (I think).
>>>
>>> “The Ontario government and other employers that participate in the Teachers’ plan will make extra contributions to the pension plan equal to the total annual cost of inflation increases that retirees forgo.”
>>>
>>>
>>> From: Veinot, Cindy (TBS)
>>> Sent: September-12-16 9:24 AM
>>> To: 'Raymond, Martin (CA - Montreal)'
>>> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
>>> Subject: RE: OTTP question
>>>
>>> Thanks,
>>>
>>> My understanding if that the Province makes a “share the pain” payment if full indexation is not provided (e.g. to keep things equal when the employees give up some inflation indexation, the Province makes a payment in an equal amount). So wouldn’t restoring indexation stop the need of the Province to make this payment?
>>>
>>> From: Raymond, Martin (CA - Montreal) [mailto:maraymond@deloitte.ca]
>>> Sent: September-12-16 9:21 AM
>>> To: Veinot, Cindy (TBS)
>>> Cc: Petsche, Nadine (TBS); Colley, Matthew (CA - Toronto)
>>> Subject: Re: OTTP question
>>>
>>> Was just writing you the answer at the same time ...
>>> The use of surplus within the agreement goes first to "restore indexation" on the post 2009 service to 100% and to maintain this % to increase the assumption for future indexation on that post 2009 service
>>> So part of the amount you have in your document ended up increasing the pension benefits for the piece of indexing that was not provided yet to 100% for retirees post 2009 on their post 2009 service and part of the amount was attached to increasing conditional indexing to 70% which is an assumption of how we would index in the future the pension for post 2009 service - that piece is more a "reserved amount" because it is still conditional indexing for the future.
>>> So no share goes to the government for contribution reduction since the 1st use is restoration
>>>
>>> This is why we mentioned that in the accounting valuation, you do have an assumption that benefits are already 100% indexed for that post 2009 service, hence the rest is not going 1st to restoration since the assumption already takes it to full restoration
>>>
>>> Let me know if you need more info on this or if this is clear enough.
>>>

>>> Regards
>>>
>>>
>>> Envoyé de mon iPhone
>>>
>>> Le 12 sept. 2016 à 07:09, Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>> a écrit :
>>> Hi Martin – just following up on this – I know its early in Banff! Can you let me know if you have additional insight on this from the funding valuation?
>>>
>>> Thanks,
>>>
>>> From: Veinot, Cindy (TBS)
>>> Sent: September-11-16 10:33 PM
>>> To: Raymond, Martin (CA - Montreal); Petsche, Nadine (TBS)
>>> Subject: OTTP question
>>>
>>> Hi Martin,
>>>
>>> In the document I circulated yesterday morning regarding the history of the use of surpluses in the plan, it spoke to using parts of the surplus in 2014 and 2015 for inflation protection. Is it possible to tell from the last valuation report filed how much of the 2014 surplus was used for that purpose and how that impacted the province re reduced contributions?
>>>
>>> Thanks for your assistance.
>>>
>>> Cindy
>>>
>>> Sent from my BlackBerry 10 smartphone on the Rogers network.
>>>

>>> <PensionerAnnounce_ScreenEN_060311.pdf>
>>>

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