Re: Review: Analysis

From:	"Raymond, Martin (CA - Montreal)" <maraymond@deloitte.ca>
To:	"Fong, Pauline (TBS)" <pauline.fong@ontario.ca>
Cc:	"Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Patel, Bharat (TBS)" <bharat.patel3@ontario.ca>
Date:	Wed, 14 Sep 2016 22:45:56 -0400
Attachments:	Fiscal Impact if Policy is to write off Pension Assets for joint plans.xlsx (5.39 kB)

Hi Pauline
We will look at your document
Usually this is true that once we hit the ceiling we will end up with expense equal to contribution ...
However the fact that the test is performed on the fair value and not the smoothed value of assets I think there might be situations where the expense and contributions may not be equal - especially of the fair value vs smoothed value situation ends up having both unamortized gains and unamortized losses

Again we will look at your file and test this particular situation - Thursday we will confirm you this

Envoyé de mon iPhone

Le 14 sept. 2016 à 18:35, Fong, Pauline (TBS) <Pauline.Fong@ontario.ca> a écrit :

Hi Martin,

Cindy as requested me to reach out to you to see review the above analysis. My understanding is if the Province were to write-down the net pension asset for their joint sponsored defined benefit plans to nil, the annual pension expense (PSAB expense + change in valuation allowance) will equal to the Province's employer contributions made during the year.

The attached file is excerpts of the following plans:

OTTP (excluding RCA)

OPSEU Pension Plan

HOOPP

CAATPP

The file contains what the Province is currently carrying in the forecast before any change in policy compared to what the revised forecast would be if the policy is changed. Please review and let us know if there is something else missing from my analysis on the impacts on the fiscal plan going outwards. Note: HOOPP is forecasted to reach the asset position in 2017-18 and CAATPP is expected to reach the asset position starting 2016-17.

Regards,

Pauline Fong, **CPA, CA**

Senior Analyst, External Reporting

Office of the Provincial Controller Division | Office of the Treasury Board | Treasury Board Secretariat

7 Queen's Park Crescent, Frost South, 2nd Floor, Toronto, ON, M7A 1Y7

Phone: (416) 212-4007

Pauline.fong@ontario.ca

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