Re: Updated Pension asset

From: "Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Cc: "Fong, Pauline (TBS)" <pauline.fong@ontario.ca>, "McGrath, Tara (MOF)" <tara.mcgrath@ontario.ca>, "Lindquist, Emma (MOF)" <emma.lindquist@ontario.ca>, "Birks, Ryan (MOF)" <ryan.birks@ontario.ca>, "Esmail, Selena (MOF)" <selena.esmail@ontario.ca>
Date: Wed, 12 Oct 2016 08:41:58 -0400

Cindy

Just wanted to keep you in the loop as this unfolds.

We met with Scott and Ali late yesterday and they've indicated there's still a desire amongst Senior PO and our MO to explore an option where the fiscal plan only takes on a share of the total pressure identified with the pension asset accounting change, out of recognition of the uncertainty associated with the outcome of the review, discussions with plans, and actuarial updates.

The option we've been asked to include in our scenarios is an increase in the risk of $0.5B a year - so 1.5B in 15-16, 2.0B in 16-17, 2.5B in 17-18, 3B in 18-19.

Just wanted you to be aware of the latest, and if you have considerations around this option, we'd be pleased to receive your advice.

Tim

From: Veinot, Cindy (TBS)
Sent: Tuesday, October 11, 2016 2:10 PM
To: Schuurman, Tim (MOF); Petsche, Nadine (TBS)
Cc: Fong, Pauline (TBS); McGrath, Tara (MOF); Lindquist, Emma (MOF)
Subject: RE: Updated Pension asset

Hi Tim,

Pauline and I met. There wouldn't be any difference in the amount for fiscal 2016-17. If we want to take another look at the out years, we will need actuarial calculations and it would be a change in process for the FES as compared to what we have done in the prior years. The actuarial calculations would likely take quite a bit of time to get (e.g. not a week). Let's chat when you have a few minutes.

Cindy

From: Schuurman, Tim (MOF)
Sent: October-11-16 2:06 PM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Fong, Pauline (TBS); McGrath, Tara (MOF); Lindquist, Emma (MOF)
Subject: RE: Updated Pension asset

Thanks Cindy.

We're on the hook to present this updated deck later this week - -so anything we can get by tomorrow from your folks is great.

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From: Veinot, Cindy (TBS)
Sent: October-11-16 1:55 PM
To: Schuurman, Tim (MOF); Petsche, Nadine (TBS)
Cc: Fong, Pauline (TBS)
Subject: RE: Updated Pension asset

Hi Tim – I mentioned to Scott that we should look at the sensitivity of one aspect of the calculation to determine if there is another option to consider. At this point, I'm not sure it will make any difference for 2016-17, but we will take a look.

Cindy

From: Schuurman, Tim (MOF)
Sent: October-11-16 1:40 PM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Subject: Updated Pension asset

Hi Cindy, Nadine;

Scott indicated to me that you had some discussion about a potential option of building in a portion, but not all of the expected impact of the pension asset – but under a more sophisticated amount rather than, say, $1.5B, or the mid-point of the impact.

We're turning around our deck today with a new secondary option - - will you guys be preparing an alternative scenario based on a set of assumptions that we can incorporate?

Happy to chat – just heard from Scott you were looking at something, so want to make sure we're aligned.

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