3 - Email - January 13 2017 - Re_ Availability to Meet with Secretary of Cabinet.pdf

From: Patricia O"Malley
To: Tam, Nelson (TBS)
Subject: Re: Availability to Meet with Secretary of Cabinet
Date: January-13-17 3:31:05 PM

Nelson

I can be in Toronto all day Tuesday after the Minister briefing. If it is really necessary I can stay over Tuesday night for a meeting early Wednesday morning. I will be back in Toronto on Friday and could be available from noon on.

Hope that works.

Tricia O'Malley
Mobile +1(416) 570 1924

From: Tam, Nelson (TBS)
Sent: Friday, January 13, 2017 13:48
To: Patricia O'Malley (plomalley@outlook.com)
Subject: Availability to Meet with Secretary of Cabinet

Patricia

The Secretary of Cabinet wants to meet with you hopefully after the Minister briefing. They are trying to set it up for the same day. Also attending will be Deputy Minister, Associate Deputy Minister and Cindy.

Please provide your availability for Tuesday and just in case, the rest of the week so we can try to coordinate something.

Thanks

Nelson
416-212-0514

3A - Email - January 13 2017 - RE_ Meeting between Tricia O'Malley and Steve Orsini.pdf

From:	Tam, Nelson (TBS)
To:	Hosick, Sarah (TBS)
Cc:	Veinot, Cindy (TBS) (Cindy.Veinot@ontario.ca)
Subject:	RE: Meeting between Tricia O"Malley and Steve Orsini
Date:	January-13-17 3:34:00 PM
Attachments:	image001.png

Sarah

The Chair's availability from her email for next week to coordinate meeting.

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Thanks

Nelson
X20514

From: Hosick, Sarah (TBS)
Sent: January-13-17 1:43 PM
To: Veinot, Cindy (TBS); Tam, Nelson (TBS)
Subject: RE: Meeting between Tricia O'Malley and Steve Orsini

Will do.

From: Veinot, Cindy (TBS)
Sent: January-13-17 1:42 PM
To: Hosick, Sarah (TBS); Tam, Nelson (TBS)
Subject: Meeting between Tricia O'Malley and Steve Orsini

We need to set up a time for Tricia to meet with Steve (+Helen/Karen/myself) – smaller group than the Minister's briefing on Tuesday morning. Wondering if there is a way to get that set up for the same day?

Sarah – Kyle will know about this – can you work with him.

Thanks,

Cindy Veinot
Provincial Controller and Assistant Deputy Minister, Office of the Provincial Controller
Treasury Board Secretariat
Frost Building South
7 Queen's Park Crescent East
Toronto, Ontario M7A 1Y7

T: 416-325-8017

E: cindy.veinot@ontario.ca

TBS

image001.pdf

TBS

4 - SOC Meeting - January 27.pptx

Pension Asset Expert Advisory Panel Update

TBS

- The Panel completed their report on January 23rd. The main focus is on the Ontario Teachers' Pension Plan and the Ontario Public Service Employee' Union Pension Plan.
- The report was provided to Communications and TBS on January 23rd.
- Joint meeting between Deputy Minister and staff and the Minister's Office was held on January 24th to discuss release options.
- The report is in translation and expected to be completed by January 31st.
- Briefings with the Auditor General and her staff and Opposition Party are part of the release strategy.
- The Healthcare of Ontario Pension Plan and the Colleges of Applied Arts and Technology Pension Plan will be in a supplemental report expected by late February.

5 - Email - January 25 2017 - PAEAP Communications Slides - SOC briefing.pdf

From: Jackson, Sarah (TBS)
To: Tam, Nelson (TBS); Hosick, Sarah (TBS)
Cc: DiMuzio, Sofie (TBS); Sullivan, Bryant (TBS); Miller, Amanda (TBS); Ovenden, Erin (TBS)
Subject: PAEAP Communications Slides - SOC briefing
Date: January-25-17 5:42:50 PM
Attachments: PAEAP_Comms Slide_v9_20170125.pptx

Hi Nelson and Sarah,

Please find attached two high-level slides to support Cindy's discussion with the SOC on Friday.

Sarah – thanks for the chat tonight and for confirming these slides will be included in your larger deck for approvals up the chain (including the DMO). As I mentioned, the only new info in these slides is the line that references a 'paper-only' release (slide 2) – meaning, the report could potentially be ready for release earlier if there was a decision not to do pre-briefings or a media event.

Let me know if you have any questions.

Thanks again!
Sarah

Sarah Jackson
Senior Communications Consultant
Treasury Board Secretariat
Ph: 416-212-7790
Email: Sarah.Jackson@ontario.ca

PAEAP_Comms Slide_v9_20170125.pdf

Communications

TBS

Strategic Approach

- Overall approach and messaging will remain neutral and factual, balancing need for government to state its position, while demonstrating respect for all parties involved.
- Communications plan, tactics and messaging to remain flexible and adjustable based on advice and coordination with the Ministry of Finance (e.g. Q3 report).
- Tactics and messaging will also be reassessed, as needed, to respond to Auditor General's position, if known.

Key Messages

- The Pension Asset Expert Advisory Panel has provided its advice and recommendations to the government on the application of public sector accounting standards to Ontario's net pension assets.
- The expert panel agrees with Ontario's view that the net pension asset should be recognized in the province's financial statements.
- We thank the panel for their work on this complex issue. The Panel's advice will help inform discussions with the Auditor General as we work toward agreement on how the accounting standard is applied to future financial statements.

Communications

<u>Timing</u>

- Tentative release date is **Monday, February 13**.

<u>Announcement Details</u>

- Proactive, high-profile release.
- PAEAP Chair and members hold embargoed pre-briefs for opposition and media.
- Immediately following PAEAP-led media briefing, hold press conference with Ministers Sandals and Sousa. Recommend event be held in neutral location, i.e. boardroom in MacDonald Block, consistent with fall 2016 technical briefing for media.
- Report posted on Ontario.ca. TBS issues provincewide news release.
- At a later date, TBS issues media bulletin on Newsroom with no email distribution to announce supplemental report (HOOPP & CAAT) available on Ontario.ca.

*Note: In the event of a paper-only release (i.e. no pre-briefs or press conference with panel members), the report could potentially be ready as early as **Thursday, February 2**.

5 - PAEAP_Comms Slide_v9_20170125.pptx

Communications

TBS

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TBS

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5A - Email - January 25 2017 - Slide for Cindy’s briefing with Secretary of Cabinet.pdf

From: Tam, Nelson (TBS)
To: Jackson, Sarah (TBS); Sullivan, Bryant (TBS)
Subject: Slide for Cindy"s briefing with Secretary of Cabinet
Date: January-25-17 11:51:00 AM

Sarah, Bryant

Cindy is meeting with the Secretary of Cabinet on Friday. Please provide one slide for Cindy outlining, at a very high level, the Communication strategy/option.

If you can have end of today (prefereed) or early tomorrow. I was advised material must be sent 24 hours in advance.

Thanks

Nelson
X20514

SOC Pension Asset Update.pptx

Pension Asset Expert Advisory Panel

Secretary of Cabinet Briefing

Objective

- To provide an update on the Pension Asset Expert Advisory Panel (the ‘Panel’)’s advice and recommendations to the government on the application of public sector accounting standards (PSAS) to Ontario’s net pension assets.

- To discuss report delivery timing and next steps.

General

- In the 2015/16 Public Accounts, the OAG and the government's professional accounting staff disagreed on how PSAS applies to the net pension assets of two pension plans the Province jointly sponsors – Ontario Teachers' Pension Plan (OTPP) and Ontario Public Service Employee's Union Pension Plan (OPSEUPP).
- Panel supported by a report writer and a project manager.
- Panel provided with briefings to assist members to fully understand the facts and circumstances of the Plans and the basis for the government's accounting conclusions.
- Panel met with the Auditor General and members of her team specifically responsible for the financial statement audit and the pension asset issue to understand the basis for the OAG's accounting conclusions.

Recognition of asset

- The Panel considered: (1) the guidance in the public sector accounting standards on Retirement Benefits and (2) other relevant guidance in areas where the standard is not clear.

- The Panel agrees with the accounting classification of OTPP and OPSEUPP as Joint Defined Benefit Plans (JDBP), as per the Retirement Benefits standard, since 2001 when the standard was issued.

- The Retirement Benefits standard should be applied to the JDPB, on 100% basis, prior to the Province recognizing its portion (50%) in the financial statements.

Recognition of asset

- Net pension asset meets the definition of an economic resource because:
  - it exists, and
  - future benefit is available to sponsors as either contribution reductions and/or benefit improvements under terms of plan.
- Unilateral control not necessary for asset recognition:
  - in fact cannot exist in JDBPs,
  - sponsors jointly control the total net pension asset and must agree on how it will be used. Key notion of control in this case is that each sponsor can deny the other sponsor(s) access to the benefit, and
  - each sponsor can recognize an asset relating to its portion of that jointly controlled asset.

Recognition of asset

Conclusion:

- The Panel agrees that the net pension asset should be recognized in the Province's financial statements.
- Recognizing the asset will provide a faithful representation of the Province's financial position.
- Recognizing the asset will properly reflect the intention of the "deal" between the sponsors.

Measurement of asset

- An expected future benefit under the relevant standard can exist without a unilateral legally enforceable right to reduce future contributions:
  - legal requirements for surplus withdrawal and contribution reductions are very different, and
  - applying accounting requirements for withdrawals to contribution reductions does not seem appropriate given differences in legal regimes.
- Expected future benefit is determined as difference between:
  - expected future accruals for service (normal service cost for current number of active employees) plus expenses paid by the plan, and
  - required minimum contributions regardless of surplus in plan both on a present value basis.

Measurement of asset

- Meaning of “level of minimum contributions required regardless of any surplus” not clear:
  - Government analyses of both OTPP and OPSEUPP performed using various interpretations of minimum contributions.
- If there is a contractual or legal requirement to continue to contribute despite the existence of a surplus, these could be considered minimum contributions.

Measurement of asset

Conclusion

- In all analyses with different interpretations of “minimum contributions”, present value of expected future accruals for service for the current number of active employees exceeds the present value of minimum contributions.
- No valuation allowance is required for either accrued benefit asset recognized in the Public Accounts.

Recommendations to PSAB Task Force

- Report will note that in some areas, the necessary guidance was not found in the pension standard.
- The complete public sector standards provided a satisfactory basis for all of the Panel's conclusions.
- The Panel will identify for the Task Force those areas where additional guidance in the pension standard itself would be desirable.

Timelines and Next Steps

- Week of January 16th – Panel to review and finalize report and executive summary.
- Week of January 23rd – Final report and executive summary completed and approved by the Panel.
- Week of January 30th – send final report to Auditor General with offer to meet to discuss the findings.
- Early February – Completion of supplemental report on HOOPP and CAATPP.