0 - Email - March 2 2017 - RE_ Supplemental Report Briefing.pdf

| | |
|---|---|
| **From:** | Patricia O"Malley |
| **To:** | Tam, Nelson (TBS) |
| **Subject:** | RE: Supplemental Report Briefing |
| **Date:** | March-02-17 3:41:11 PM |

Nelson

I'm not planning to be in Toronto on the 20th, but it can be done if necessary. Afternoon timing makes life easier.

We are planning to have the report finalized ready for translation no later than the 20th. I am aiming for the 17th or earlier if possible. We need to have the basic conclusion on Tuesday. If we need another meeting the week after, I could do the briefing in conjunction if convenient for the Minister and DMs, etc. The rest should mainly be drafting, unless the drafting identifies a flaw in the thinking. But I think we have already identified the main issues and the answers. We will see. . .

Tricia

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**From:** Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
**Sent:** 2-Mar-17 15:30
**To:** Patricia O'Malley (plomalley@outlook.com) <plomalley@outlook.com>
**Subject:** Supplemental Report Briefing

Patricia

Just sent you an invitation to hold your calendar for a Minister briefing for Monday, March 20th at 4:30.

There may be a Deputy Minister and Minister Office staff briefing prior to 4:30 but this has not been confirmed.

Are you in Toronto on March 20th? Do you think the Panel will have the accounting conclusion prior to this date?

I will keep you posted via email or through invitations.

Thanks

Nelson
416-212-0514

1 - Email - March 10 2017 - RE_ Please advise (supplemental Report Briefing__).pdf

**From:** Hosick, Sarah (TBS)
**To:** Petsche, Nadine (TBS); Tam, Nelson (TBS)
**Cc:** Veinot, Cindy (TBS)
**Subject:** RE: Please advise (supplemental Report Briefing??)
**Date:** March-10-17 3:24:48 PM

This is for the Pension Panel's supplemental report.

**From:** Petsche, Nadine (TBS)
**Sent:** March-10-17 3:20 PM
**To:** Tam, Nelson (TBS)
**Cc:** Hosick, Sarah (TBS); Veinot, Cindy (TBS)
**Subject:** Please advise (supplemental Report Briefing??)

Nelson,
Please advise what this meeting is about. I have not been involved with any supplemental report. Thanks. N

-----Original Appointment-----
**From:** Sandals, Liz (TBS)
**Sent:** March 10, 2017 2:40 PM
**To:** Sandals, Liz (TBS); Tam, Nelson (TBS); Petsche, Nadine (TBS); Nelson, Dane (TBS)
**Cc:** MacIntyre, Kyle (TBS); Angus, Helen (TBS); Simone, Nicole (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS); Hughes, Karen (TBS); Veinot, Cindy (TBS); Miller, Amanda (TBS); DiMuzio, Sofie (TBS); Sullivan, Bryant (TBS); Ovenden, Erin (TBS)
**Subject:** FW: Supplemental Report Briefing
**When:** March 20, 2017 4:30 PM-5:00 PM (UTC-05:00) Eastern Time (US & Canada).
**Where:** 5th Floor, Whitney Block, Room 5320

-----Original Appointment-----
**From:** Sandals, Liz (TBS)
**Sent:** March-02-17 2:18 PM
**To:** Sandals, Liz (TBS); Nelson, Dane (TBS)
**Cc:** MacIntyre, Kyle (TBS); Angus, Helen (TBS); Simone, Nicole (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS); Hughes, Karen (TBS); Veinot, Cindy (TBS); Tam, Nelson (TBS); Miller, Amanda (TBS); DiMuzio, Sofie (TBS); Sullivan, Bryant (TBS); Ovenden, Erin (TBS)
**Subject:** Supplemental Report Briefing
**When:** March-20-17 4:30 PM-5:00 PM (UTC-05:00) Eastern Time (US & Canada).
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2 - Email - March 15 2017 - RE_ Process.pdf

| | |
|---|---|
| **From:** | Patricia O"Malley |
| **To:** | Tam, Nelson (TBS) |
| **Subject:** | RE: Process |
| **Date:** | March-15-17 12:02:54 PM |

Nelson, Cindy and/or Karen has commented on every set of slides for every briefing I have done, often with significant suggestions for changes. The Panel (Uros) has only seen the slides when he was doing part of the presentation. Why would we change this now? In any event, better check with Cindy/Karen whether they want to see them.

Thanks

Tricia

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**From:** Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
**Sent:** 15-Mar-17 11:54
**To:** Patricia O'Malley <plomalley@outlook.com>
**Subject:** RE: Process

Patricia

I recommend that the slides be circulated to the Panel for review and not Cindy.

Thanks

Nelson

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**From:** Patricia O'Malley [mailto:plomalley@outlook.com]
**Sent:** March-15-17 11:31 AM
**To:** Tam, Nelson (TBS)
**Subject:** RE: Process

Okay, we go with your plan to send to everyone on Tuesday. I am assuming that Cindy or someone will want to review the slides when I have them finished. We are almost done with the Background memo too so hopefully any necessary tweaks will be identified in that process and I can finish on the weekend.

Uros is not back until Sunday so will need to wait until Monday to recirculate to the Panel for any proposed changes.

T

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**From:** Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
**Sent:** 15-Mar-17 11:23
**To:** Patricia O'Malley <plomalley@outlook.com>
**Subject:** RE: Process

Patricia

If the report is finalized, then you send a transmittal to the Minister and copy the Deputy Minister, same as last time. After you can forward to me and I will arrange with Communications to get the translation started.

If you want, you can transmit the report after the Minister briefing on Monday just in case there are questions that you may want to make a few tweaks to the report. Let's say Tuesday. It will give me time to pull the French translation from Knotia to provide to Communications at the same time for their translation. I think this option is the best. If you agree with this approach, I will alert Communications to get the translator arranged for Tuesday.

Please advise.

Thanks

Nelson
416-212-0514

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**From:** Patricia O'Malley [mailto:plomalley@outlook.com]
**Sent:** March-15-17 11:07 AM
**To:** Tam, Nelson (TBS)
**Subject:** Process

Nelson

Sorry for the breach of protocol. My error. The Panel is finished with the report and you have a copy. What happens now? I think with the first report you sent it to communications for translation and I sent it to the Minister some time later.

Please advise process and timing.

Thanks

Tricia

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

3 - Email - March 15 2017 - RE_ slides.pdf

| | |
|---|---|
| **From:** | Patricia O"Malley |
| **To:** | Tam, Nelson (TBS) |
| **Subject:** | RE: slides |
| **Date:** | March-15-17 3:56:54 PM |
| **Attachments:** | pension asset panel briefing supplementary report.pptx |

Nelson, sorry, previous message had an earlier version of the file. Use this one instead please.
T

**From:** Patricia O'Malley
**Sent:** 15-Mar-17 15:52
**To:** 'Tam, Nelson (TBS)' <Nelson.Tam@ontario.ca>
**Subject:** slides

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- HOOPP and CAATPP are JDBPs
- But the government is not the employer sponsor
- Assets should be recognized consistent with JDBP conclusions and existing accounting policy
- Valuation allowance required because government can't control contribution level decisions
- Benefit will be recognized in Public Accounts when surplus used in the plans and valuation allowance reversed

Would appreciate your view on whether they are clear enough. I can be reached on the mobile number.
Thanks
Tricia

pension asset panel briefing supplementary re.pdf

# Pension Asset Expert Advisory Panel

# Briefing Supplementary Report

March 20, 2017

# Objective

To provide background on the Pension Asset Expert Advisory Panel's advice and recommendations to the government on the application of public sector accounting standards (PSAS) to two additional plans.

# Background

- In our Report released on February 13, 2017 the Panel provided advice and recommendations 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).
- In this second report, we are providing our advice and recommendations with respect to the Healthcare of Ontario Pension Plan (HOOPP) and the Colleges of Applied Arts and Technology Pension Plan (CAATPP).
- Neither HOOPP nor CAATPP have net pension assets for accounting purposes yet but it is anticipated that both will do so in the near future.

# Background

- Once again:
  - Panel was provided with briefings and documents (relevant legislation, plan texts, sponsor agreements) and met with executives of both Plans to assist members to fully understand the facts and circumstances of the Plans.
  - Panel performed its own independent analysis of those documents and the legal, actuarial and accounting issues and reached its own conclusions.
  - Panel considered guidance in PSAS specifically on Retirement Benefits and otherrelevant sources referenced in the first report

# Nature of Plans

- Panel concluded that like OTPP and OPSEUPP, HOOPP and CAATPP should be classified for accounting purposes as Joint Defined Benefit Plans (JDBP).
- HOOPP employer sponsor is the Ontario Hospital Association (OHA) and CAATPP employer sponsor is the College Employer Council (CEC), not the government. Government has no control over decisions of the employer sponsors about benefit or contribution levels.
- Plans are funded by contributions from the individual hospitals/colleges that participate in the plans and their employees.
- Plans are multi-employer plans for accounting purposes because contributions by one employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer.

# Accounting for the Plans

- Employers in multi-employer plans account for them as defined contribution plans even if they are defined benefit because the information to do DB accounting is usually not available.
- Hospitals/colleges recognize expense for contributions made/due but no liability or asset.
- Government recognizes both plans as DB in Public Accounts based on proportion of active plan members employed by hospitals/colleges it consolidates.
- Panel advice based on this accounting policy.

# Recognition of asset

## Panel conclusions:

- Net pension asset meets the definition of an economic resource because:
  - accounting surplus exists, and
  - future economic benefit is available to government if contribution levels are reduced.
- Net pension asset should be recognized in the Province's financial statements in the same way as the net liability

# Measurement of asset

- Retirement benefits standard states that a Sponsor measures the benefit of a surplus by the extent to which it can either take assets out of plan or reduce future contributions
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# Background Memo

- In addition to two Reports, Panel has provided government's professional accounting staff with advice on issues to be considered in documenting the accounting basis for recognizing the assets and liabilities of HOOPP and CAATPP (and possibly other multi-employer plans for which the employer sponsors are consolidated).
- Whether all or a portion of the plans is recognized or some other measurement basis adopted will depend on the basis for recognizing the plans or other contractual arrangements.

# Panel members

- Patricia O'Malley (Chair) – former Chair of Canadian Accounting Standards Board, former member of International Accounting Standards Board, Chair of the Canadian Actuarial Standards Oversight Council, former technical partner KPMG
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3 - pension asset panel briefing supplementary report.pptx

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4 - Email - March 16 2017 - RE_ slides.pdf

**From:** Tam, Nelson (TBS)
**To:** "Patricia O"Malley"
**Subject:** RE: slides
**Date:** March-16-17 12:07:00 PM
**Attachments:** pension asset panel briefing supplementary report - NT.pptx

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Patricia

Attached is an updated version. I couldn't track change but basically, changed the font and size to be consistent, small edits on slide 3 (3rd bullet), side 4 (removed once again, and inserted a space between other relevant in 3rd bullet), slide 6 for all bullets, page 8 (last bullet), page 9 (2nd bullet).

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Nelson
416-212-0514

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pension asset panel briefing supplementary re_1.pdf

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March 20, 2017

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4 - pension asset panel briefing supplementary report - NT.pptx

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5 - Email - March 16 2017 - RE_ slides.pdf

**From:** Patricia O"Malley
**To:** Tam, Nelson (TBS)
**Subject:** RE: slides
**Date:** March-16-17 3:29:34 PM
**Attachments:** pension asset panel briefing supplementary report v2.pptx

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Nelson
Thanks for this. Have made a few changes and tried to clarify the last bullet on the (now) last slide. I think it is OK to go.
Tricia

---

**From:** Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
**Sent:** 16-Mar-17 12:08
**To:** Patricia O'Malley <plomalley@outlook.com>
**Subject:** RE: slides

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pension asset panel briefing supplementary re_2.pdf

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5 - pension asset panel briefing supplementary report v2.pptx

# Pension Asset Expert Advisory Panel

# Briefing Supplementary Report

March 20, 2017

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6 - Email - March 16 2017 - RE_ slides.pdf

| | |
|---|---|
| **From:** | Patricia O"Malley |
| **To:** | Tam, Nelson (TBS) |
| **Subject:** | RE: slides |
| **Date:** | March-16-17 5:00:05 PM |
| **Attachments:** | pension asset panel briefing supplementary report v2.pptx |

One more time.  Hope the last bullet/last slide is now clear.
T

**From:** Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
**Sent:** 16-Mar-17 12:08
**To:** Patricia O'Malley <plomalley@outlook.com>
**Subject:** RE: slides

Patricia

Attached is an updated version.  I couldn't track change but basically, changed the font and size to be consistent, small edits on slide 3 (3rd bullet), side 4 (removed once again, and inserted a space between other relevant in 3rd bullet), slide 6 for all bullets, page 8 (last bullet), page 9 (2nd bullet).

On 3 slides there are comments in red – slide 6 (last bullet), slide 10 (last bullet), slide 11 consider removing since DM and Minister already know the members.

Thanks

Nelson
416-212-0514

**From:** Patricia O'Malley [mailto:plomalley@outlook.com]
**Sent:** March-15-17 3:57 PM
**To:** Tam, Nelson (TBS)
**Subject:** RE: slides

Nelson, sorry, previous message had an earlier version of the file.  Use this one instead please.
T

**From:** Patricia O'Malley
**Sent:** 15-Mar-17 15:52
**To:** 'Tam, Nelson (TBS)' <Nelson.Tam@ontario.ca>
**Subject:** slides

Here is my first draft.  I think the essential points are:

- HOOPP and CAATPP are JDBPs
- But the government is not the employer sponsor
- Assets should be recognized consistent with JDBP conclusions and existing accounting policy

- Valuation allowance required because government can’t control contribution level decisions
- Benefit will be recognized in Public Accounts when surplus used in the plans and valuation allowance reversed

Would appreciate your view on whether they are clear enough. I can be reached on the mobile number.

Thanks

Tricia

pension asset panel briefing supplementary re_3.pdf

# Pension Asset Expert Advisory Panel

# Briefing
# Supplementary Report

March 20, 2017

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# Background

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6 - pension asset panel briefing supplementary report v2.pptx

# Pension Asset Expert Advisory Panel

# Briefing Supplementary Report

March 20, 2017

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7 - Email - March 17 2017 - FW_ Monday’s meeting with the Chair.pdf

**From:** Jack, Shannon (TBS)
**To:** Tam, Nelson (TBS)
**Subject:** FW: Monday"s meeting with the Chair
**Date:** March-17-17 1:28:17 PM

---

Hi Nelson,

I have confirmed with Sarah that this meeting can take place after the briefing, at 4:30pm.

As they will already be at Whitney Block, we have booked the Reception Boardroom for Cindy and the Chair to meet.

I will send you an updated meeting invitation.

Thanks,
Shannon

---

**From:** Jack, Shannon (TBS)
**Sent:** March 17, 2017 9:26 AM
**To:** Tam, Nelson (TBS)
**Subject:** Monday's meeting with the Chair

Hi Nelson,

Cindy has been called into a Minister's Office meeting on Monday from 3:00-4:00pm, which is during the HOOPP discussion with the Chair.

Could you let me know what time she is planning on being here, so I can try to reschedule the meeting?

Thanks,
Shannon

8 - Email - March 20 2017 - RE_ Supplemental Report Briefing.pdf

| | |
|---|---|
| **From:** | Hosick, Sarah (TBS) |
| **To:** | Tam, Nelson (TBS) |
| **Subject:** | RE: Supplemental Report Briefing |
| **Date:** | March-20-17 1:32:08 PM |

Hi Nelson,

Note the meeting changed to Frost Building. We will do the HOOPP meeting in the ADM boardroom afterwards then.

Thanks

Sarah

-----Original Appointment-----
**From:** Joseph, Kema (TBS) **On Behalf Of** Sandals, Liz (TBS)
**Sent:** March-20-17 1:30 PM
**To:** Nelson, Dane (TBS); Jancik, Mike (TBS); Pichelli, Jason (TBS); Tedesco, Lauren (TBS); Ostergard, Matt (TBS)
**Cc:** MacIntyre, Kyle (TBS); Angus, Helen (TBS); Simone, Nicole (TBS); Laughton, Patrick (TBS); Hosick, Sarah (TBS); Hughes, Karen (TBS); Veinot, Cindy (TBS); Tam, Nelson (TBS); Miller, Amanda (TBS); DiMuzio, Sofie (TBS); Sullivan, Bryant (TBS); Ovenden, Erin (TBS); Petsche, Nadine (TBS); Prins, Sebastian (TBS)
**Subject:** Supplemental Report Briefing
**When:** March-20-17 4:00 PM-4:30 PM (UTC-05:00) Eastern Time (US & Canada).
**Where:** Trillium Boardroom

9 - Expert Panel Supplementary Report Briefing.pptx

# Pension Asset Expert Advisory Panel

# Briefing Supplementary Report

March 20, 2017

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