Email - December 1 2016 - RE_ Ontario Teacher’s Pension Plan Question.pdf

From: Tam, Nelson (TBS)
To: Raymond, Martin (CA - Montreal)
Subject: RE: Ontario Teacher"s Pension Plan Question
Date: December-01-16 12:11:00 PM
Attachments: image001.png

Martin

Yes. I am available. Let me know what time specifically. I spoke to Cindy this morning and I may have the answer already.

Let's have a quick chat just to confirm.

Thanks

Nelson
416-212-0514

From: Raymond, Martin (CA - Montreal) [mailto:maraymond@deloitte.ca]
Sent: December-01-16 12:08 PM
To: Tam, Nelson (TBS)
Subject: RE: Ontario Teacher's Pension Plan Question

Nelson

Can we talk between 2 to 4 today ? just to make sure I fully understand the questions and we can discuss live.
If this time does not work, we may also discuss Friday AM.

Let me know

Martin Raymond, FSA, FCIA
Partner – Audit – Actuarial services
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De : Tam, Nelson (TBS) [mailto:Nelson.Tam@ontario.ca]
Envoyé : 30 novembre 2016 10:14
À : Raymond, Martin (CA - Montreal) <maraymond@deloitte.ca>

Objet : Ontario Teacher's Pension Plan Question

Good morning Martin

My name is Nelson Tam and I am the project manager supporting the Pension Asset Expert Advisory Panel. The Chair was reviewing the documents we provided and had a question regarding the valuation prepared by Deloitte and the “share the pain” concept.

The question is

> How are “share the pain” amounts figured into the Province’s accounting valuation?
>
> From the documents, it appears that the accounting valuation is prepared on the basis of the terms of the plan – that is assuming full indexation of pension benefits – regardless of amendments agreed to that reduce the indexation to 50% or to make it wholly conditional. Therefore as I understand it, the conditional indexing has not affected the determination of the liability.
>
> However, the position paper mentions the elimination of the contributions required by the “share the pain” agreement as a demonstration that the accounting surplus can be used to reduce future required contributions. Does this mean that those contributions have been estimated and included in the minimum required contributions in the Deloitte’s analyses? I don’t see them. In fact, they do not seem to be included in the Mercer funding valuation other than as the indexation reductions actually took place. That is, the plan liability is reduced by both the benefit reduction and the additional contribution in equal amounts.

Your assistance is greatly appreciated. The panel is meeting on Monday, and I would like to have an answer by Friday if possible.

Thank you

Nelson

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Email - November 28 2016 - RE_ PLEASE READ - Expert Panel Question.pdf

From:	Fong, Pauline (TBS)
To:	Petsche, Nadine (TBS); Tam, Nelson (TBS)
Cc:	Keates, James (TBS)
Subject:	RE: PLEASE READ - Expert Panel Question
Date:	November-28-16 10:34:48 AM

Yes. Martin would be the person to contact.

From: Petsche, Nadine (TBS)
Sent: November-28-16 10:34 AM
To: Fong, Pauline (TBS); Tam, Nelson (TBS)
Cc: Keates, James (TBS)
Subject: RE: PLEASE READ - Expert Panel Question

Thanks Pauline. What would your suggestion be w.r.t. contacts to address the other part of the Question (Martin?). n

From: Fong, Pauline (TBS)
Sent: November-28-16 10:29 AM
To: Tam, Nelson (TBS)
Cc: Petsche, Nadine (TBS); Keates, James (TBS)
Subject: RE: PLEASE READ - Expert Panel Question

Hi Nelson,

I can't comment on the position paper but I can tell you the first part.

"From the documents, it appears that the accounting valuation is prepared on the basis of the terms of the plan – that is assuming full indexation of pension benefits – regardless of amendments agreed to that reduce the indexation to 50% or to make it wholly conditional. Therefore as I understand it, the conditional indexing has not affected the determination of the liability."

The province accounts for the pension liability based on 100% (i.e. full) indexation of pension benefits regardless of amendments agreed to that reduce indexation to 50% and conditional indexation does not affect the determination of the liability. The only adjustment made to reduction in liability is the actual share the pain payment made in year.

Pauline

From: Tam, Nelson (TBS)
Sent: November-28-16 10:21 AM
To: Fong, Pauline (TBS)
Subject: FW: PLEASE READ - Expert Panel Question

Pauline

Attached is the question the Chair had. Hope you can respond to her question. If not, do you have Martin's contact information? or Do you wish to contact him?

Thanks

Nelson
416-212-0514

From: Petsche, Nadine (TBS)
Sent: November-28-16 10:16 AM
To: Tam, Nelson (TBS)
Cc: Fong, Pauline (TBS); Patel, Bharat (TBS)
Subject: RE: PLEASE READ - Expert Panel Question

Nelson,
Pauline Fong can help with background on the Province's accounting (assumes 100% indexation), but you may need to follow up with Martin Raymond in Deloitte for additional details on the actuarial valuation. Pauline is the best person to advise on next steps. N

From: Tam, Nelson (TBS)
Sent: November-28-16 10:09 AM
To: Petsche, Nadine (TBS)
Subject: PLEASE READ - Expert Panel Question

Nadine

The Chair had a question regarding the "share the pain contributions".

I am not sure if you are the appropriate person to answer the questions and/or Alex in BPS Pensions and/or Paul Duffy.

Thanks

Nelson
416-212-0514

Email - November 28 2016 - Re_ Expert Panel - Additional Information on OTF Call Right.pdf

From:	Patricia O"Malley
To:	Tam, Nelson (TBS)
Subject:	Re: Expert Panel - Additional Information on OTF Call Right
Date:	November-28-16 9:49:38 AM
Attachments:	share the pain contributions.docx

Hi Nelson
I hope you had a good long weekend.

I am attaching a question for which I am hoping that you can find someone to answer. Not urgent at the moment.
Thanks
Tricia

From: Tam, Nelson (TBS) <Nelson.Tam@ontario.ca>
Sent: November 24, 2016 15:27
To: Patricia O'Malley (plomalley@outlook.com); Uros Karadzic (uros.karadzic@ca.ey.com); Murray Gold (mgold@kmlaw.ca); Martin, Paul (FIN) (Paul.Martin@gnb.ca)
Subject: Expert Panel - Additional Information on OTF Call Right

Patricia, Uros, Murray, Paul

Attached is a two page document (password protected) with additional information on the OTF "Call Right" found on page 25 of the position paper prepared by Nadine.

If you have any questions on anything, please send me an email and I will respond on Monday.

Have a great weekend.

Nelson
416-212-0514

share the pain contributions.pdf

Question:

How are “share the pain” amounts figured into the Province’s accounting valuation?

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However, the position paper mentions the elimination of the contributions required by the “share the pain” agreement as a demonstration that the accounting surplus can be used to reduce future required contributions. Does this mean that those contributions have been estimated and included in the minimum required contributions in the Deloitte’s analyses? I don’t see them. In fact, they do not seem to be included in the Mercer funding valuation other than as the indexation reductions actually took place. That is, the plan liability is reduced by both the benefit reduction and the additional contribution in equal amounts.

share the pain contributions_1.docx

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