High Level Summary - Pension Panel Avail

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Please see below a summary of the press conference from the Pension Asset Expert Advisory Panel.

Media in attendance:

- CBC
- Toronto Star
- CP
- Queen's Park Today
- others

Summary:

- MOF media spokesperson, Scott Blodgett, moderates
- Tricia O'Malley, Chair of Panel, and panel member Uros Karadzic deliver presentation
- Panel's goal is not to speculate on government's plans, but to present their findings
- Description of panel members, their backgrounds, and their roles
- Description of material that panel reviewed
- Description of the pension plans in question: Ontario Teacher's Pension Plan (OTPP) and the Ontario Public Services Employees Union Pension Plan (OPSEUPP)
- Panel's report concludes that the province's share of the net pension assets of both the OTPP and the OPSEUPP should be recognized as an asset in Ontario's financial statements, which Ontario has done consistently since 2001 and should be reported for

Questions from media:

Q. The AG's concern is because the pension surplus number was rising rapidly. Did you calculate what the surplus is worth?

A. We didn't do this; we're all working with the same number. We're talking about the accounting surplus, which is different from the public accounts number. Already agreed upon protocol in counting these numbers.

Q. So therefore, the AG was incorrect?

A. Our advice to the province is that these should be considered an asset.

Q. Believe AG mentioned in her annual report that BC and NB have a different accounting scheme. Why does Ontario calculate these pensions as assets?

A. We did look at this, and it's in our report. All these plans are very unique and specific, and it's important to understand how they work. These pension plans are much different than the BC and NB ones.

Q. How do you resolve this dispute if the AG still disagrees with you?

A. Panel members are members of the public sector advisory board. They have a discussion paper out right now. We will provide some recommendations to this board…

Q. But the AG disagrees with you, and you are taking the government's side. What should the government do?

A. Difficult to say, there are two different opinions here. We found the answers to some unclear information; but we had to go outside the standards themselves to figure this out.

Q. The AG also said she did her homework. Did you do your homework?

A. Yes. Look, this is something that's not as common in North America as it is outside of it.

Sometimes you have to learn to live with two answers.

Q. (Question inaudible)
A. Comfortable with the way we approached this.

Q. Benefit cost with the surplus. Does the AG not agree with this, that's there's a benefit cost?
A. (Response inaudible)

Q. Aren't any numbers in this report. If the government accepts your interpretation, does the calculation…is the government's math right? Let's talk deficit rather than debt.
A. We haven't re-performed the valuation. Question was really what can be recognized and what cannot.

Q. So the way the government arrived at this calculation is the same as what you're recommending?
A. We're not aligned with government or AG…because we arrived there in a slightly different way. We find, though, that the province's share of the net pension assets of both the OTPP and the OPSEUPP should be recognized as an asset in Ontario's financial statements. We applied the right standards to coming to this conclusion.

Q. Political point – whether the government can really balance the budget. There's a perception that this fudging numbers against the bottom line.
A. I don't think the accounting valuation showed a difference in valuations.

Q. I gather you have briefed the AG on this report. What was her reaction? Her office has said they won't have an announcement on reaction. Do you think she will accept these findings?
A. We didn't really discuss this. This was more of a briefing, and a chance to respond to questions (they had the report before we met). They thanked us for coming.

Q. They didn't say, "your logic is wrong"?
A. Only comment we heard was they were surprised by some of our references to international accounting standards.

Q. Ontario has 2 jointly-sponsored pension plans. Would you say that this is a mistake?
A. This is a policy question. There were other pension plans that we're looking at, but not today. Perception is that way to make benefits plan sustainable is to make them jointly-sponsored.

Full transcript to come.