RE: Another Q

From: "Fong, Pauline (TBS)" <pauline.fong@ontario.ca>
To: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Cc: "Patel, Bharat (TBS)" <bharat.patel3@ontario.ca>, "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Fri, 23 Sep 2016 11:31:19 -0400

Hi Rob,

I just spoke to Rob Pomykacz. The Province has never had a contribution holiday for OTPP. Back in 1998-1999, the Province used their portion of the surplus to pay off the unfunded liability.

Background:

PSAB requires governments to carry their share of pension liability of a joint plan in their financial statements. The Province was the sole sponsor of OTPP and OPSEU Pension Plan and was responsible for 100% of these plans' unfunded liability before they became joint plans. The Province agreed to pay down these liabilities over time when these plans became joint plans.

It was determined, and it was agreed with the Office of the Auditor General that, 50% of this initial pension liability should be added to the carrying value of the pension liability of these two plans and amortized to pension expense over EARSL to reflect the fact that the unfunded liability was paid down by the Province over time.

Unfunded liability of OTPP and OPSEU Pension Plan has been fully paid down by the Province. The unfunded liability has been fully amortized in 2006-07 for OTPP.

Pauline

From: Petsche, Nadine (TBS)
Sent: September-23-16 10:52 AM
To: Fong, Pauline (TBS)
Subject: FW: Another Q

Pauline,
Hoping Cindy's clarification was sufficient? Please prepare a response to Greg's Q's. n

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From: Veinot, Cindy (TBS)
Sent: September 23, 2016 9:27 AM
To: Fong, Pauline (TBS); Petsche, Nadine (TBS)
Cc: Patel, Bharat (TBS)
Subject: RE: Another Q

I think the question is how a contribution holiday would have been accounted for when the province was following the modified cash basis.

From: Fong, Pauline (TBS)
Sent: September-23-16 9:08 AM
To: Petsche, Nadine (TBS)
Cc: Patel, Bharat (TBS); Veinot, Cindy (TBS)
Subject: RE: Another Q

Hi Nadine,

I can't comment as I'm not quite sure what the discussion is about. In the early 90's we were under modified cash basis.

Pauline

From: Petsche, Nadine (TBS)
Sent: September-22-16 8:50 PM
To: Fong, Pauline (TBS)
Cc: Paul, Joshua (EDU); Veinot, Cindy (TBS)
Subject: Fw: Another Q

Pauline,
With regards to the current issue, can you please address Josh's question? I don't think that this is part of the discussion since we're dealing with the impact of a new. Standard that was only introduced in 2001, but I may be missing something. N

From: Paul, Joshua (EDU) <Joshua.Paul@ontario.ca>
Sent: Thursday, September 22, 2016 8:41 PM
To: Petsche, Nadine (TBS); Sekaly, Gabriel (EDU); Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU); Killoch, Alex (MOF); Pomykacz, Rob (MOF)
Subject: Re: Another Q

So a contrib holiday would have had direct impact on income statement?

And if so, is the example of the contrib holiday back in the 90s part of the argument that Deloitte and others are putting together?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Petsche, Nadine (TBS)
Sent: Thursday, September 22, 2016 8:38 PM
To: Sekaly, Gabriel (EDU); Paul, Joshua (EDU); Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU); Killoch, Alex (MOF); Pomykacz, Rob (MOF)
Subject: Re: Another Q

Gabe is right. We used modified accrual accounting back then. The only qualified audit opinion (so far) in the last 25 years was also related to our accounting for these plans. It was Erik Peters' first year as AG and he qualified us on the basis that we weren't reporting based on full PSAB. The next year we changed our accounting policies to align with PSAB which we thought that we'ld been following ever since. What Irony! N

From: Sekaly, Gabriel (EDU)
Sent: Thursday, September 22, 2016 8:15 PM
To: Paul, Joshua (EDU); Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU); Killoch, Alex (MOF); Pomykacz, Rob (MOF); Petsche, Nadine (TBS)
Subject: Re: Another Q

The accounting was different in early 90's - it was pre-PSAB.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Paul, Joshua (EDU)
Sent: Thursday, September 22, 2016 20:13
To: Sekaly, Gabriel (EDU); Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU); Killoch, Alex (MOF); Pomykacz, Rob (MOF); Petsche, Nadine (TBS)
Subject: Another Q

Does anyone recall an OTPP contribution holiday from the early 90s?

If so, was the accounting different then such that the contribution holiday reduced our expense in a more direct/cash way?

Nadine, please let us know if this question has already been dealt with on your end.

jp

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Sekaly, Gabriel (EDU)
Sent: Thursday, September 22, 2016 7:48 PM
To: Paul, Joshua (EDU); Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU)
Subject: Re: Steve's Q

Thanks

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Paul, Joshua (EDU)
Sent: Thursday, September 22, 2016 19:46
To: Duffy, Paul (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU); Sekaly, Gabriel (EDU)
Subject: Re: Steve's Q

Fyi

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Duffy, Paul (EDU)
Sent: Thursday, September 22, 2016 6:32 PM
To: Paul, Joshua (EDU); Roberto, Nicole (EDU); Di Renzo, Stephen (EDU)
Subject: Re: Steve's Q

We have some of the survey info. At some point we slowed it down as the plan moved into surplus. Will have to check on friday.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Paul, Joshua (EDU)
Sent: Thursday, September 22, 2016 6:02 PM
To: Roberto, Nicole (EDU); Duffy, Paul (EDU); Di Renzo, Stephen (EDU)
Subject: Fw: Steve's Q

What do we have?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Petsche, Nadine (TBS) <Nadine.Petsche@ontario.ca>
Sent: Thursday, September 22, 2016 5:59 PM
To: Paul, Joshua (EDU); Sekaly, Gabriel (EDU)
Cc: Veinot, Cindy (TBS); Killoch, Alex (MOF)
Subject: Steve's Q

Steve is asking about the survey that was done previously about the amount of contributions that teachers would be willing to pay when the surplus grows.
Comments are also being made wrt intergenerational equity.

Do you have any info on this?
N