RE: Contact information

From: Uros Karadzic <uros.karadzic@ca.ey.com>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Wed, 19 Oct 2016 09:15:39 -0400

Hi Cindy,

That's now clear, and in line with what I thought this was trying to get at.

One final question for clarity: when the terms of reference say that the province will be responsible for the "costs of the appointed members to attend the meetings" this is only referring to any potential travel costs; the time spent on this is pro-bono. Is that correct?

Uros

Uros Karadzic, FSA, FCIA | Partner | People Advisory Services

Ernst & Young LLP
Office: +1 416 943 2087 | Mobile: +1 416 970 2087 | uros.karadzic@ca.ey.com
Assistant: Sarah Anderton | Phone: +1 416 943 3143 | sarah.anderton@ca.ey.com

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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Tuesday, October 18, 2016 1:35 PM
To: Uros Karadzic <uros.karadzic@ca.ey.com>
Subject: RE: Contact information

Thanks Uros – the control aspect relates to the view that the AG has articulated. I've copied Note 18 from the 2015-16 Public Accounts that were released on October 6, 2016. It describes her view and should provide some insight on the control requirement.

Let me know if you have further questions.

Thanks,

18. Change in Accounting for Pension Assets of Jointly Sponsored Pension Plans

For the 2015–16 Public Accounts, the government legislated the accounting treatment for pension assets of its jointly sponsored pension plans. The legislation impacts the accounting for both the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plan. The legislation requires a full valuation allowance be recorded against the pension assets, therefore writing off the value of the assets.

As described in Public Sector Accounting Standards (PSAS), a pension asset arises when the government's total contributions to a plan, including income earned thereon, are greater than the cumulative retirement benefit expense recognized since the start of the plan. Contributions reflect the funding objectives of the plan. The benefit expense reflects the estimated cost of the pensions earned during the year that will be paid out to retirees in the future. In prior years, the government recorded pension assets to the extent the government expected to benefit from the asset through future reductions in contributions to the plan.

T hese plans a re now accounted for in acco rdance w i th PSAS and leg islat i on r e qui r i ng a full valuat ion allowance be recorded. T he change was made to r e f lect t he Audi tor General of O n tar io's v iew that a full valuat ion allowance is requi red if the government does not have the legally en f o rceable r i g ht to uni laterally access the assets of the joint ly sponsored pension plans, or in absence of that r i g h t, an i rrevocable a g ree ment in place at year-end w i th the joint sponsors of the plans to reduce cont r ibutions.

From: Uros Karadzic [mailto:uros.karadzic@ca.ey.com]
Sent: October-18-16 1:22 PM
To: Veinot, Cindy (TBS)
Subject: RE: Contact information

Hi Cindy,

Thanks for sharing the terms of reference. I have reviewed them, and I'm generally comfortable that I can meaningfully contribute to the work of the panel, and look forward to the opportunity of doing so.

I do have one question: the phrasing of the first two terms begin with "The requirement regarding control with respect to recognizing a pension asset […]" In particular, the 'requirement regarding control' is a bit confusing – do you know what is meant by this?

Uros

Uros Karadzic, FSA, FCIA | Partner | People Advisory Services

Ernst & Young LLP
Office: +1 416 943 2087 | Mobile: +1 416 970 2087 | uros.karadzic@ca.ey.com
Assistant: Sarah Anderton | Phone: +1 416 943 3143 | sarah.anderton@ca.ey.com

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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Monday, October 17, 2016 10:00 AM
To: Uros Karadzic < uros.karadzic@ca.ey.com >
Subject: RE: Contact information

Uros – attached are the terms of reference for the panel. Could you please review and let me know if you have any questions.

Thanks,

Cindy

From: Uros Karadzic [mailto:uros.karadzic@ca.ey.com]
Sent: October-13-16 5:37 PM
To: Veinot, Cindy (TBS)
Subject: RE: Contact information

Hi Cindy,

Just a quick note to confirm that I have done my checks internally, and I would be delighted to join the expert panel that we discussed this morning. My bio is attached, please let me know if you need anything further.

Uros

Uros Karadzic, FSA, FCIA | Partner | People Advisory Services

Ernst & Young LLP
Office: +1 416 943 2087 | Mobile: +1 416 970 2087 | uros.karadzic@ca.ey.com
Assistant: Sarah Anderton | Phone: +1 416 943 3143 | sarah.anderton@ca.ey.com

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From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Thursday, October 13, 2016 1:00 PM
To: Uros Karadzic < uros.karadzic@ca.ey.com >
Subject: Contact information

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

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