November 25, 2019

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FIN-87-2019]

On October 25, 2019, the Department of Finance received your access to information request for the following:

“I am requesting a copy of all emails sent/received by the Minister of Finance's office from June 2019 to present regarding Memorial University and MUN.”

The Department of Finance wishes to advise that your request has been granted and is attached.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500
You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72-hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 709-729-2082, or by email at bethbartlett@gov.nl.ca.

Sincerely,

Beth Bartlett, CIAPP-C
ATIPP Coordinator

Attached
Date: September 12, 2019
Media: Terry Roberts, CBC
Reporters Deadline: September 12 @ 4:00pm

Context:
University salaries.

Email from reporter:
I am preparing a story about changes to the salary scales for 120-plus administrators at Memorial University, with some salaries being reduced by up to 30 per cent (for new hires).

I expect to receive a copy of the report later today, and will interview a top official with MUN on Friday morning.

Questions:
I am wondering if the department had a hand in this review?

Was it done at the recommendation of the department?

What guidance as the department given the university with regards to spending?

Suggested Approach:
Statement from department.

Suggested Statement/Key Messages
- Memorial University (MUN) has autonomy over its human resources, including decisions regarding salary scales for administrators. There is no role for the Provincial Government in any administrative salary review conducted by MUN.

- Pursuant to the Memorial University Act, paragraph 34(1)(f), the Board of Regents has the exclusive power to fix employee salaries or remuneration and to define their duties and tenure of office or employment.

- MUN provides the Provincial Government with an annual budget submission noting its budgetary requirements for a given fiscal year. Each year, based on the Province’s fiscal capacity, the Province provides MUN with an operating grant to support its operations. Budget 2019 provided MUN with $308.4 million in Provincial Government funds to support its general operations.

In consultation with and approved by:
F. Langer, Deputy Minister
FYL
Key Messages
Advanced Education, Skills and Labour
September 30, 2019

ISSUE: MEMORIAL UNIVERSITY PRESIDENT AND BUDGET

A September 30, 2019 CBC article states the outgoing MUN President will receive nearly $1 million in administrative leave when he leaves the position in December. The story states that there has been no directive to the search committee to reduce executive level compensation for the position.

ANTICIPATED QUESTIONS:
- Why hasn’t government directed MUN to reduce executive level compensation for the position?
- Will government give the new President directions to reduce spending?
- Will there be more cuts to Memorial University in Budget 2020?

KEY MESSAGES:
- Memorial University has autonomy over its academic affairs and structure. MUN provides the Provincial Government with an annual budget submission noting its budgetary requirements for a given fiscal year. Each year, based on the Province’s fiscal capacity, the Province provides MUN with an operating grant to support its operations.

- Budget 2019 provided MUN with $308.4 million in Provincial Government funds to support its general operations. In light of the province’s fiscal situation, MUN has taken a number of steps to help address the decreases in the operating grant.

- Over the years our government has built a solid relationship with Memorial. I commend Dr. Kachanoski and his entire team for the work they have done with their budgets and look forward to our continued relationship with a new President as we move forward.

SECONDARY MESSAGES:
- Budget 2018 announced a review of the public post-secondary education system in the Province. This review is being led by a committee of experts. These experts have been asked to consider the effectiveness, sustainability, accountably, and accessibility of our public post-secondary education system, including Memorial University.

- The results of the review will provide a long-term vision for the next decade and beyond for a public post-secondary education system that contributes to knowledge creation and transfer, and prepares students for their future personal and professional lives.
BACKGROUND INFORMATION:

- MUN has taken a number of steps to help address the decreases in the operating grant:
  - $4.1 million reduction in the administrative base budget;
  - $1.3 million decrease in travel expenditures;
  - $3.0 million salary savings in year one of a three-year attrition plan ($6 million total savings when implemented fully);
  - Use of efficiency review savings for deferred maintenance;
  - Tuition Increase (30%) for new non-NL students (i.e., other Canadian students, international students) enrolling in 2018; tuition for non-NL students enrolled prior to 2018 would remain frozen until 2021. Tuition for NL students remains frozen;
  - Campus facilities renewal fee implemented in fall 2017 for all students - $50 per course for undergraduate students and $167 per semester for graduate students; and
  - Student services fee implemented in fall 2017 for all students - $50 per semester for all.

- To maintain the tuition freeze for all existing students until 2021, MUN began implementing additional $13.4 million in reductions over three years starting in 2017-18.

- The Memorial University Act provides the Board of Regents with the power to appoint all officers and employees that the board considers necessary for the purposes of the university, to fix their salaries or remuneration, and to define their duties and their tenure of office or employment.
Minister Haggie is unable to attend and bring greetings at the MUN Faculty of Nursing fall graduation on Thursday, Oct. 17th at 2 pm at the HSC Auditorium. We have checked with Minister Mitchelmore and Sarah Stoodley but both are unavailable. Would any of your Minister’s be able to attend? The invitation is below.

Thanks!

Alicia
You are cordially invited
To attend the

Faculty of Nursing Fall Graduation Ceremony

2 p.m., main auditorium, Health Sciences Centre

Thursday, October 17, 2019

*Light lunch (sandwiches, tea, coffee) at 12:30 p.m. in main foyer*

 conex

Come join us as we celebrate this special milestone with our new graduates.

 conex

Please RSVP to nursgeno@mun.ca by Wednesday, Oct. 10, 2019

Parking is available in Area 27, levels 2 & 3,

*The parking garage off Arctic Avenue*
On Oct 7, 2019, at 3:01 PM, Heffernan, Theresa <theresah@gov.nl.ca> wrote:

Denise
See emails below thoughts?
Theresa

---

From: Budgell, Marc <MarcBudgell@gov.nl.ca>
Sent: Monday, October 7, 2019 2:22 PM
To: Heffernan, Theresa <theresah@gov.nl.ca>
Subject: Fwd: [Potential Junk/Spam] Request

FYI - need to discuss response

Sent from my iPhone

Begin forwarded message:

From: "Mundon, Tansy" <TansyMundon@gov.nl.ca>
Date: October 7, 2019 at 1:30:21 PM NDT
To: "Budgell, Marc" <MarcBudgell@gov.nl.ca>
Cc: "Crocker, Ryan" <RyanCrocker@gov.nl.ca>
Subject: Fwd: [Potential Junk/Spam] Request

Hi Marc,
Please see below. Our ADM advised this should go to finance.

Thanks,
Tansy

---

From: Ashley Fitzpatrick <ashley@allnewfoundlandlabrador.com>
Sent: Monday, October 7, 2019 1:13 PM
To: Mundon, Tansy <TansyMundon@gov.nl.ca>
Subject: [Potential Junk/Spam] Request

Hi Tansy,
Hoping we can arrange for 5 mins of questions with Minister Mitchelmore on the MUN pension situation later today or tomorrow (Tuesday).

In the university's annual report for 2018-19 (https://www.assembly.nl.ca/business/electronicdocuments/MemorialUniversityMLUNAnnualReport2018-19.pdf) the financial report is listed as forthcoming. As I understand it, the issue of special payments for the pension plan is still under discussion with the province?

I'd like to know where the provincial government is on assistance with MUN pension reform. The province had previously waived special payments on the unfunded pension liability but indicated to the university those annual payments would be reinstated. I'm not sure where things stand right now (I last write on this in 2018, so not sure where things stand now). The special payments were estimated in 2018 at about $28 million a year over 15 years, with the suggestion there might be a deal possible with the province to amortize over longer period and drop to $8 million a year (obviously with the estimate dependent on markets and terms of any final agreement).

Again, just trying to fill in the blanks.
I'm also interested in hearing anything the minister might say on when the financial report for MUN is expected to be filed and tabled with the House.

Ashley Fitzpatrick
allNewfoundlandLabrador
709-722-4186
Hi Tansy, following on our conversation - Ashley’s note that she’s written on this before sparked my attention. I believe she’s referring to this article, where Minister Hawkins discussed a wide range of topics relating to Memorial’s finances.


Best,
Marc

Sent from my iPhone
MEDIA REQUEST INFORMATION

Date: October 8, 2019

Media:
Ashley Fitzpatrick, ailnewfoundlandandlabrador.com

Deadline:
October 8

Context:
Requesting 5 minute interview with Minister Mitchelmore re: MUN pension

Questions:
In the university's annual report for 2018-19
(https://www.assembly.nl.ca/business/electronicdocuments/MemorialUniversityMUNAnnualReport2018-19.pdf) the financial report is listed as forthcoming. As I understand it, the issue of special payments for the pension plan is still under discussion with the province?

Is the province waiving the special payment for the current fiscal year?

Has a new arrangement been reached on special payments on the pension liability?

When does the minister expect to have a financial report for MUN tabled with the House?

Suggested Approach:
Statement from Minister.

Suggested Statement/Key Messages

☐ The Memorial University Pension Plan is a legislated public sector pension plan that operates under the authority of the Memorial University Pensions Act. The Board of Regents is trustee of the Plan.

☐ Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

☐ Memorial has stated its intention to continue to work with government and its key stakeholder groups toward reaching a mutually acceptable resolution to sponsorship and funding of the plan.

In consultation with and approved by:
F. Langer, Deputy Minister

Tansy Mundon
Director of Communications
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador
St. John’s, NL A1B 4J6
709-729-0753; 693-1850
tansymundon@gov.nl.ca
On Oct 8, 2019, at 1:08 PM, Ashley Fitzpatrick <ashley@allnewfoundlandlabrador.com> wrote:

No worries, and I just wanted to be clear in my response. Not at all meant as criticism. This was quick turnaround and I really appreciate it.
What you have here makes it clear for me and I’m off your plate.
Obviously, we’ll have something related going out next issue. Any problems, don’t hesitate to touch base.

All the best.

On Oct 8, 2019, at 12:16 PM, Ashley Fitzpatrick <ashley@allnewfoundlandlabrador.com> wrote:

Hi Tansy,
So this doesn’t cover the questions.
The province has waived special payments in the past. From this, I’m taking they are not doing so this financial year.
The question of when the minister expects to table a financial report from MUN, or why there was not a financial report with the annual, is still with you.

Ashley

Hi Ashley,
Please see statement below from Minister Mitchelmore:

The Memorial University Pension Plan is a legislated public sector pension plan that operates under the authority of the Memorial University Pensions Act. The Board of Regents is trustee of the Plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

Memorial has stated its intention to continue to work with government and its key stakeholder groups toward reaching a mutually acceptable resolution to sponsorship and funding of the plan.
Sent: Tuesday, October 8, 2019 9:49 AM  
To: Munden, Tansy <TansyMunden@gov.nl.ca>  
Cc: Budgell, Marc <MarcBudgell@gov.nl.ca>; Crocker, Ryan <RyanCrocker@gov.nl.ca>  

No worries. Is there any chance of me getting the minister on the phone?  
If not, I need to say up front I need any statement to be clear on: (1) whether or not the province is waiving the special payment for the current fiscal year, (2) whether or not a new arrangement has been reached long-term on special payments on the pension liability, (3) when the minister expects to have a financial report for MUN tabled with the House.  

Thanks  
Ashley

---

From: Munden, Tansy <TansyMunden@gov.nl.ca>  
Sent: Tuesday, October 8, 2019 9:43 AM  
To: ‘Ashley Fitzpatrick’  
Cc: Budgell, Marc; Crocker, Ryan  

Hi Ashley,  
Sorry for the confusion on my part, but this is back to me© I will send you something today.  

Thanks,  
Tansy

---

From: Ashley Fitzpatrick <ashley@allnewfoundlandlabrador.com>  
Sent: Monday, October 7, 2019 5:43 PM  
To: Munden, Tansy <TansyMunden@gov.nl.ca>  
Cc: Budgell, Marc <MarcBudgell@gov.nl.ca>; Crocker, Ryan <RyanCrocker@gov.nl.ca>  

Thanks Tansy.  
I originally read this as Marc in France, but on second reading I got it.  
Sorry you couldn’t be in France Marc.  
It’s a Monday.

---

From: Munden, Tansy <TansyMunden@gov.nl.ca>  
Sent: Monday, October 7, 2019 4:01 PM  
To: ‘Ashley Fitzpatrick’  
Cc: Budgell, Marc; Crocker, Ryan  
Subject: RE: [Potential Junk/Spam] Request

Hi Ashley,  
A quick note to let you know that we’ve sent your request to Marc in Finance.  

Thanks,  
Tansy

---

From: Ashley Fitzpatrick <ashley@allnewfoundlandlabrador.com>  
Sent: Monday, October 7, 2019 1:13 PM  
To: Munden, Tansy <TansyMunden@gov.nl.ca>  
Subject: [Potential Junk/Spam] Request

Hi Tansy,  
Hoping we can arrange for 5 mins of questions with Minister Mitchelmore on the MUN pension situation later today or tomorrow (Tuesday).  

In the university’s annual report for 2018-19 (https://www.assembly.nl.ca/business/electronicdocuments/MemorialUniversityMUNAnnualReport2018-19.pdf) the financial report is listed as forthcoming. As I understand it, the issue of special payments for the pension plan is still under discussion with the province?  

I’d like to know where the provincial government is on assistance with MUN pension reform. The province had previously waived special payments on the unfunded pension liability but indicated to the university those annual payments would be reinstated. I’m not sure where things stand right now (I last write on this in 2018, so not sure where things stand now). The special payments were estimated in 2018 at about $28 million a year over 15 years, with the suggestion there might be a deal possible with the province to amortize over longer period and drop to $8 million a year (obviously with the estimate dependent on markets and terms of any final agreement).  

Again, just trying to fill in the blanks.  
I’m also interested in hearing anything the minister might say on when the financial report for MUN is expected to
be filed and tabled with the House.

Ashley Fitzpatrick
all_newfoundland;
Labrador
709-722-4186
Good morning.

Thursday, October 17th, Memorial University is having its Convocation for Fall 2019. There are only three sessions this fall and all are on the 17th at 10:00am, 3:00pm, and 7:30pm at the St. John’s Arts and Culture Centre. I am looking for cabinet ministers to attend all three sessions since Minister Mitchelmore is unavailable on the 17th.

Please get back to me ASAP, and let me know whether or not your Minister wishes to attend one or more of the sessions, and if so, which one(s).

Brad
Date: 10/13/2019 1:50:39 PM
From: toborne@gov.nl.ca
To: "Hanrahan, Denise"
Cc: "Elliott, Susan N."
Can we arrange a letter to all ABCs (MUN, NALCOR, WHSCC etc, etc) asking the following:

How many positions has the organization reduced as a result of attrition since Jan 1, 2016.

What attrition plans are currently in place.

MUN have indicated in recent media that they have reduced the number of positions by about 100, 30 of which are management. They have also indicated that management salaries (for new hires) are reduced, on average by 20,000.

Would like the information by the end of October.

Tom Osborne MHA
District of Waterford Valley
Minister of Finance, President of Treasury Board
Hi Denise,

Draft (transitory), as per my message.

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
ISSUE: Memorial University Pension Plan

In recent weeks, Memorial University issued their annual report without audited financial statements, as a result of outstanding decisions regarding the university’s pension plan. Both departments have received questions from media regarding the current status of the pension plan.

ANTICIPATED QUESTIONS:

• Why is the financial report for Memorial University delayed?
• Why is the pension reform process taking so long?
• Will the province waive special fees for Memorial again this year?

KEY MESSAGES:

Message – when do we expect to table to the report, why is it delayed (AESL)

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan.

We came to agreements that support the long-term viability of those plans while recognizing the fiscal realities of this province.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP.

We have made ourselves available and have met with the executive of Memorial to discuss this process, and that work is ongoing.

If this was an easy process it would already be done. Pension reform is complicated, but all sides are committed to working together to reach a mutually acceptable resolution.
SECONDARY MESSAGES:

- No decision has been made regarding special payments at this juncture.
- Memorial has done an effective job in managing its budget over the past several years under the leadership of Gary Kachanoski.
- Memorial is in the midst of a post-secondary review that we hope will find further opportunities for efficiency in addition to opportunities for improving post-secondary education in this province.
- The Memorial University Pension Plan is a legislated public sector pension plan that operates under the authority of the Memorial University Pensions Act. The Board of Regents is trustee of the Plan.
- The Memorial University Pension Plan is currently XX per cent funded.
- We have made progress with our ABCs, but we admit there is more work to do and we see more opportunities for cost savings.
QP Issue Note  
AESL/Finance  
October 24, 2019  

ISSUE: Memorial University Pension Plan  

In recent weeks, Memorial University issued their annual report without audited financial statements, as a result of outstanding decisions regarding the university’s pension plan. Both departments have received questions from media regarding the current status of the pension plan.  

ANTICIPATED QUESTIONS:  

- Why is the financial report for Memorial University delayed?  
- Why is the pension reform process taking so long?  
- Will the province waive special fees for Memorial again this year?  

KEY MESSAGES:  

Message – when do we expect to table to the report, why is it delayed (AESL)  

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.  

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.  

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan.  

We came to agreements that support the long-term viability of those plans while recognizing the fiscal realities of this province.  

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP.  

We have made ourselves available and have met with the executive of Memorial to discuss this process, and that work is ongoing.  

If this was an easy process it would already be done. Pension reform is complicated, but all sides are committed to working together to reach a mutually acceptable resolution.
SECONDARY MESSAGES:

- No decision has been made regarding special payments at this juncture.
- Memorial has done an effective job in managing its budget over the past several years under the leadership of Gary Kachanoski.
- Memorial is in the midst of a post-secondary review that we hope will find further opportunities for efficiency in addition to opportunities for improving post-secondary education in this province.
- The Memorial University Pension Plan is a legislated public sector pension plan that operates under the authority of the Memorial University Pensions Act. The Board of Regents is trustee of the Plan.
- The Memorial University Pension Plan is currently XX per cent funded.
- We have made progress with our ABCs, but we admit there is more work to do and we see more opportunities for cost savings.
Thanks Theresa. I’ve had to move both up the line to Denise, but I’ve incorporated the changes on the credit ratings document and I’ve left the placeholders on the MUNPP messages, where I can fill in details later.

Best,
Marc

From: Heffernan, Theresa <theresah@gov.nl.ca>
Sent: Tuesday, October 22, 2019 10:54 PM
To: Budgell, Marc <MarcBudgell@gov.nl.ca>
Cc: Collins, Chrysta <ChrystaCollins@gov.nl.ca>
Subject: RE: APPROVAL NEEDED - HOA Key Messages

Marc

I reviewed the Credit Ratings yesterday...that’s completed and in the same directory. The MUNPP is a work in progress...waiting on info from Pensions and Budget Division.

Theresa

From: Budgell, Marc <MarcBudgell@gov.nl.ca>
Sent: Tuesday, October 22, 2019 3:00 PM
To: Heffernan, Theresa <theresah@gov.nl.ca>
Cc: Collins, Chrysta <ChrystaCollins@gov.nl.ca>
Subject: APPROVAL NEEDED - HOA Key Messages

Hi Theresa,

As we owe our Top Issues by Thursday, I’m hoping to get your feedback/approval on the attached by EOD today.

- Credit Ratings
- Memorial University Pensions

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
Hi Marc and Mel,

Please see attached our KMs on pension reform (subject to final approval by our Minister). Please let me know if you have anything to add.

Thanks,

Tansy

Tansy Mundon
Director of Communications
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador
St. John’s, NL A1B 4L6
709-729-0753; 693-1865
tansymundon@gov.nl.ca
ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial’s pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

Memorial is faced with the same challenges the public sector faced with its pensions. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability. Memorial has been working to do the same.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.

- No decision has been made regarding special payments for the pension plan.

- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.

- It is important for Memorial University to get its pension on the path to long-term sustainability.
BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.

- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.

- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.

- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).

- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
Hi Denise and Theresa,

See attached the messages AESL have pulled together, along with my suggested update that combines our messages.

For your approval.

Best,
Marc

---

Hi Marc and Mel,

Please see attached our KMs on pension reform (subject to final approval by our Minister). Please let me know if you have anything to add.

Thanks,
Tansy

Tansy Mundon
Director of Communications
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador
St. John's, NL A1B 4J6
709-729-0753; 693-1865
tansymundon@gov.nl.ca
ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial’s pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

Memorial is faced with the same challenges the public sector faced with its pensions. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability. Memorial has been working to do the same.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.

- No decision has been made regarding special payments for the pension plan.

- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.

- It is important for Memorial University to get its pension on the path to long-term sustainability.
BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.

- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.

- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.

- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).

- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
QP Issue Note
Department of Advanced Education, Skills and Labour
October 24, 2019

ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial’s pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal. Memorial has been working to do the same. Memorial is faced with the same challenges the public sector faced with its pensions. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability. Memorial has been working to do the same.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.
Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.
- No decision has been made regarding special payments for the pension plan.
- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.
- It is important for Memorial University to get its pension on the path to long-term sustainability.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.
- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.
- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.
- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).
- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
Hi Tansy,

Here is my suggested combination of the messages that are with my folks and your messages. I've shared this with my Deputy for approval.

Best,
Marc

---

Hi Marc and Mel,

Please see attached our KMs on pension reform (subject to final approval by our Minister). Please let me know if you have anything to add.

Thanks,
Tansy

Tansy Mundon
Director of Communications
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador
St. John's, NL A1B 4J6
709-729-0753; 693-1865
tansymundon@gov.nl.ca
QP Issue Note
Department of Advanced Education, Skills and Labour
October 24, 2019

ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial's pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal. Memorial has been working to do the same. Memorial is faced with the same challenges the public sector faced with its pensions. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability. Memorial has been working to do the same.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.
Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.
- No decision has been made regarding special payments for the pension plan.
- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.
- It is important for Memorial University to get its pension on the path to long-term sustainability.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.

- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.

- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.

- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).

- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
ISSUE: Cannabis Retailer Consultations

On August 15, 2019, retailer Thomas Clarke was publicly critical of government for the eight per cent commission rate, saying that the current legal structure of the cannabis industry will put him and others out of business. Since then government has opened consultations with cannabis retailers, as per a commitment from the Minister.

ANTICIPATED QUESTIONS:

- What is the current status of retailer consultations?
- Do you have any comment on the issue of commissions paid to independent cannabis retailers?

KEY MESSAGES:

It is important to recognize that even as we start year two, recreational cannabis is still a relatively new industry.

In late-August/early-September we opened consultations with cannabis retailers.

NLC and Department of Finance officials met or spoke with representatives from every cannabis retailer in the province to get their feedback.

We are now considering this feedback, and plan to reach out to retailers over the coming weeks to discuss some potential changes based on what we heard.

The eight per cent commission rate was communicated in the RFP. Every retailer was aware of this before they applied for a retail licence.

SECONDARY MESSAGES:

- We recognize that retailers face challenges from the illicit market and growing pains in this new industry. I said from the outset that there would be bumps in the road.
- Supply was an issue faced by the entire country in the early days of legalization, so even the first few months beyond legalization are not a true measure of how this industry operates.
QP Issue Note
Finance
October 24, 2019

ISSUE: Return to Surplus

In September 2019, in discussing the province’s latest credit ratings, the Minister of Finance stated that while government is still focused on a return to surplus, that he wouldn’t “risk getting back to surplus if it means closing hospitals where people need them.” Media reported this as the Minister backing off his commitment to return to surplus by 2022-23.

ANTICIPATED QUESTIONS:

• Are you still committed to returning to surplus in 2022-23?

KEY MESSAGES:

We have faced and continue to face significant challenges, which have put strain on our fiscal projections between now and 2022-23.

These challenges have put our path to surplus in 2022-23 at risk.

We remain committed to our balanced approach to fiscal management, which involves finding efficiencies while also finding ways to invest in communities and services that people rely on.

But as with any long-term plan, it is important that we revisit and refresh our approach regularly.

As we move forward toward Budget 2020, we will consult with the public on our path toward fiscal balance, and will provide an update at budget time.

While we must continue to reduce our deficits, we must do so while maintaining an acceptable standard of living for the people of this province.

SECONDARY MESSAGES:

• We will also consult with all MHAs in the House of Assembly. Opposition MHAs have stated publicly that they want to collaborate with our government, but the path to 2020 will be a true test of their sincerity.
• We set on an ambitious plan to return to surplus in 2022-23, and have made significant progress against this plan:
  o Reducing the annual deficit by nearly $2 billion
  o Keeping healthcare spending flat despite significant cost-pressures
- Reduced the size of the public service, and will continue to do so through attrition.
- Stabilized spending after a 10-year period where provincial spending increased by over 50 per cent.

- We have faced and continue to face significant challenges that have an impact on our plan – some that are within our control, some which aren’t:
  - Signs of a global recession.
  - Offshore shutdowns in 2018 and 2019 and oil volatility, which impact provincial revenues.
  - Muskrat Falls and rate mitigation, which divert money we would rather spend on service delivery.
  - Outmigration and an aging population, which reduce our taxpayer base and increase the strain on our healthcare system.
  - Delivering services to small population spread over a large landmass.
  - The reality of our minority government, which will make addressing our fiscal challenges difficult without true collaboration.
ISSUE: Carbon Tax

On October 21, 2019, the Federal Liberal Party won a second mandate as a minority government in Ottawa. The carbon tax was a point of contention during the Federal Election, with the Federal Conservative Party promising to cancel the tax. The tax has also faced opposition from Premiers in some Canadian provinces. Questions are anticipated regarding the future of the carbon tax.

ANTICIPATED QUESTIONS:

- Do you anticipate any changes to the carbon tax with a minority Federal Government?
- How is the province’s carbon tax different from the Federal tax?
- Is there any rebate for consumers under our carbon tax?

KEY MESSAGES:

We anticipate the carbon tax will remain in place after the results of the Federal Election.

Our “Made in Newfoundland” approach to carbon tax is tailored to our unique economic, social and fiscal realities.

As part of our approach to carbon pricing, which was approved by the Federal Government in 2018, our taxation rates on gasoline and diesel are adjusted based on Atlantic Parity.

This means that our carbon tax rates will only increase if we can do so while remaining competitive with our Atlantic counterparts.

As with other provinces, we will review our carbon pricing system on an annual basis to ensure compliance with federal requirements.

SECONDARY MESSAGES:

- Consumers did not see our program as a pronounced increase, because the temporary tax on gasoline and diesel was reduced at the same time.
- Our plan also exempts home heating fuel, an important exemption for consumers.
- There are also exemptions for resource-based industries in support of offshore oil exploration, mineral exploration, the fishery and the forestry sector.
- Our plan does not include a rebate; instead it includes significant exemptions that lessen the taxation impact.
ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial’s pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Memorial has been working to do the same. Memorial is faced with the same challenges the public sector faced with its pensions. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability. Memorial has been working to do the same.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.
Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.

SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.
- No decision has been made regarding special payments for the pension plan.
- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.
- It is important for Memorial University to get its pension on the path to long-term sustainability.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.
- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.
- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.
- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).
- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
ISSUE: Credit Ratings

In July 2019, Moody’s announced that they would be downgrading the province’s credit rating, and changing the provinces outlook from a “negative watch” to “stable.” This received significant media coverage that questioned the province’s fiscal course. In August and September 2019, S&P and DBRS respectively, maintained the province’s credit ratings, as they have done for the two years previous.

ANTICIPATED QUESTIONS:

• What do these ratings mean for the province’s fiscal outlook?
• Are you still committed to returning to surplus in 2022-23?

KEY MESSAGES:

We are pleased that S&P and DBRS recognize that our plan is, and has always been, a disciplined approach to fiscal management.

We have exercised caution in our fiscal forecasting, and have not wavered in our fiscal approach.

While the fiscal outlook remains challenging, our efforts have made progress toward reducing annual budget deficits and slowed the pace of debt growth.

We have faced, and continue to face, significant challenges that have an impact on our fiscal plan – some of which are within our control, and some which are not.

While we must continue our efforts to reduce the deficit, we must do so while maintaining an acceptable standard of living for the people of this province.

We are going to continue with our balanced approach, which involves finding efficiencies while also finding ways to invest in communities and services that people rely on.

SECONDARY MESSAGES:

• S&P recognized our progress over the past year with our negotiated wage freeze and the elimination of severance benefits. S&P has signaled that if our plan is maintained, our efforts will keep us on track to return to fiscal balance by 2022-23.
• DBRS indicated that following the re-election of this Liberal government we were able to maintain our balanced plan.
• Several of the issues identified by Moody's, including our province’s debt and interest burden and the inherent global volatility of commodity prices, are not new.
• These are the realities we have faced since coming into government in 2015, and these factors have shaped our fiscal approach.
ISSUE: Equalization and Federal Support

During the 2019 Federal Election, numerous questions arose about government’s ongoing discussions with the Federal Government on rate mitigation funding. At the same time, a local stakeholder group renewed calls for changes to equalization to include Newfoundland and Labrador. Questions have arisen about how the Provincial and Federal Governments are working together to address the province’s fiscal situation.

ANTICIPATED QUESTIONS:

- What is the status of the province’s discussions with the Federal Government on rate mitigation?
- Will you push the Federal Government for changes to equalization?

KEY MESSAGES:

We have been clear since taking office that the equalization formula needs to be changed.

We have advocated for changes with the Federal Government since taking office.

It is hard to find common ground with our provincial partners on equalization, as all provinces have competing interests on how it should be addressed.

While we will continue to advocate for changes to the equalization formula, we have turned our focus to discussions on other ways to collaborate to address our fiscal challenges.

We remain in active discussions with the Federal Government on the issue of rate mitigation and examining the financial structure of the Muskrat Falls project.

These discussions have been positive as both sides recognize the importance of achieving the best possible outcomes for the people we both serve.

SECONDARY MESSAGES:

- We made a case to the Federal Government in 2018 on why we need changes to the equalization formula, but we were clear from the outset that it was unlikely we would get equalization given these competing interests.
- The Federal Government ultimately made the decision to maintain the status quo, as expected.
• Our discussions with the Federal Government led to an agreement on a new Atlantic Accord agreement which provided a new and guaranteed revenue stream of $2.5 billion and which ensures the Newfoundlanders and Labradorians are the principal beneficiaries of our offshore resources.
• The Premier has met with the Prime Minister and the Federal Finance Minister on the rate mitigation file on several occasions, including as recently as September.
Tom Osborne MHA
District of Waterford Valley
Minister of Finance, President of Treasury Board

On Oct 25, 2019, at 8:25 AM, Budgell, Marc <Marc.Budgell@gov.nl.ca> wrote:

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s NL A1B 4J6
(t) 709 729-2477

<QP - Cannabis Retailer Consultations.docx>

<QP - Return to Surplus - October.docx>

<QP - Carbon Tax October.docx>

<KM - MUN Pension Plan Reform - Oct 2019 FIN ADDITIONS.docx>

<QP - Credit Ratings - October.docx>

<QP - Equalization and Federal Support - October.docx>
Hi Scott,

Please see attached the joint FIN/AESL messages on the Memorial Pension situation, as discussed a few weeks ago. There is some language in here that may also help you with the notes you are currently writing:

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Let us know if you have any questions.

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John’s NL A1B 4J6
(t) 709 729-2477
ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

What is government doing to assist with Memorial’s pension liability?

When do you expect MUN to table its audited financial statements?

Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.
SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.

- No decision has been made regarding special payments for the pension plan.

- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.

- It is important for Memorial University to get its pension on the path to long-term sustainability.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.

- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan — this included $22.6 million in 2014. No special payment funding has been provided since 2015.

- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.

- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).

- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
Hi there,

Here are SNL’s messages as the regulator:

- Newfoundland and Labrador’s pension legislation is among the strongest in the country.
- Service NL is responsible for the regulation of pension plans in the province under the Pension Benefits Act.
- The mandate of the Pension Benefit Standards Division of Service NL, and the objective of the Act, is to protect the pension benefits of plan members as outlined in legislation.
- There are approximately 200 pension plans registered with the province, covering more than 100,000 plan beneficiaries.

Thanks,
Mel

---

From: Budgell, Marc <MarcBudgell@gov.nl.ca>
Sent: Friday, October 25, 2019 11:09 AM
To: Barfoot, Scott <ScottBarfoot@gov.nl.ca>; Joyce, Luke <LukeJoyce@gov.nl.ca>
Cc: Mondon, Tansi <TansiMondon@gov.nl.ca>; Collins, Chrysta <ChrystaCollins@gov.nl.ca>; O'Neill, Melony <MelonyOneill@gov.nl.ca>
Subject: Joint Messages - Memorial Pension

Hi Scott,

Please see attached the joint FIN/AESL messages on the Memorial Pension situation, as discussed a few weeks ago. There is some language in here that may also help you with the notes you are currently writing:

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher's Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Let us know if you have any questions.

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
Hi Melony,

Are you good with me putting the SNL messages as secondary? See attached.

Best,
Marc

From: Barfoot, Scott <ScottBarfoot@gov.nl.ca>
Sent: Friday, October 25, 2019 12:50 PM
To: Budgell, Marc <MarcBudgell@gov.nl.ca>; Joyce, Luke <LukeJoyce@gov.nl.ca>
Cc: Mundon, Tansy <TansyMundon@gov.nl.ca>; Collins, Chrysta <ChrystaCollins@gov.nl.ca>; O'Neill, Melony <MelonyOneill@gov.nl.ca>
Subject: RE: Joint Messages - Memorial Pension

Thanks.
Please send the messages from the three departments in a single package.
SB

From: Budgell, Marc
Sent: Friday, October 25, 2019 11:09 AM
To: Barfoot, Scott; Joyce, Luke
Cc: Mundon, Tansy; Collins, Chrysta; O'Neill, Melony
Subject: Joint Messages - Memorial Pension

Hi Scott,

Please see attached the joint FIN/AESL messages on the Memorial Pension situation, as discussed a few weeks ago. There is some language in here that may also help you with the notes you are currently writing:

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher's Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Let us know if you have any questions.

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
QP Issue Note
Department of Advanced Education, Skills and Labour
October 24, 2019

ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

- What is government doing to assist with Memorial’s pension liability?
- When do you expect MUN to table its audited financial statements?
- Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.
SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.

- No decision has been made regarding special payments for the pension plan.

- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.

- It is important for Memorial University to get its pension on the path to long-term sustainability.

- Newfoundland and Labrador’s pension legislation is among the strongest in the country.

- Service NL is responsible for the regulation of pension plans in the province under the Pension Benefits Act.

- The mandate of the Pension Benefit Standards Division of Service NL, and the objective of the Act, is to protect the pension benefits of plan members as outlined in legislation.

- There are approximately 200 pension plans registered with the province, covering more than 100,000 plan beneficiaries.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.

- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.

- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.

- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).

- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.
From: Barfoot, Scott <ScottBarfoot@gov.nl.ca>
Sent: Friday, October 25, 2019 12:50 PM
To: Budgell, Marc <MarcBudgell@gov.nl.ca>; Joyce, Luke <LukeJoyce@gov.nl.ca>
Cc: Mundon, Tansy <TansyMundon@gov.nl.ca>; Collins, Chrysta <ChrystaCollins@gov.nl.ca>; O'Neill, Melony <MelonyOneill@gov.nl.ca>
Subject: RE: Joint Messages - Memorial Pension

Thanks.
Please send the messages from the three departments in a single package.
SB

From: Budgell, Marc
Sent: Friday, October 25, 2019 11:09 AM
To: Barfoot, Scott; Joyce, Luke
Cc: Mundon, Tansy; Collins, Chrysta; O'Neill, Melony
Subject: Joint Messages - Memorial Pension

Hi Scott,

Please see attached the joint FIN/AESL messages on the Memorial Pension situation, as discussed a few weeks ago. There is some language in here that may also help you with the notes you are currently writing:

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher's Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Let us know if you have any questions.

Best,
Marc

Marc Budgell | Communications Director
Finance/Human Resource Secretariat
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's NL A1B 4J6
(t) 709 729-2477
ISSUE: MEMORIAL UNIVERSITY PENSION PLAN REFORM

A recent allnewfoundlandlabrador.com article noted that the audited financial statements were not appended to the MUN annual report due to outstanding pension reform.

ANTICIPATED QUESTIONS:

- What is government doing to assist with Memorial’s pension liability?
- When do you expect MUN to table its audited financial statements?
- Will government fund the special payment again this year?

KEY MESSAGES:

In recent years we have asked all of our agencies, boards and commissions to take a close look at their operations, to become more efficient, to find more savings and to be more fiscally responsible.

Over the last number of years, we have undertaken considerable work within government departments in this regard, and it is important for ABCs to follow suit.

In 2014 and 2015, government undertook pension reform with our union partners on the Public Service Pension Plan and the Teacher’s Pension Plan. Public sector workers and government came together for the collective good and restructured pension plans to ensure their long-term sustainability.

We have communicated to Memorial University that we expect them to undertake pension reform in line with what was done with the PSPP and the TPP, and Memorial is working towards this goal.

Our government continues to support Memorial University in its efforts to achieve pension plan reform and ensure its financial sustainability. We look forward to further discussions with Memorial regarding its plan.

Memorial University is actively engaged in joint sponsorship discussions with its employee groups. While those discussions are ongoing, and out of respect for that process, it would be premature for me to comment further.
SECONDARY MESSAGES:

- The annual report will be re-tabled once the audited financial statements have been finalized.
- No decision has been made regarding special payments for the pension plan.
- For 10 years, the provincial government allocated public funds to provide special annual payments to support the plan.
- It is important for Memorial University to get its pension on the path to long-term sustainability.
- Newfoundland and Labrador’s pension legislation is among the strongest in the country.
- Service NL is responsible for the regulation of pension plans in the province under the Pension Benefits Act.
- The mandate of the Pension Benefit Standards Division of Service NL, and the objective of the Act, is to protect the pension benefits of plan members as outlined in legislation.
- There are approximately 200 pension plans registered with the province, covering more than 100,000 plan beneficiaries.

BACKGROUND INFORMATION:

- Memorial University’s President has noted the ongoing challenge of the institution’s pension liability. The university has been granted a temporary exemption from making solvency special payments into its pension plan and was granted a deferral from making going concern special payments into its pension plan for the 2017-18 fiscal year.
- Since 2005, the Provincial Government has provided $127.8 million through its operating grants to support Memorial University’s special payments to the pension plan – this included $22.6 million in 2014. No special payment funding has been provided since 2015.
- The pension is currently 87 percent funded with a gap of between $150 million and $180 million.
- In the absence of a going concern special payment deferral for 2018-19, MUN would be required to make payment of approximately $30.8 million into its pension plan. In the absence of a solvency special payment exemption extension from January 1, 2019 to March 31, 2019, MUN would be required to make an additional payment of approximately $22.6 million into its pension plan ($53.4 million total payments).
- Dr. Kachanoski has advised that MUN does not have fiscal resources to cover these payments.