



Hydro Place, 500 Columbus Drive,
P.O. Box 12800, St. John's, NL
Canada A1B 0C9
t. 709.737.1440 f. 709.737.1800
nalcorenergy.com

October 8, 2019

VIA EMAIL

s. 40(1)

Attention:

Dear

s. 40(1)

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act, 2015* (File #: PB/658/2019)

On September 10, 2019, Nalcor Energy received your request for access to the following records/information:

Nalcor Atipp Sept 10 2019 re defined benefit pension plan (Nalcor is in NL Gov plan)

NL Gov Pension plan reform Sept 02 2014

"both government and unions will be responsibility for the sustainability of the plan into the future and will share equally in the surpluses and the deficits"

Provide by year for the last 5 years

1/ actuarial gains and losses

2/ past service cost

3/ the amounts paid by Nalcor employees re

A/ # 1 above

B/ #2 above

4/ Re: "both government and unions will be responsibility for the sustainability of the plan into the future and will share equally in the surpluses and the deficits." How did Nalcor handle this?

Please see Appendix A attached hereto for responses to your questions noted above. Nalcor has answered your questions to the best of our ability. Nalcor respectfully recommends that any specific questions regarding the Public Service Pension Plan be directed to the Provincial Government of Newfoundland and Labrador through the Department of Finance. A link to the publically available Annual Report for the Public Service Pension Plan for the year ended December 31, 2018 has been provided in Appendix A of this response, for your reference.

It is the goal to publish this letter following a 72 hour period after it is sent electronically to you or five business days in the case where the letter has been mailed to you.

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. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner 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 (a copy of this section of the Act has been enclosed for your reference).

If you have any further questions, please feel free to contact the undersigned by telephone at (709) 733-5346 or by e-mail at granthiscock@nalconenergy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Grant Hiscock".

Grant Hiscock
Access and Privacy Officer

Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.

Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner's refusal under subsection 45(2).

Appendix A: Responses

Questions 1 and 2

The questions raised make reference to the accounting policy note 2.14 of the Nalcor Consolidated Financial Statements, which is in relation to Employee Future Benefits. There are two sections to this accounting policy, the Pension Plan and Other Group Insurance Benefits.

The Public Service Pension Plan is further commented on in Note 21.1 of the Nalcor Consolidated Financial Statements for the year ended December 31, 2018, which details the contributions paid by Nalcor of \$13.2 million for 2018 with the comparative amount for 2017 of \$13.1 million. Nalcor respectfully recommends that questions specific to this Plan be directed to the Provincial Government of Newfoundland and Labrador through the Department of Finance. The Annual Report for the Public Service Pension Plan for the year ended December 31, 2018 can be found at the following link, for your reference:

<https://provident10.ca/wp-content/uploads/2019/08/2018-Provident10-Annual-Report.pdf>

With respect to Other Benefits within Note 2.14, the below analysis has been prepared.

<u>Employee Future Benefits</u>					
<u>Other Benefits</u>					
	<u>Year</u> <u>Ended</u>	<u>Year</u> <u>Ended</u>	<u>Year</u> <u>Ended</u>	<u>Year</u> <u>Ended</u>	<u>Year</u> <u>Ended</u>
(\$ millions)	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarial (gains) and losses	(11)	3	-	(6)	12
Past service cost	6	5	5	5	4

Question 3

Nalcor provides group life insurance and health care benefits on a cost-shared basis to retired employees, in addition to a retirement allowance funded by the company. Nalcor employees pay long term disability premiums and a portion of the dental premiums throughout the course of their employment. Retiree benefits, with the exception of dental premiums where the retiree pays 25% of the premium, is cost shared 50/50.

The actuarial gains and losses and past service cost referenced are a measurement of Nalcor's liability for such benefits, not the employees' liability. Actuarial gains and losses will factor in various measures and assumptions. For example, mortality will drive the liability estimate. Past service cost reflects changes in the years of service of employees. Neither of these measurements reflects actual payments, but rather an estimate of the liability which will be paid on behalf of Nalcor's employees in the future.

Question 4

Information regarding the process for future plan sustainability for Public Service Pension Plan members (Nalcor included) as well as information regarding the sharing of plan surpluses and deficits can be found in the following publically available document. Please note that "Appendix A – Funding Policy" can be found on page 21 of this document and provides information regarding the sharing of surpluses and deficits between the Government and the Pension Plan members:

Joint Sponsorship Agreement

<https://provident10.ca/wp-content/uploads/2019/10/NLPSPP-Joint-Sponsorship-Agreement.pdf>