



12 January 2017

Mr. Paul Rochon, Deputy Minister  
Finance Canada  
90 Elgin Street  
Room 16027  
Ottawa, ON  
K1A 0G5

paul.rochon@canada.ca

Information Request: IR0274

Dear Mr. Rochon:

As you are likely aware, the Parliamentary Budget Officer (PBO) provides independent analysis to the Senate and to the House of Commons about the nation's finances and the economy, the estimates of the government, and the cost of programs, legislation, and policies. In carrying out its mandate, the PBO often requires access to information held by government departments. When such information is needed, the PBO makes a request to the department holding the information.

The PBO is currently undertaking an analysis pursuant to section 79.2(b)(ii) of the *Parliament of Canada Act*, which mandates the PBO to undertake research on the nation's finances and economy at the request of the Standing Committee on Finance of the House of Commons.

In pursuing this work, the PBO would ask that, pursuant to section 79.3 of the *Parliament of Canada Act*, you provide access to the following information:

The time series and methodology used to derive the discount rates for the 2016 to 2036 period, used to measure the present value of the accrued benefit obligations for:

- Funded public sector pension liabilities
- Unfunded public sector pension liabilities
- Other employee and veteran future benefits

The time series and methodology used to derive the interest rates for the 2016 to 2036 period, used to measure the interest expense on:

- Funded public sector pension liabilities
- Unfunded public sector pension liabilities
- Other employee and veteran future benefits

The time series and methodology used to derive:

- The expected average remaining service life assumptions (EARSL) of employees
- The average remaining life expectancy for each of the wartime veteran plans (ARLE) of wartime veteran beneficiaries
- Long term general wage growth estimates

Finally, according to the Public Accounts 2016, Volume I, 2.27, "the streamed weighted average of Government of Canada long-term bond rates is a calculated 20-year weighted moving average of Government of Canada long-term bond rates projected over time. The streamed rates take into account historical Government of Canada long-term bond rates and, over time, reflect expected Government of Canada long-term bond rates." Please identify the formula and data series used to calculate the 20-year weighted moving average of Government of Canada long-term bond rates.

We would appreciate that you provide access to this information by 3 February 2017. If we do not hear back from you by that date, we may consider your non-response a deemed refusal and, accordingly, report it to our named committees as instructed.

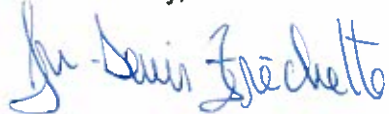
Attached is a reply form. It too should be filled out and returned by 3 February 2017, whether or not you provide access to the requested information. The details contained in the reply form will assist us in preparing the PBO annual report.

Your response letter will be posted on the PBO website and, therefore, it should not be marked "confidential". Could you please attach the requested information separately. If this information is confidential, please clearly mark it as such, either on the electronic spreadsheet or the hard copy version.

Should you or your staff have any questions about this information request, the analyst responsible, Jason Jacques can be contacted directly at [jason.jacques@parl.gc.ca](mailto:jason.jacques@parl.gc.ca), 613-853-1596.

I want to thank you for your assistance in this matter. Providing timely and effective analysis to the Senate and House of Commons is the PBO's primary objective. The degree to which this is possible depends, to a large extent, on free and timely access to quality information held by government departments. In doing so, you are assisting us in better serving the Senate, the House of Commons, and their members.

Yours sincerely,



Jean-Denis Fréchette  
Parliamentary Budget Officer

c.c.: Katharine Rechico, Assistant Secretary to the Cabinet,  
Privy Council Office, Liaison Secretariat for Macroeconomic Policy

Attachment: Reply form for IR0274