



Treasury Board of Canada
Secrétariat

Secrétariat du Conseil du Trésor
du Canada

Canada

Report on the Administration of the Supplementary Retirement Benefits Act for the Fiscal Year Ended March 31, 2019



ANNUAL REPORT

© Her Majesty the Queen in Right of Canada,
represented by the President of the Treasury Board, 2020

Catalogue No. BT1-12E-PDF
ISSN 1489-4866

This document is available on the Government of Canada website at www.canada.ca

This document is available in alternative formats upon request.

Her Excellency the Right Honourable Julie Payette, C.C., C.M.M., C.O.M., C.Q., C.D.
Governor General of Canada

Excellency:

I have the honour of submitting to Your Excellency the *Report on the Administration of the Supplementary Retirement Benefits Act for the Fiscal Year Ended March 31, 2019*.

Respectfully,

Original signed by

The Honourable Jean-Yves Duclos, P.C., M.P.
President of the Treasury Board

Table of contents

Introduction	1
Fiscal year at a glance	1
Historical context	1
Supplementary Retirement Benefits Account	2
Membership statistics	2
Funding	3
Account transactions	3
Account transaction statements	4

Introduction

The *Supplementary Retirement Benefits Act* (SRBA) applies to pension benefits payable to federal judges under the *Judges Act*, as well as to pension benefits payable under other statutes listed in Schedule I of the SRBA, such as the *Diplomatic Service (Special) Superannuation Act*, the *Lieutenant Governors Superannuation Act*, the *Defence Services Pension Continuation Act* of the Canadian Armed Forces, the *Royal Canadian Mounted Police Pension Continuation Act*, and Part IV of the *Members of Parliament Retiring Allowances Act*.

The indexing benefit of major federal public sector pension plans, including plans governed by the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act*, the *Royal Canadian Mounted Police Superannuation Act* and the *Members of Parliament Retiring Allowances Act*, is governed by the relevant pension statutes as well as by the SRBA.

Fiscal year at a glance

- ▶ Active contributors increased by 2.3% to 1,224 members (1,197 members in 2018).
- ▶ Retired members and survivors decreased by 2.6% to 1,299 members (1,333 members in 2018).
- ▶ As a result of indexation, pension benefits were increased by 2.2% in January 2019 (1.6% in January 2018).

Historical context

The SRBA provides supplementary benefits for recipients of pensions or allowances payable under the acts or regulations listed in Schedule I of the SRBA.

Effective January 1, 1974, an annual increase in pensions reflecting the full increase in the cost of living was permitted, payable starting in January of each year. This increase is based on the percentage increase in the average of the Consumer Price Index (CPI) for the 12 months ended on the preceding September 30, over the average of the CPI for the 12 months ended a year earlier. Since 1982, the legislation has required that the increase payable in the first year after a person retires be prorated to the number of complete months of retirement in the previous year.

In 1992, the SRBA was amended to reflect changes being made to the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act*, the *Royal Canadian Mounted Police Superannuation Act* and the *Members of Parliament Retiring Allowances Act* and no longer applied to pension benefits payable under these statutes. Consequently, these statutes were amended to incorporate the authority to provide increases in their respective pensions as if they were determined under the SRBA.



Supplementary Retirement Benefits Account

The SRBA establishes an account known as the Supplementary Retirement Benefits Account (the account) in the Public Accounts of Canada. Plan members who have not yet retired, except the Governor General, contribute to the account. The government matches these contributions.

Before January 1, 1974, all supplementary benefits were charged to the account. Since that date, however, the benefits paid to former contributors have been charged to the account only until they equal the total amount credited to the account. Supplementary benefits paid in excess of that total are charged to the Consolidated Revenue Fund.

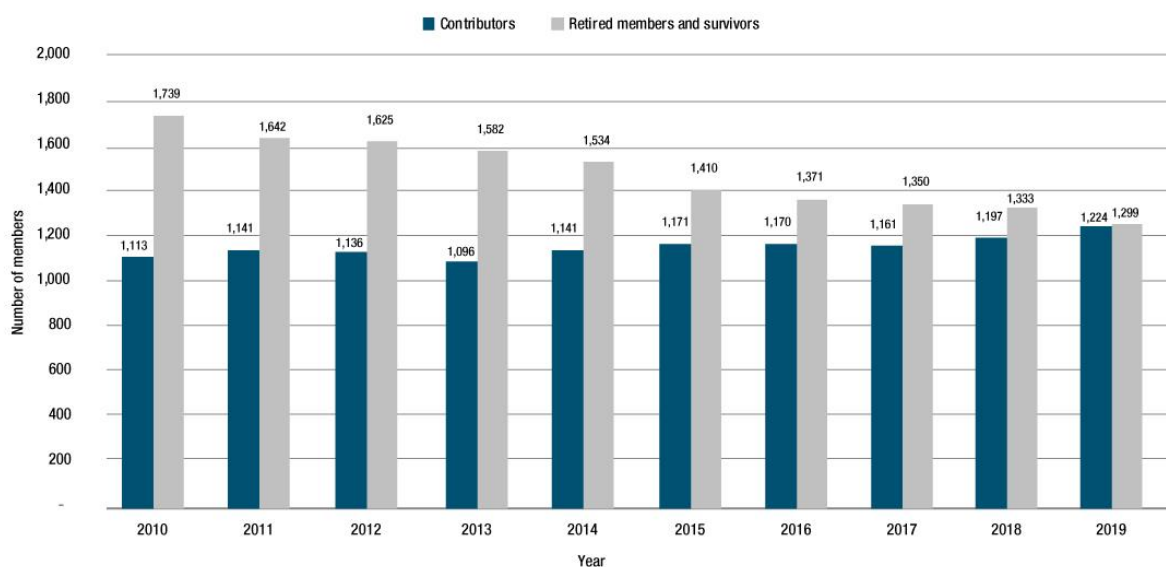
Under the 1992 amendments mentioned in the previous section, the appropriate portions of the account were transferred to the superannuation accounts established under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act*, the *Royal Canadian Mounted Police Superannuation Act* and the *Members of Parliament Retiring Allowances Act*. These transfers have greatly reduced the size of the account.

Membership statistics

As at March 31, 2019, there were 1,224 members (1,197 in 2018) contributing to the account and 1,299 retired members and survivors (1,333 in 2018).

Figure 1 shows the number of contributors and the number of retired members and survivors from 2010 to 2019.

Figure 1. Contributors and retired members and survivors from 2010 to 2019



Funding

Between April 1, 1970, and December 31, 1976, members contributed 0.5% of their salary. Effective January 1, 1977, this rate was increased to 1%. The government matches these contributions.

Interest on the account is payable at the end of each quarter. It is calculated monthly on the minimum balance in the account at an interest rate that represents the yield on outstanding Government of Canada bonds that have a term to maturity of 5 years, reduced by 0.125%.

Account transactions

In fiscal year ended March 31, 2019, total receipts from contributors and the government, including interest, amounted to \$12.40 million (\$10.75 million in fiscal year ended March 31, 2018).

The total amount paid under the SRBA was \$30.72 million (\$30.03 million in fiscal year ended March 31, 2018), of which \$21,307 (\$22,911 in fiscal year ended March 31, 2018) was charged to the account; the remaining \$30.70 million (\$30.01 million in fiscal year ended March 31, 2018) was charged to the Consolidated Revenue Fund, in accordance with subsection 8(2) of the SRBA.

The balance in the account at the end of the fiscal year was \$247.63 million (\$235.26 million in fiscal year ended March 31, 2018).

Details of the transactions in the account during the fiscal year appear in the “Account transaction statements” section.



Account transaction statements

Supplementary Retirement Benefits Account statement

Fiscal year ended March 31 (\$ thousands)¹

	2019	2018
Opening balance (A)	235,256	224,530
Receipts		
Contributions		
Members	3,843	3,695
Government	3,843	3,710
Interest	4,714	3,344
Total receipts (B)	12,399	10,749
Payments		
Annuities ²	30,722	30,028
Less charges to Consolidated Revenue Fund in accordance with subsection 8(2) of the SRBA ²	30,701	30,005
Net payments (C)	21	23
Increase (B – C = D)	12,378	10,726
Closing balance (A + D)	247,634	235,256

1. Due to rounding, figures differ slightly from those in the Public Accounts of Canada.

2. This information does not reflect exactly the information presented in the Public Accounts of Canada. Annuities and charges to the Consolidated Revenue Fund are supplementary information included to reflect all payments made under the authority of the SRBA. The amounts charged to the Consolidated Revenue Fund are not charged to the Supplementary Retirement Benefits Account due to an exclusion under subsection 8(2) of the SRBA. The amount of charges to the Consolidated Revenue Fund reported in this statement is calculated based on financial information provided directly by several organizations responsible for processing SRBA benefit payments, such as the Registrar of the Supreme Court of Canada, the Office of the Commissioner for Federal Judicial Affairs Canada, Canadian Heritage, National Defence and the Senate of Canada.



Supplementary Retirement Benefits Account statement
Details of receipts and payments for fiscal year ended March 31, 2019
(\$ thousands)¹

	Judges	Others	Total
Opening balance (A)	234,358	897	235,256
Receipts			
Contributions			
Members	3,807	36	3,843
Government	3,807	36	3,843
Interest	4,694	19	4,714
Total receipts (B)	12,308	92	12,399
Payments			
Annuities ²	0	21	21
Total payments (C)	0	21	21
Increase (B – C = D)	12,308	71	12,378
Closing balance (A + D)	246,666	968	247,634

1. Due to rounding, the subtotals may not exactly match the sum of the individual items.
2. In addition to these charges to the account, \$30.70 million was charged to the Consolidated Revenue Fund under subsection 8(2) of the SRBA, as reported in the previous statement. The information in this statement is similar to that reported in the Public Accounts of Canada.

