

PJPP

Ontario
Provincial Judges
Pension Plan

Provincial Judges Pension Board

2024 Annual Report

For the year ended December 31, 2024

Table of Contents

1	Chair's Message
3	Our Mandate
4	Our Mission, Vision and Values
5	The Year in Review
11	Financial Performance
13	Mandate Achievements
17	Board of Directors
18	Audited Financial Statements

Chair's Message

In reflecting on 2024 as the Provincial Judges Pension Board (PJPB or the "Board") Chair, I am confident that the Board made real progress across a number of priorities, including member communications, investment oversight and governance. It has been a privilege to serve as Chair during a year of strategic advancement and collaboration.

A major milestone was the launch of [PJPP.ca](https://pjpp.ca), a new public website with development led by the Ontario Pension Board (OPB) and supported by stakeholders. Designed to provide members with timely pension information, the site saw strong engagement, with 2,525 active users between May and December. This marks the first phase of our digital communications strategy.

Throughout 2024, the Board maintained strong and regular engagement with our key stakeholders, the Association of Ontario Justices (AOJ), under the leadership of Presidents Justice Jonathan Brunet and Justice James Chaffe, and Treasury Board Secretariat (TBS), under the leadership of Assistant Deputy Minister Sarah O'Callaghan. Our quarterly meetings with the AOJ helped align our initiatives with Plan member needs, while TBS supported all of the Board's strategic priorities. Their respective collaboration remains central to our governance and service delivery.

Following the move to active investment of the Plan's funds, and in the context of increasing economic uncertainty, the Board evaluated its investment oversight. In consultation with the Investment Management Corporation of Ontario (IMCO), we initiated the creation of a Board Investment Committee, launching in January 2025. This committee will provide focused oversight on investment returns, Strategic Asset Allocation (SAA), risk management and strengthening fiduciary accountability.

IMCO also undertook implementation of the Plan's long-term asset mix following the execution of the Investment Management Agreement (IMA) in late 2023. By year-end, pooling was completed for global credit, infrastructure and private equity strategies, enabling meaningful progress toward target allocations. The Plan's assets grew from \$406 million to \$443 million, driven by strong investment returns.

The Board continued to improve its governance framework through key policy improvements, including the development of a new privacy statement, a review and update of the Board's general bylaw, and the delegation of authority for approving pension payments, survivor allowances and lump sum benefits to our pension administrator, OPB, streamlining operations and enhancing service delivery. We were also pleased to see the approval of the 11th Provincial Judges Remuneration Commission Report in December 2024, which will be fully implemented in 2025.

OPB continues to play a vital role in providing day-to-day Plan administration and management. We extended our appreciation to outgoing President and CEO Mark Fuller and Chief Pension Officer Peter Shena, both who retired in 2024. We welcomed Darwin Bozek as OPB's new President and CEO and congratulated Marc Rondeau on being appointed as Executive Vice-President and Chief Pension Officer. Marc has been very effective as the lead executive responsible for managing the Provincial Judges' Pension Plan (PJPP), and works closely with the PJPB.

We also acknowledge our expert advisors, whose expertise and support are essential to the successful delivery of our work: Aon for plan valuation and internal audit contributions; Osler for pension legal counsel; and Willis Towers Watson Canada Inc. (WTW) for independent investment performance advice. These experts have strengthened our governance and oversight capabilities.

On behalf of the Board, I want to thank our stakeholders, the AOJ and TBS, the Office of the Chief Justice, our pension administrator and Plan manager, OPB, our investment manager, IMCO, and our valued expert advisors, Aon, Osler and WTW. We all worked closely this year and have further cemented positive and effective working relationships for the benefit of our members.

Finally, as Board Chair, I remain very grateful to my fellow Board members, whose dedication and willingness to serve have pushed the PJPB's mission forward in 2024. They bring a wealth of expertise and experience in pension law, investment, governance and the justice system, all of which have been instrumental in advancing our work. I am deeply honoured to serve the Ontario Court of Justice's sitting judges, retired judges and their survivors as Chair of the PJPB. Our clients uphold the highest of standards, and it is our mission to meet and exceed their pension plan security and service expectations. I look forward to continuing this work and to a future of providing excellent service to our clients and partners.



Deborah A. (Debbie) Oakley

Chair of the Provincial Judges Pension Board October 6,
2025

Our Mandate

The Provincial Judges Pension Board (PJPB or the “Board”) is the Administrator of the Provincial Judges’ Pension Plan (PJPP or the “Plan”). The PJPP is comprised of a Registered Pension Plan (RPP), a Retirement Compensation Arrangement (RCA) and a Supplemental Pension Plan (SUPP). We are responsible for providing steady, independent oversight of the administration of the Plan and investment of two trust funds for the RPP and RCA. In carrying out the duties under our mandate, the Board has a fiduciary obligation to act in the best interests of the Plan membership and other beneficiaries.

The Board is constituted as a trust agency operating at arm’s length from the provincial government. Five members are appointed to the Board by the Lieutenant Governor in Council, and a Chair is designated from among the appointed members.

Our mandate is set in Regulation under the *Courts of Justice Act* and, since 2020, has encompassed expanded responsibilities for Plan-related communications, regulatory compliance and asset management related to Plan funding. Combined with our long-standing responsibility for determining eligibility and authorizing payment of pension entitlements and survivor allowances, the Board is accountable for all aspects of administration of the Plan and Fund.

Our Mission, Vision and Values

PJPB Mission

To deliver excellent state-of-the-art service to members and beneficiaries, invest the Plan's assets prudently to ensure the pension promise is sustained and work effectively with key stakeholders.

PJPB Vision

Be a trusted and highly effective Board, with a mature governance system providing oversight to pension and fund administration.

PJPB Values

Accountability – We are responsible for our words, our actions and our results.

Independence – Our decisions will be driven by our fiduciary duties to put Plan beneficiaries' interests above all others.

Transparent – We communicate openly and honestly to all our stakeholders.

Integrity – We are trustworthy and make responsible decisions based on professional director standards.

Ethical – We strive to meet the highest standards in everything we do.

The Year in Review

During 2024, the Board remained focused on four strategic priorities: enhancing the pension plan governance system, cultivating the Plan's viability, delivering excellent member service and building effective stakeholder relations. Each initiative was carefully selected and is expected to drive both Board and Plan performance. A summary of our progress organized by strategic priority appears below. More information about the alignment of the Board's activities and results with the Minister's Letter of Direction appear under the Mandate Achievements section.

1. Strategic Priority – Enhance Governance Structures and Processes for the Plan and Funds

New Privacy Statement

The PJPB is committed to respecting the privacy of members (including retired members and beneficiaries) and protecting their personal information. In 2024, to improve governance, enhance transparency and support its new website, a new privacy statement was adopted by the PJPB. The development of the privacy statement reflects the PJPB's commitment and accountability in managing personal information.

The new privacy statement focuses on the processing of personal information for pension administration and provides details on:

- The collection, use and disclosure of personal information for purposes of administering the PJPP;
- How to request access information at the PJPB, including member rights to access their own personal information; and
- Who to contact if they have concerns or questions about the management of personal information at the PJPB.

The privacy statement was developed in accordance with established privacy best practices. During its development, the PJPB and Ontario Pension Board (OPB) consulted with key stakeholders including the Association of Ontario Justices (AOJ) and Treasury Board Secretariat (TBS) to ensure the privacy statement was informed, relevant and aligned with stakeholder expectations. This initiative underscores the PJPB's commitment to safeguarding personal information and enhancing the privacy framework in alignment with evolving digital services.

Board Bylaw Review

The PJPB established a general bylaw in December 2020 setting out its rules of operations and procedures and intends to complete a review at least every three years. This proactive approach underscores the PJPB's dedication to refining its oversight mechanisms and enhancing its operational effectiveness. By regularly updating governance documents, the PJPB reinforces its commitment to transparency, accountability and the continuous improvement of its organizational structures.

The PJPB successfully completed its periodic review of its general bylaw, fulfilling the commitment made in December 2020. This review, initiated in December 2023, was informed by the findings presented by the Board's counsel. The changes recommended by the Board's counsel and requested by Board members were adopted in the first quarter of 2024. With this review, the Board is ensuring that the bylaw remains aligned with the PJPB's evolving needs and governance standards.

Delegation of Authority (Payments from the Plan – Pensions, Survivor Allowances and Lump Sums)

Continuous improvement of the operations of the administration of the PJPP is of great importance to the Board. To that end, the PJPB took steps to improve the administration of pension benefits by delegating the approval of new pension payments, survivor allowances and lump sum benefits to OPB. Historically, each new pension payment required direct Board approval, a practice that introduced delays and administrative bottlenecks.

Recognizing the opportunity to improve timeliness and efficiency, the Board delegated these responsibilities to OPB, supported by clear procedural documentation and an annual oversight reporting framework.

This initiative reflects the Board's commitment to ensuring that its operations evolve in line with best practices. By transitioning routine pension administration tasks to OPB, the Board streamlined the pension payment processes and improved processing time.

The streamlined process is designed to deliver tangible benefits. It introduces a single point of approval for pension-related transactions, simplifying recordkeeping and reducing the potential for delays and administrative errors. It also helps safeguard the Board's impartiality in instances where member appeals or eligibility reviews arise, by clearly separating operational functions from adjudicative responsibilities.

Importantly, the transition required minimal operational lift. Because the routine processes and supporting policies were already in place and approved, the shift in responsibilities builds on a strong foundation. This evolution not only supports the PJPB's ability to respond efficiently and consistently to member needs, but also reinforces a more modern, responsive and accountable approach to pension administration.

2. Strategic Priority – Cultivate the Plan’s Long-Term Viability (Security of the Promise)

Complete Actuarial Funding Valuation as at January 1, 2024

Actuarial valuations provide critical information to Plan administrators and stakeholders about the funded status of the plan they oversee and make recommendations for plan funding going forward. Under the provisions of the *Income Tax Act*, a plan valuation report for the RPP must be filed with the CRA within four years of the most recently filed valuation. An actuarial funding valuation of the PJPP as at January 1, 2023 was prepared and an actuarial valuation report for the RPP was filed by December 31, 2023 in satisfaction of the PJPB’s regulatory obligations. The valuation identified a funding shortfall under the RPP, and contributions to the RPP are currently being made in accordance with the actuarial funding report at January 1, 2023.

An actuarial funding valuation of the PJPP as at January 1, 2024 was completed. As a result of the valuation as at January 1, 2024, the Province continues to make contributions to improve the funding level of the RCA. The RCA is expected to hold funds to cover expected RCA benefit payments equal to five (5) times the benefit payments. Current RCA assets would cover approximately four (4) times the RCA benefit payments at the end of 2024.

Implement Fund Investment Strategy

Following the Board’s adoption of its longer-term Strategic Asset Allocation (SAA) and Statement of Investment Policies and Procedures (SIP&P) in the fall of 2023, over the course of 2024 the portfolio continued transitioning toward its selected long-term SAA based on ongoing advice and consultation with its investment manager, the Investment Management Corporation of Ontario (IMCO), and its independent investment advisor, Willis Towers Watson Canada Inc. (WTW). Transition to the SAA will continue into 2025 until target allocations are reached.

Establishment of an Investment Committee

In December 2024, the Investment Committee of the Provincial Judges Pension Board (the “Investment Committee”), a standing committee of the PJPB comprised of all Board members, was established. The Investment Committee’s purpose is to provide focused oversight and strategic support related to the investment of assets held in trust by the PJPB. The Investment Committee will hold quarterly meetings where IMCO, WTW and others may attend to provide relevant information, analysis and recommendations. The Investment Committee will, among others, be responsible for reviewing periodically the SIP&Ps and SAA for the RPP and supplemental RCA under the PJPP and take any actions it deems necessary. It will also be responsible for overseeing an Asset/Liability (A/L) study periodically.

3. Strategic Priority – Deliver Excellent Cost-Effective Member Service

Website Development

One of the PJPB's priorities is to continue to deliver high-quality, effective communications for our membership. In May 2024, we accomplished a significant step in satisfying that priority by launching the PJPP website. With support from stakeholders like TBS, the Chief Justice of Ontario and AOJ, OPB worked closely with the Board to operationalize an engaging and informative website that allows members to access necessary information at their fingertips. Considerable time and resources were invested to help ensure that the site is secure, reliable and available in both English and French.

The site was launched through a multi-pronged communications plan – first, soft-launched to key stakeholders, then more widely launched to the PJPP membership. Member uptake to the site was immediate; from the launch of [PJPP.ca](https://pjpp.ca) in May 2024 until the end of December 2024 there were 2,525 active users who visited the website. OPB will continue to report on website analytics to the Board on a quarterly basis. PJPB will continue leveraging website analytics to enhance and tailor online content, ensuring it aligns with the evolving interests and needs of members.

Annual Pension Statement (APS)/Survey

The PJPB's communications program now features a regular APS production which uses a secure but temporary method of electronic delivery to sitting judges. Collaboration with the Chief Justice Office was necessary again this year to facilitate a safe electronic delivery of the APS by providing access to their email system. The APS satisfaction survey confirmed how crucial this partnership was to maintaining security of APS personal information, as the vast majority of respondents expressed satisfaction with the security of delivery of their APS. Based on responses from the 2023 APS survey and the launch of the PJPP website, adjustments were made to the PJPP APS Guide to enhance member communications. The PJPB will be exploring the possibility of portal access for members, which would allow for a similarly secure but more direct mode of delivery for future APS cycles.

4. Strategic Priority – Foster Effective Stakeholder Relations

Relationship with AOJ, IMCO, TBS and OPB

Throughout 2024, the PJPB sought opportunities to consult with key stakeholders, including the AOJ, TBS and IMCO, to strengthen relationships through consistent engagement, transparent communication and responsible collaboration. The PJPB met with the AOJ on a quarterly basis, keeping the AOJ informed on key developments and strategic objectives.

Engagement with TBS remained strong, with regular meetings and ongoing collaboration to address needs and concerns as they arose. The PJPB engaged with IMCO at its regularly scheduled quarterly board meetings, as well as additional monthly sessions focused specifically on the PJPB's asset transition, demonstrating the PJPB's dedication to collaboration and seamless execution. In addition, the PJPB worked closely with OPB through consistent communication and collaboration, ensuring alignment and effective oversight of all aspects of PJPP administration.

Operational Performance

Delivery of Pensions

The PJPB continued to oversee delivery of high-quality, cost-effective services to the Plan's membership throughout 2024. At the end of the year, 385 beneficiaries were receiving either a pension or survivor allowance from the PJPP and 304 full-time sitting judges were actively accruing pension entitlements.

The Board monitors its service providers through regular reporting on pending and outstanding work at its quarterly meetings. The Board also relies on the quarterly presentation of the PJPP Call Activity Report to assess telephone service delivery performance. These reports facilitate Board oversight of service delivery relative to commitments within the service agreements. For 2024, the PJPB met or exceeded its client service standards for processing applications related to pensions and other Plan benefits, as well as for delivering pension estimates throughout the reporting period.

In addition, all regulatory and agency reporting requirements were completed and filed on time and there are no known outstanding issues.

Once again there were no requests for adjudication or appeals of decisions made during the reporting period. The PJPB commenced 22 new annual pensions/survivor allowances under the new Plan, and two survivor allowances under the old Plan provisions that required calculation of the three-tiered pension benefit entitlement. The corresponding annualized value of new pensions and survivor allowances for payment was \$4.22 million. In the reporting period ending December 31, 2024, there was a total of \$3.65 million paid out as a result of contributions paid on resignation, on death-while-serving, and lump sum payments in respect of family law settlements.

All pension payments commenced on time and within service commitments set out in the OPB Service Level Agreement (SLA).

Annual Cost-of-Living Adjustments

The Plan provides for annual cost-of-living increases. However, different indexation rules apply depending on when a judge retires. The annual inflationary increase for retirees and survivors who are subject to the new rules is based on the Consumer Price Index (CPI), which is adjusted every January 1. The inflationary increase is based instead on the Industrial Aggregate Index (IAI) (Canada) for retirees and survivors who are subject to the old rules.

Effective January 1, 2024, the CPI-based cost-of-living allowance (COLA) under the new rules was calculated as 4.8%. It was applied to a total of 249 pensions and survivor allowances and went into pay as planned on January 22, 2024. Every individual whose pension was affected received a personalized communication advising of their increase and providing a brief explanation of the COLA calculation.

The expected adjustment under the old rules did not take place in October 2024 due to the ongoing 11th Provincial Judges Remuneration Commission. The report of the 11th Provincial Judges Remuneration Commission was issued and approved by Cabinet on December 12, 2024 and implementation of the recommendations will be completed in early 2025.

Sensitivity of Judges' Data

The PJPB appreciates that personal information regarding sitting and retired judges is extremely sensitive and if accidentally disclosed could have a serious effect on the privacy and personal safety of the individual judge. The Board recognizes the special circumstances that apply to judges and requires that OPB ensure personal information is properly secured, especially prior to transmission by mail or electronic means. Member communications containing personal information (e.g., APS) have been deployed according to OPB's well-established privacy policy and processes. As a result, the Board was able to mitigate the risks associated with a privacy breach.

Financial Performance

Prior to the redesign of the Plan's structure and funding, the PJPP operated as an unfunded plan, with member contributions held by, and pension payments made entirely from, the Province's Consolidated Revenue Fund (CRF). In 2020, important changes were made to the funding framework, as two components of the Plan, the RPP and the newly created RCA, became funded pension arrangements, with assets being held and invested under two newly created trusts. The third component of the Plan, the SUPP, continues to be funded from the Province's CRF. The Board is responsible for oversight of Plan administration and investment of the RPP and RCA components. The SUPP is overseen by the Government of Ontario, Treasury Board.

Following the execution of the Investment Management Agreement (IMA) for the RPP in 2023, the implementation of the long-term SAA began. In 2024, the Board continued to work closely with IMCO and the PJPB's independent investment advisor (WTW) throughout the year and consulted with them monthly, as the portfolio was gradually transitioning assets from money market instruments into public and private asset classes. Returns for the RPP in 2024 were 7% (net of expenses) and are reflective of the long-term SAA pursuant to which the RPP gained exposures to global credit, global infrastructure and private equity strategies.

Regular member contributions equal to 7% of salary continued to flow into the RPP and RCA during the reporting period. Member contributions that exceed the maximum amount permitted for an RPP are remitted to the RCA. In 2024, the Province made funding payments of just under \$49 million to the RCA in addition to member matching contributions. Fifty percent of these payments, along with the member contributions, are sent to a Refundable Tax Account with the CRA and generate no income for the RCA.

Under the provisions of the *Income Tax Act*, an actuarial valuation report must be filed for the RPP with the CRA within four years of the most recently filed valuation, unless there is an amendment to the Plan affecting the funding of the RPP. The actuarial valuation report, as at January 1, 2023, was completed and filed by the Board with the CRA in satisfaction of its regulatory obligations. The Board was not required and did not file an actuarial valuation report with the CRA as at January 1, 2024. The next actuarial valuation report of the RPP that will need to be filed with the CRA will be as at January 1, 2027.

The Board is responsible for the administration of the Plan and investment of the RPP and RCA funds but has no employees to carry out the day-to-day administration of the Plan and investment of the assets it holds in trust. OPB and IMCO have been appointed to provide key services to support the Board. Both OPB and IMCO have personnel, facilities, systems and processes in place to administer all aspects of a pension plan and fund. The fees charged by OPB and IMCO for their services are determined on a cost-recovery basis. Plan expenses related to RPP and RCA administration are paid from the respective trust funds. Expenses relating to the SUPP are paid directly by the Province.

Operating expenses for the PJPP include costs associated with managing and administering the Plan and its funds. Using the RPP as a reasonable proxy, these costs were approximately 0.15% of net assets available for benefits at the end of 2024 and 2023. In 2024, total pension administration expenditures (\$1.791 million) were lower than the PJPB budget estimates (\$1.815 million) by 1.3% due largely to lower-than-expected project fees.

OPB is compensated on a fixed-fee basis for managing the day-to-day pension administration services required to maintain the Plan's operations. The SLA between the PJPB, OPB and TBS considers the possibility that OPB may be asked to perform additional services in addition to those specified in the agreement. These projects are included in the Pension Administration Expense and typically allocated among the three components of the Plan. Recurring projects requiring recovery in 2024 included the development of the website and the 2024 APS production and member survey.

Mandate Achievements

The Minister's Letter of Direction was dated June 27, 2023. The Board was asked to focus on the following four priorities:

- I. **Continue its focus on enhancing effective oversight of the operational (including cybersecurity), strategic, legal and financial risks encountered by PJPB and the PJPP.**

COMMENTS

Regular reporting is key to effective risk oversight. Over the review period, the Board continued to track risks through its established Enterprise Risk Management framework. The Board has established a quarterly risk reporting schedule that is tailored to its needs and there is regular discussion between OPB's risk management experts and the Board member assigned to lead the risk management function.

In 2024 the Board completed a risk assessment exercise which entailed the review of PJPB's risk profile or risk universe to ensure all mission-critical risks are identified, stated or defined appropriately, and assessed according to the set risk prioritization criteria. Overall, it ensures that the currency of the risk registry is sound, supports proactive risk management aligned with the Board's strategic direction and supports informed decision making. This showcases PJPB's commitment to continually evolve and mature its risk management program.

Business continuity is part of the PJPB risk inventory, and since the Board relies heavily on third parties for operational services, the simplest form of mitigation can be achieved by ensuring that its service providers have well-developed plans. The PJPB's service providers have each confirmed they have processes to notify the Board and manage incident responses as required. The PJPB has its own Business Continuity Plan in place since 2023.

- II. **Expectation for effective governance and operations structure and processes that support and measure effective administration and performance of the PJPP and its funds.**

COMMENTS

Protecting the security of PJPP benefits is a key responsibility of the PJPB, and one way the Board can assess the financial health of the pension promise is to periodically evaluate the funded status of the Plan.

In 2024, the Board completed its annual actuarial valuation. Regular valuations provide information about the Plan's sustainability and can serve as a decision-making tool allowing a sponsor to anticipate and address emerging funding issues before they can threaten the security of benefits. In addition to meeting our regulatory obligations, the Board is committed to performing annual valuations to ensure effective oversight of the Plan's funded status.

The Board receives regular performance reports from OPB and IMCO that convey information about service delivery in the prior quarter. The information is regularly presented at the Board's quarterly meetings and provides a high-level summary of administrative and investment activities and performance over the review period. This initiative provides another tool for the Board to track and assess the effectiveness of the Plan's administration.

III. Provide strong oversight of both the Investment Management Corporation of Ontario (IMCO), in its role in managing assets the PJPB is accountable for, and the Ontario Pension Board (OPB), in its role as management and third-party administrator of the PJPP.

COMMENTS

The PJPB's relationship with IMCO was initially defined within the IMA that took effect March 17, 2020, and an amended IMA was approved in August 2023. In addition to the Board approving the IMA, it also approved its long-term SAA and SIP&P at that time. In 2024, the Board continued to implement its long-term SAA, working closely with IMCO on gradually transitioning assets from money market instruments into public and private asset classes. Transition to the new asset mix will continue into 2025 until target allocations are reached.

WTW is the independent investment advisor to the Board, providing consulting services in relation to the development and implementation of the Board's long-term investment strategy and quarterly performance assessments. In addition, the Board may turn to WTW to provide support on other investment-related matters including investment governance and oversight of the Board's investment manager, IMCO.

Board oversight was strengthened in 2022 when the PJPB established its approach to internal audit and setting its objectives. At the Board's request, OPB presented a schedule of planned internal audits, beginning in 2022, that Deloitte LLP would conduct. It was recognized that many of the internal audits focused on processes that either include PJPP membership or the general operating environment and might be relevant to the administration of the PJPP. This way, the PJPB could have cost-effective access to internal audit services with the option of engaging separate internal audit services if needed. Four internal audits were scheduled, completed and reported on in 2024.

In December 2024, the Investment Committee, a standing committee of the Board comprised of all Board members, was established. The purpose of the committee is to provide focused oversight and strategic support related to the investment of the assets held in trust by the PJPB. The Investment Committee will, among others, be responsible for periodically reviewing the SIP&Ps and SAA for the RPP and supplemental RCA under the PJPP and take any actions it deems necessary. It will also be responsible for overseeing an A/L study periodically. The Investment Committee will meet on a quarterly basis and IMCO, WTW and others may attend to provide relevant information, analysis and recommendations. The first Investment Committee meeting is scheduled for early 2025.

IV. Support the delivery of superior client service, effective communications and stakeholder relations, to help all beneficiaries of the Plan understand their pension entitlements, rights and responsibilities under the PJPP.

COMMENTS

In May 2024, after active consultations with TBS and the AOJ, the fully bilingual PJPP website was introduced, completing Phase 1 of the Board's IT/Communications Strategy. The PJPP website provides a single, accessible and authoritative source of Plan information. As part of the development of the website, a PJPP Brand Standard for application across all PJPP/PJPB communications was established, 24 new bilingual articles formatted for digital use on Plan benefits and entitlements were developed, PJPP forms were made available electronically, search functionality was incorporated, and established site performance metrics for program oversight were developed.

The Board continues to develop its strategic vision for maximizing the use of technology in its service delivery. At this time there is an expectation that a digital solution should deliver three outcomes: 1) support delivery of superior client service, effective communications and strong stakeholder relations; 2) support effective and measurable administration and performance of the Plan and funds; and 3) align PJPP governance and operations with government-wide priorities relating to technology and innovation.

At the Board's request, OPB will be developing a Phase 2 project scope, budget and timelines for enhancements to technology and communications in 2025.

The APS is an important regular communication tool that provides Plan members with personalized information about their Plan and their current and future entitlements in a digital format. Once again, the PJPB oversaw delivery of the APS program for active members of the PJPP. In addition to the pension statement, members also receive an explanatory guide and the option to provide feedback through a survey.

In addition to the APS, the Board regularly interacts with the membership through written, verbal and other digital means. Using OPB's Client Service infrastructure, the PJPB can deliver Plan information to members and retirees through several convenient options, including direct contact with OPB's Client Care Centre, electronic responses to questions about the Plan and regular and ad hoc written communications explaining changes affecting their entitlements or insured benefits.

Board of Directors

Appointee	Date First Appointed	Current Term Expiry Date	Total Annual Remuneration ¹	Per Diem Remuneration Rate ²	Expenses	No. of Board Meetings Attended ³
Deborah Anne Oakley, Chair	October 22, 2009	March 11, 2026	\$65,275	\$350	\$ NIL	5
Elizabeth Boyd, Member	April 10, 2013	December 9, 2023 ⁴	\$5,200	\$200	\$ NIL	5
Gus Gatzios, Member	February 27, 2020	May 28, 2028	\$14,900	\$200	\$ NIL	5
Kevin Adolphe, Member	April 16, 2020	April 15, 2026	\$19,500	\$200	\$ NIL	4
Vacant Member	N/A	N/A	\$	\$	\$	N/A

1 Remuneration is reported for the 12-month period ending December 31, 2024.

2 Remuneration rate is set according to Schedule A, Level 2 – Specific Expertise of the Agencies and Appointments Directive.

3 Denotes the number of regularly scheduled and special Board meetings attended by each member.

4 Members serve three years and until a successor is appointed. Members are eligible for reappointment.

Provincial Judges' Pension Plan Audited Financial Statements For the year ended December 31, 2024

Enclosed with the Annual Report are the audited financial statements for the Registered Pension Plan (RPP) and the Retirement Compensation Arrangement (RCA), the two trust funds of the Plan administered by the Provincial Judges Pension Board.

The third element of the Plan is the Supplemental Pension Plan (SUPP). While the Board oversees OPB's administration of the payments under this portion of the Plan, these payments and associated expenses are reimbursed directly from the Province of Ontario and are reflected in its own audited accounts. Thereby there are no specific audited statements for this Plan element in this annual report. The table below discloses the payments and expenditures under the SUPP portion of the Plan for the year 2024 and the prior year.

For the year ended December 31
(in thousands of dollars)

	2024	2023
Retirement benefits paid	\$ 24,441	\$ 22,978
Termination payments ¹	873	1
Administration expenses		
Pension administration and IT	370	362
Insurance	44	43
Actuarial fees	36	53
Legal expenses	30	38
Pension payroll processing charges	4	4
Total Payments and Expenses	\$ 25,798	\$ 23,479

1 Termination payments are made in the event of a death in service or a leaving of a position prior to pension eligibility. There were only two such payments in 2024 and one in 2023.

Management's Responsibility for Financial Reporting

The financial statements of the Registered Pension Plan for Provincial Judges ("RPP") have been prepared by management, which is responsible for the integrity and fairness of the data presented. The accounting policies followed in the preparation of these financial statements are in accordance with Canadian accounting standards for pension plans. Of necessity, many amounts in the financial statements must be based on the best estimates and judgment of management with appropriate consideration as to materiality.

Systems of internal control and supporting procedures are maintained to provide assurance that transactions are authorized, assets are safeguarded against unauthorized use or disposition, and proper records are maintained. The system includes careful hiring and training of staff, the establishment of an organizational structure that provides for a well-defined division of responsibilities and the communication of policies and guidelines of business conduct throughout the RPP.

The Provincial Judges Pension Board (the "PJPB") is ultimately responsible for the financial statements of the RPP. The PJPB reviews the financial statements in detail with management before such statements are approved. The PJPB meets with management and the Office of the Auditor General of Ontario to review the scope and timing of audits, to review their findings and suggestions for improvements in internal control, and to satisfy themselves that their responsibilities and those of management have been properly discharged.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian accounting standards for pension plans. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.



Mark A. Henry
Director, Managed Plans
Ontario Pension Board



Armand de Kemp Chief
Financial Officer Ontario
Pension Board

June 11, 2025

To the Provincial Judges Pension Board and to the President of the Treasury Board

Opinion

I have audited the financial statements of the Registered Pension Plan for Provincial Judges (the “RPP”), which comprise the statement of financial position as at December 31, 2024, and the statement of changes in net assets available for benefits and the statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (together, “the financial statements”).

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the RPP as at December 31, 2024, and the changes in its net assets available for benefits and the changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards.

My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the RPP in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the RPP’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the RPP either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the RPP's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RPP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RPP's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RPP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
June 11, 2025

Shelley Spence, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

As at December 31
(in thousands of dollars)

	2024	2023
Assets		
Cash	\$ 3,297	\$ 2,262
Investments (Note 5)	437,344	401,742
Investment-related assets (Note 5)	13,389	12,021
Contributions receivable		
Members	617	580
Province	806	20,649
Other receivables	377	431
Total assets	455,830	437,685
Liabilities		
Investment-related liabilities (Note 5)	7,900	7,500
Accounts payable	334	221
Total liabilities	8,234	7,721
Net assets available for benefits	447,596	429,964
Pension obligation (Note 12)	448,031	433,894
Deficit	\$ (435)	\$ (3,930)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board:



Deborah A. (Debbie) Oakley
Chair



Gus Gatzios
Member

Statements of Changes in Net Assets Available for Benefits

For the year ended December 31 (in thousands of dollars)

	2024	2023
Increase in net assets		
Net investment income (Note 6)	\$ 29,821	\$ 20,168
Bank interest income	252	193
Contributions		
Members – current service	6,205	5,826
Province – funding payments	9,134	25,669
Increase in net assets	45,412	51,856
Decrease in net assets		
Retirement benefits	24,909	23,649
Termination and other benefits	1,637	213
Pension administration expenses (Note 7)	671	636
Investment management expenses (Note 8)	563	210
Decrease in net assets	27,780	24,708
Change in net assets available for the year	17,632	27,148
Net assets available for benefits, at beginning of the year	429,964	402,816
Net assets available for benefits, at end of the year	\$ 447,596	\$ 429,964

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Pension Obligations

For the year ended December 31 (in thousands of dollars)

	2024	2023
Pension obligations, at beginning of the year	\$ 433,894	\$ 466,386
Increase in pension obligations		
Service accrual	14,155	17,514
Interest cost	20,316	17,602
Indexation loss (Note12)	579	7,358
Net experience losses (Note 12)	5,634	814
Increase in pension obligations	40,684	43,288
Decrease in pension obligations		
Benefits paid	26,547	23,862
Net impact of change in assumptions (Note 12)	—	51,918
Decrease in pension obligations	26,547	75,780
Net increase/(decrease) in pension obligations	14,137	(32,492)
Pension obligations, at end of the year	\$ 448,031	\$ 433,894

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

As at and for the year ending December 31, 2024

Note 1: Description of the Provincial Judges Pension Plan

On January 1, 2020, Ontario Regulation 290/13 ("Regulation") was amended to split the Provincial Judges' Pension Plan ("PJPP" or the "Plan") into three different parts: a Registered Pension Plan for provincial judges ("RPP") funded through a trust, a Supplemental Retirement Compensation Arrangement Pension Plan ("RCA") funded through a trust and a Supplemental Pension Plan ("SUPP") funded through a special purpose account held in the Consolidated Revenue Fund of the Province of Ontario ("SUPP account"). The PJPP is included as an employee future benefit liability within the consolidated financial statements of the Province of Ontario ("Province" or "Plan Sponsor"). The RPP, RCA, and SUPP are not subject to the reporting requirements under the *Ontario Pension Benefits Act, R.S.O. 1990* and Regulations ("*Pension Benefits Act*").

The Government of Ontario is the sponsor of all three parts of the Plan. The Provincial Judges Pension Board ("the Board") is the administrator of the RPP and RCA for the purposes of the *Income Tax Act (Canada) R.S.C. 1985* ("*Income Tax Act*"). The Board is also the trustee of both the trust for the RPP and the trust for the RCA with all powers afforded to the trustee by the respective trust agreements. The Ontario Minister of Finance ("Minister") is the custodian of the SUPP account. The balance of the SUPP account is held within the Consolidated Revenue Fund of the Province of Ontario. The Board oversees the administration of the PJPP and, in accordance with applicable law, oversees all administrative functions in respect of the pensions, survivor allowances and refunds.

The primary purpose of the Plan is to provide eligible judges with pension in the form of periodic payments following their retirement from full-time service as Provincial judges.

REGISTERED PENSION PLAN

The RPP is registered for income tax purposes and provides for pension benefits up to the limit permitted under the *Income Tax Act*.

RETIREMENT COMPENSATION ARRANGEMENT

The RCA provides supplementary pension benefits to members whose earnings result in a pension that exceeds the maximum pension benefits permitted under the *Income Tax Act* for the RPP, up to two per cent of the judge's average salary for their final three years of service. The *Income Tax Act* limits the maximum benefits that are permitted to be paid to pensioners.

SUPPLEMENTAL PENSION PLAN

The SUPP supplements the pensions of members whose benefits provided by the above two components are above the maximum prescribed by the *Income Tax Act*. A right under this part of the PJPP to a supplemental pension or supplemental survivor allowance is only in respect of service on or after January 1, 1992.

These financial statements present the financial position, the changes in net assets available for benefits and the changes in the pension obligations of the RPP only. Separate financial statements are prepared for the RCA and SUPP.

Note 2: Administration of the Plan

The Ontario Pension Board (“OPB”) has been jointly selected by the Minister and the Provincial Judges Pension Board to assist the Board in carrying out its responsibilities and assist the Government of Ontario in carrying out its pension administration responsibilities in respect of the Plan.

The *Investment Management Corporation of Ontario Act, 2015* created the Investment Management Corporation of Ontario (“IMCO”), an entity providing investment management and selected advisory services to participating organizations in Ontario’s broader public sector with the ownership of the investment assets remaining with the participants. The Board appointed IMCO as the sole and exclusive investment manager for the investment assets of the RPP. The Investment Management Agreement between IMCO and the Board for the management of the RPP assets was effective March 17, 2020 and amended on September 18, 2023 for the management of the RPP assets.

The Board retains responsibility for setting the investment strategy and target asset mix for the RPP’s investments.

Note 3: Description of the RPP

The following is a brief description of the RPP provided for general purposes only. For more complete information, reference should be made to the Regulation.

FUNDING POLICY

The RPP is a contributory defined benefit pension plan covering eligible judges (members) of the Ontario Court of Justice. The RPP does not require matching contributions from the Province. The benefits and contribution rates are set, and may be amended, by the Plan Sponsor through an Order-in-Council.

CONTRIBUTIONS

Each judge is required to contribute 7% of their salary into the Plan, by way of deduction from the judge’s salary, up to the earlier occurrence of either meeting their basic service requirement or attaining 70 years of age.

In respect of each calendar year of service, the portion of each judge's pension contributions up to the dollar limit for pension plan contributions under the *Income Tax Act* is contributed to the RPP.

The amount to be contributed in a year by the Province is based on an actuarial valuation and subject to the limits set out in the *Income Tax Act* and its regulations.

PENSION PAYMENTS

A pension payment is available based on the age and the number of years of full-time service for which a member has credit upon ceasing to hold office and is based on the salary of a full-time judge of the highest judicial rank held by the member while in office. The member is entitled to these payments during their lifetime. The pension payment sourced from RPP is equal to 2% of the judge's average salary, indexed in accordance with the Income Tax Regulations, for their final three years of service multiplied by the judge's years of service up to the maximum benefit limit.

DISABILITY PENSION PAYMENTS

A disability pension is available at age 65 for members with a minimum of five years of full-time service who are unable to serve in office due to injury or chronic illness. The annual amount of the pension is the amount that would be payable if the judge had continued in office on a full-time basis until the judge attained 75 years of age and if the pension were determined without regard to the defined benefit limit or maximum benefit limit, reduced by the amount that is actually payable to the judge under the RPP and RCA.

SURVIVOR ALLOWANCES

A survivor allowance equal to 60% of the qualifying judge's pension payment is paid to the spouse during the spouse's lifetime or to children who meet the age, custody, education, or disability criteria defined by the Regulation.

DEATH BENEFITS

A death refund can be payable to the personal representative of a member where there is no further entitlement to a survivor allowance. The amount of the refund is equal to the member's contributions to the Plan plus interest, less entitlements already paid out.

TERMINATION PAYMENTS

Upon ceasing to hold office for a reason other than death, participants not eligible to receive pension payments are entitled to receive a refund of their contributions to the Plan plus interest.

INDEXATION OF BENEFITS

Judges retired before June 1, 2007

The annual inflationary increase for judges who retired before June 1, 2007, is based on changes in the Average Weekly Earnings published by Statistics Canada and subject to a maximum of 7% in any one year and is effective on April 1st every year. In addition, the pensions are adjusted based on the salary increases of sitting judges as recommended by the Provincial Judges Remuneration Commission.

Judges retired on or after June 1, 2007

The annual inflationary increase for judges who were appointed before June 1, 2007, who retired on or after June 1, 2007, and elected to be paid under the plan provisions effective on that date is based on changes in the Consumer Price Index and is effective on January 1st every year. The same annual inflationary increase is applicable upon retirement for those judges appointed to office on or after June 1, 2007, with no available election.

Note 4: Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The financial statements are prepared in accordance with the Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook – Accounting (Section 4600).

Section 4600 provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, in accordance with Section 4600, the Board has elected to use Canadian Accounting Standards for Private Enterprises in Part II of the CPA Canada Handbook – Accounting to the extent that those standards do not conflict with the requirements of Section 4600.

All amounts are expressed in thousands of Canadian dollars, unless expressed otherwise.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts on the statements of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates. The most significant estimates affecting the financial statements relate to the determination of pension obligations (Note 12) and the fair values of the RPP's Level 3 investments (Note 5b).

INVESTMENTS

Investments are recorded at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of investments is determined as follows:

- i. Cash held at custodian is recorded at cost, which approximates fair value.
- ii. Short-term investments such as treasury bills and money market funds are recorded at cost, with accrued interest or amortized discount or premium, which approximates fair value.
- iii. Fixed income securities and bonds are valued at quoted market prices where available. Where there are no quoted prices on an active market, fair value is determined using a variety of pricing methodologies including evaluated bid-ask pricing, evaluated broker pricing, discounted cash flows based on current market yields for comparable securities (e.g., similar credit ratings, duration, etc.), or calculated using discounted cash flows based on market yield curves and credit spreads of the issuer.
- iv. Pooled funds are valued using the most recent net asset values provided by the fund managers and general partners as of the reporting date.
- v. Exchange-traded derivatives are valued at quoted closing market prices if actively traded. Over-the-counter derivative instruments for which there is no active market are valued using appropriate valuation models based on industry-recognized methodologies. The inputs used in the valuation models depend on the type of derivative and the nature of the underlying instrument and are specific to the instrument being valued. Inputs can include, but are not limited to, foreign exchanges rates, spot prices and correlation. Refer to Note 5e for currency forward contracts held by RPP.
- vi. Pending trades are recorded at cost, which approximates fair value due to short-term nature.

NET INVESTMENT INCOME

Investment transactions are recorded on the trade date. Investment income includes interest income, distributions from pooled funds, realized gains or losses, and changes in unrealized gains or losses. Interest is recognized on an accrual basis. Distributions from pooled funds are recognized when declared by the fund managers and general partners. Realized gains or losses are recognized when the RPP has transferred to the purchaser the significant risks and rewards of ownership of the investment, the purchaser has made a substantial commitment demonstrating its intent to honour its obligation, and the collection of any consideration is reasonably assured. Change in unrealized gains or losses are recognized when there is a change in the fair value of investments held as at the reporting date.

INVESTMENT MANAGEMENT EXPENSES

Investment management fees, transaction costs and other investment-related fees are recognized on an accrual basis and paid by their respective components.

FOREIGN CURRENCY TRANSLATION

Foreign currency transactions impacting income and expenses are translated into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. The fair values of investments and cash balances denominated in foreign currencies are translated at the rates in effect at year-end. Realized exchange gains and losses from investment transactions are included in realized gains and losses at the time of sale of the investments. Unrealized exchange gains and losses from investment transactions are included in the change in unrealized gains and losses on investments.

CONTRIBUTIONS

Contributions from the members and the Province of Ontario are recorded on an accrual basis. Contributions due at the year-end are recorded as contributions receivable. The Province's funding contributions to the RPP are made in accordance with the funding requirements as specified by the most recent actuarial funding valuation. The Province's funding payments for the RPP included special contributions for an unfunded liability of \$nil (2023 – \$17,190) as per the actuarial funding valuation. The PJPP is not subject to the *Pension Benefits Act* and, as such, there is no minimum required funding contribution by the Province.

RETIREMENT BENEFITS, TERMINATION AND OTHER BENEFITS

Retirement benefits, termination and other benefits including commuted value transfers, refunds to former members, and transfers to other pension plans are recorded when paid.

PENSION ADMINISTRATION EXPENSES

Pension administration expenses are recognized on an accrual basis. Expenses applicable to the RPP are paid by the RPP trust account.

INCOME TAX STATUS

The RPP is a registered pension plan, as defined by the Income Tax Act and, accordingly, is not subject to income taxes.

PENSION OBLIGATION

Pension obligations are determined based on an actuarial valuation prepared by an independent firm of actuaries using an actuarial valuation report prepared for funding purposes. This valuation uses the projected benefit cost method pro-rated based on service and management's best estimate of various economic and demographic assumptions. The year-end valuation of pension obligations is based on data extrapolated to the current financial statement year-end date.

NEW ACCOUNTING PRONOUNCEMENTS

Amendments to Section 4600, Pension Plans were issued in December 2022 and are effective for fiscal years beginning on or after January 1, 2024. The amendments did not have any impact on the RPP's financial statements.

Note 5: Investments

The RPP's investments managed by IMCO consist of the following:

As at December 31 (in thousands of dollars)	Cost	2024 Fair Value	Cost	2023 Fair Value
Cash at custodian	\$ 527	\$ 527	\$ 1,159	\$ 1,159
Short-term investments	46,111	46,111	334,895	334,895
Fixed income				
Canada	104,807	105,814	32,027	32,712
Global	100,588	105,260	16,997	16,918
	205,395	211,074	49,024	49,630
Pooled funds				
Global Equity	83,139	91,871	11,642	11,558
IMCO Global Credit	33,500	36,328	4,500	4,500
IMCO Infrastructure	26,391	28,820	—	—
IMCO Private Equity	20,870	22,613	—	—
	163,900	179,632	16,142	16,058
Total investments	415,933	437,344	401,220	401,742
Investment-related assets				
Pooled fund units receivable (Note 5d)	—	—	12,000	12,000
Pending trades	13,322	13,322	—	—
Currency forwards (Note 5e)	—	67	—	21
Total investment-related assets	13,322	13,389	12,000	12,021
Investment-related liabilities				
Pending trades	7,236	7,236	7,500	7,500
Currency forwards (Note 5e)	—	664	—	—
Total investment-related liabilities	7,236	7,900	7,500	7,500
Total net investments	\$ 422,019	\$ 442,833	\$ 405,720	\$ 406,263

a) INVESTMENT ASSET MIX

The RPP's Statement of Investment Policies and Procedures ("SIP&P") was amended and effective on September 21, 2023. The SIP&P was updated for changes in the policy asset mix, risk, environmental, social, and governance factors and general provisions. The Policy Asset Mix ("PAM") does not allocate any assets to pooled funds as an asset class, although pooled funds are used to achieve allocations to the investment categories indicated above.

The RPP's actual and target investment asset mix is summarized below as at December 31:

	2024		2023		2024
	Asset Actual	Allocation % Target	Asset Actual	Allocation % Target	PAM Range
Asset categories¹					
Cash and money market	9.1%	2.0%	83.7%	2.0%	0.0%–7.0%
Fixed income					
Long-term	24.8%	21.5%	8.1%	21.5%	16.5%–26.5%
Inflation-linked	25.6%	21.5%	4.2%	21.5%	16.5%–26.5%
Credit	8.1%	10.0%	1.1%	10.0%	5.0%–15.0%
Public equities	20.8%	17.5%	2.9%	17.5%	12.5%–22.5%
Real estate	0.0%	10.0%	0.0%	10.0%	5.0%–15.0%
Infrastructure	6.5%	10.0%	0.0%	10.0%	5.0%–15.0%
Private equities	5.1%	7.5%	0.0%	7.5%	2.5%–12.5%
Total investments	100.0%	100.0%	100.0%	100.0%	

1 The asset categories and asset allocation reflect the allocation of currency forward positions, pooled funds, investment-related assets and investment-related liabilities.

Effective on September 23, 2023, the asset mix of the RPP's investments was transitioned from a portfolio of cash and money market instruments to a more diversified long-term asset mix. To mitigate the potential risk with transitioning these assets, the transition will be implemented gradually. In addition, due to illiquid nature of assets such as real estate, infrastructure, and private equities, actual allocations may be above or below target allocations and reaching these target allocations may take several years, during which time actual allocations may be outside the PAM minimum and maximum levels. Such deviations will not be considered violations of the SIP&P provided they are consistent with the transition plan. For greater clarity, the minimum and maximum ranges in the above table are intended to apply only once the asset mix transition has been completed.

At December 31, 2024 and 2023, the allocation of all assets was outside the ranges as specified in the SIP&P, which is permitted as described above.

b) FAIR VALUE HIERARCHY

Canadian accounting standards for pension plans require disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities.

Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes mutual and pooled funds; hedge funds; Government of Canada, provincial and other government bonds; Canadian corporate bonds; and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes investments in real estate properties, infrastructure and private equity under direct or pooled fund investments, and securities that have liquidity restrictions.

The following tables present the level within the fair value hierarchy for investments and derivatives, excluding pending trades and other investment related assets for which a fair value hierarchy is not required.

As at December 31, 2024 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Cash at custodian	\$ 527	\$ —	\$ —	\$ 527
Short-term investments	—	46,111	—	46,111
Fixed income	—	211,074	—	211,074
Pooled funds	—	91,871	87,761	179,632
Currency forwards	—	67	—	67
	\$ 527	\$ 349,123	\$ 87,761	\$ 437,411

Financial liabilities				
Currency forwards	\$ —	\$ 664	\$ —	\$ 664
	\$ —	\$ 664	\$ —	\$ 664

As at December 31, 2023 (in thousands of dollars)	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Cash at custodian	\$ 1,159	\$ —	\$ —	\$ 1,159
Short-term investments	—	334,895	—	334,895
Fixed income	—	49,630	—	49,630
Pooled funds	—	11,558	4,500	16,058
Currency forwards	—	21	—	21
	\$ 1,159	\$ 396,104	\$ 4,500	\$ 401,763

There were no transfers between Level 1 and 2 during the years ended December 31, 2024, and December 31, 2023.

c) LEVEL 3 INVESTMENT RECONCILIATION

The following tables present a reconciliation of Level 3 assets measured at fair value.

(in thousands of dollars)	Fair Value as at January 1, 2024	Net Transfers In/(Out)	Acquisitions	Dispositions	Fair Value Changes	Fair Value as at December 31, 2024
Pooled funds	\$ 4,500	\$ —	\$ 76,260	\$ —	\$ 7,001	\$ 87,761
	\$ 4,500	\$ —	\$ 76,260	\$ —	\$ 7,001	\$ 87,761

(in thousands of dollars)	Fair Value as at January 1, 2023	Net Transfers In/(Out)	Acquisitions	Dispositions	Fair Value Changes	Fair Value as at December 31, 2023
Pooled funds	\$ —	\$ —	\$ 4,500	\$ —	\$ —	\$ 4,500
	\$ —	\$ —	\$ 4,500	\$ —	\$ —	\$ 4,500

There were no transfers into or out of Level 3 during the years ended December 31, 2024, and December 31, 2023.

d) POOLED FUND UNITS RECEIVABLE

The RPP had pooled fund units receivable of \$12,000 in the IMCO Infrastructure LP as at December 31, 2023, which was settled on January 2, 2024.

e) CURRENCY FORWARDS

The RPP uses currency forward contracts to modify currency exposure. Currency forward contracts are negotiated agreements between two parties to exchange a notional amount of one currency for another at an exchange rate specified at origination of the contract, with settlement at a specified future date.

The following schedule summarizes the notional amounts and fair values of the RPP's directly held currency forward positions.

As at December 31 (in thousands of dollars)	2024						2023	
	Notional Value	Fair Value		Notional Value	Fair Value		Assets	Liabilities
		Assets	Liabilities		Assets	Liabilities		
Currency forwards	\$ 176,707	\$ 67	\$ 664	\$ 16,983	\$ 21	\$ —		
	\$ 176,707	\$ 67	\$ 664	\$ 16,983	\$ 21	\$ —		

The maturities of the notional values for the RPP's currency forward positions are as follows:

As at December 31 (in thousands of dollars)	2024								2023	
	< 1 year	≥ 1–3 years	> 3–5 years	Total	< 1 year	≥ 1–3 years	> 3–5 years	Total		
Currency forwards	\$ 176,707	\$ —	\$ —	\$ 176,707	\$ 16,983	\$ —	\$ —	\$ 16,983		

Note 6: Net Investment Income

The RPP's net investment income is made up of the following:

For the year ended December 31 (in thousands of dollars)	2024			2023		
	Income ¹	Fair Value Changes ²	Net Investment Income	Income ¹	Fair Value Changes ²	Net Investment Income
Cash and short-term investments	\$ 7,126	\$ 219	\$ 7,345	\$ 19,008	\$ (157)	\$ 18,851
Fixed income						
Canada	3,553	454	4,007	68	700	768
Global	3,915	5,516	9,431	5	(79)	(74)
	7,468	5,970	13,438	73	621	694
Pooled funds						
Global Equity	1,493	10,430	11,923	102	60	162
IMCO Global Credit	—	2,828	2,828	—	—	—
IMCO Infrastructure	11	2,430	2,441	—	—	—
IMCO Private Equity	2	1,743	1,745	—	—	—
	1,506	17,431	18,937	102	60	162
Currency forwards	—	(9,899)	(9,899)	—	461	461
Total investment income	\$ 16,100	\$ 13,721	\$ 29,821	\$ 19,183	\$ 985	\$ 20,168

¹ Income includes interest on short-term investments, fixed income, and distributions from pooled funds.

² Includes net realized loss of \$6,549 and change in net unrealized gains of \$20,270 (2023: realized gains of \$442 and change in net unrealized gains of \$543).

Note 7: Pension Administration Expenses

The following is a summary of the expenses incurred by the RPP related to services provided by Ontario Pension Board (Note 13).

For the year ended December 31 (in thousands of dollars)

	2024	2023
Pension administration and Information Technology	\$ 527	\$ 516
Insurance	44	43
Actuarial fees	37	26
Legal expenses	59	47
Pension payroll processing charges	4	4
Total pension administration expenses	\$ 671	\$ 636

Note 8: Investment Management Expenses

The following is a summary of the expenses incurred by the RPP related to services provided by IMCO. The RPP pays its share of IMCO's expenses on a cost recovery basis. These costs are funded through cash held in custody with CIBC Mellon.

For the year ended December 31 (in thousands of dollars)

	2024	2023
Management fees paid to IMCO	\$ 390	\$ 127
External investment management fees	28	19
Implementation fees	40	40
Custodial fees	95	20
Investment transaction costs	10	4
Total investment management expenses	\$ 563	\$ 210

Note 9: Risk Management

The RPP is subject to financial risks as a result of its investing activities that could impact its cash flows, income, and assets available to meet benefit obligations. These risks include market risk (including interest rate risk, foreign currency risk and other price risk), credit risk, liquidity risk, and others as applicable.

The Board has appointed IMCO as the sole and exclusive investment manager for the investment assets of the RPP. IMCO has the full authority, acting in accordance with its statutory duty of care under the *Investment Management Corporation of Ontario Act, 2015*, the provisions of the SIP&P and the Investment Management Agreement, to manage all aspects of the investments of the RPP.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market factors. Market risk is comprised of the following:

Interest rate risk – Interest rate risk refers to the effect on the fair value of the RPP’s assets and liabilities due to fluctuations in market interest rates. The value of the RPP’s investments is affected by changes in nominal and real interest rates.

Management

The RPP has established an asset mix policy that balances interest-rate-sensitive investments with other investments. RPP’s fixed income investments have direct exposure to interest rate risk. Duration and weighting for the fixed income portfolio are actively managed.

Measurement

Effective duration is a measure of the sensitivity of the price of a financial instrument to a change in interest rates. Given the effective duration of 8.01 years as at December 31, 2024 (2023: 1.72 years) and a total net fair value of interest-bearing assets of \$300,224 (2023: \$385,684), a parallel shift in the interest rate curve of +/-1% would result in an approximate impact of +/- \$24,026 (2023: +/- \$6,918) on net investments with all other variables held constant. In practice, actual results may differ materially from this sensitivity analysis.

Currency risk – Currency exposure arises from the RPP holding foreign currency denominated investments and entering contracts that provide exposure to currencies other than the Canadian dollar. Fluctuations in the value of the Canadian dollar against these foreign currencies can have an impact on the fair value of investments.

Management

Currency risk is managed by IMCO through currency hedging. Implementation of any currency hedging strategy is accomplished through the use of instruments such as forwards, futures, options, and swaps. The RPP also employed additional currency forwards to hedge a portion of indirect currency exposure through holding units of the pooled funds. The net exposure in the following table includes direct exposure at the RPP level as well as indirect exposure through the pooled funds.

Measurement

As at December 31, 2024, the impact to the RPP's net assets available for benefits of a 5% absolute change in foreign exchange rates relative to the Canadian dollar are as follows:

As at December 31, 2024 (in thousands of dollars)	Gross Exposure	Currency Contracts Receivable	Currency Contracts Payable	Net Exposure	Impact of +/- 5% Change
U.S. dollar	\$ 113,352	\$ 9,741	\$ (156,426)	\$ (33,333)	+/- 1,667
Euro Currency Unit	—	—	(6,575)	(6,575)	+/- 329
Australian dollar	—	—	(2,465)	(2,465)	+/- 123
Pound Sterling	—	—	(1,852)	(1,852)	+/- 93
Other	(1)	—	(245)	(246)	+/- 12
Total foreign currency	113,351	9,741	(167,563)	(44,471)	+/- 2,224
Canadian dollar	330,079	166,966	(9,741)	487,304	—
	\$ 443,430	\$ 176,707	\$ (177,304)	\$ 442,833	+/- 2,224

As at December 31, 2023 (in thousands of dollars)	Gross Exposure	Currency Contracts Receivable	Currency Contracts Payable	Net Exposure	Impact of +/- 5% Change
U.S. dollar	\$ 16,926	\$ —	\$ (16,962)	\$ (36)	+/- 2
Total foreign currency	16,926	—	(16,962)	(36)	+/- 2
Canadian dollar	389,316	16,983	—	406,299	—
	\$ 406,242	\$ 16,983	\$ (16,962)	\$ 406,263	+/- 2

Other price risk – Other price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices other than those arising from foreign currency or interest rate risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

Management

IMCO manages other price risk through diversification and regular monitoring of the performance of the RPP against approved benchmarks.

Measurement

An absolute change in the fair value of the RPP's investments that are exposed to other price risk will have a direct proportional impact on the fair value of the investments. The RPP's investments in pooled funds holding public equities have the most significant exposure to other price risk. The impact of a 10% absolute change in the price of an investment, holding all other variables constant, is 10% of the net exposure of the impacted investment, as follows:

(in thousands of dollars)	Stock Market Benchmark	Change in Price Index	Change in Net Assets as at	
			December 31, 2024	December 31, 2023
Public Equity	MSCI ACWI Net Total Return Index	+/- 10%	\$ +/- 9,187	\$ +/- 1,156

The sensitivity analysis is performed using the total plan actual investment asset mix weights summarized in Note 5a as at December 31, 2024 and 2023.

CREDIT AND COUNTERPARTY RISK

Credit risk is the risk of loss resulting from a borrower's failure to repay or meet contractual obligations. The RPP is exposed to credit risk through investments in fixed income instruments as there is a risk of default. Counterparty risk is the risk of loss arising from a counterparty defaulting on its obligations, the insolvency of a counterparty, or the risk of a market decline resulting from the deterioration in the credit quality of a counterparty. The RPP is also exposed to counterparty risk through investments in derivatives.

Management

IMCO manages credit risk by creating a diversified portfolio of investments and employing a multi-sector strategy. In creating a diversified portfolio, IMCO will invest according to a risk strategy outlining specified target allocation ranges by risk strategy (i.e., investment grade), geographical focus and investment vehicle.

In mitigating counterparty risk, IMCO initiates counterparty transactions with parties on its approved counterparty list, which meet a minimum credit rating requirement. IMCO is responsible for monitoring the credit ratings of counterparties and reviewing those who suffer a downgrade.

Counterparty risk from derivatives is managed through due diligence on potential counterparties, use of appropriate legal documentation such as International Swaps and Derivatives Association (“ISDA”) master agreements, by imposing counterparty risk exposure limits, or by the use of a Credit Support Annex (“CSA”) under an ISDA master agreement. IMCO maintains and reviews a list of approved counterparties which, at a minimum, have a long-term credit rating of A or higher as rated by S&P (or equivalent Moody’s or Fitch long-term rating) and a short-term rating of A1 or higher as rated by S&P (equivalent Moody’s or Fitch short-term rating). IMCO also reviews counterparties who suffer a credit rating downgrade, even if they continue to meet the minimum credit ratings noted and maintains and reviews counterparty exposure limits, considering current exposure, with limits commensurate with the credit rating of the counterparty. See Note 11 for details of collateral held or pledged pertaining to currency forwards.

Measurement

Counterparty and credit risk exposure is measured by the fair value of contractual obligations less any collateral or margin received from the counterparties. The use of credit ratings allows the RPP to assess the creditworthiness of counterparties using an independent source. As at December 31, 2024, the RPP’s greatest credit exposure to a single securities issuer was with the United States government in the form of inflation indexed bonds for \$105,260 (2023 – with the Government of Canada for \$183,837).

The credit risk exposure, without considering any collateral held, is as follows:

As at December 31 (in thousands of dollars)	2024 Total Risk Exposure	2023 Total Risk Exposure
Credit risk		
Fixed income		
AAA	\$ 136,654	\$ 26,920
AA	72,468	22,172
A	1,952	538
Total fixed income	\$ 211,074	\$ 49,630
Short-term investments		
AAA	46,111	175,703
AA	—	34,714
A	—	124,478
Total short-term investments	\$ 46,111	\$ 334,895
Counterparty risk		
Currency forwards		
AA	35	15
A	32	6
Total derivative assets	\$ 67	\$ 21

LIQUIDITY RISK

Liquidity risk is the risk that the RPP has insufficient cash flows to meet its pension obligations and operating expenses as they become due. The typical cash requirements of the RPP are in the form of monthly retirement benefit payments as well as periodic termination and other benefit payments and expenses.

Management

The RPP manages liquidity risk by maintaining a cash reserve and performing regular cash flow projections to ensure the RPP can meet obligations. Most cash requirements are typically met through member and Plan Sponsor contributions. Additional cash requirements can be met through investment liquidity. IMCO manages liquidity risk by determining how much liquid assets should be maintained, the portion of liquid assets to be held as cash, day-to-day management of cash inflows and outflows, monitoring and reporting of measures including a liquidity coverage ratio and acknowledging and responding to crisis environment conditions. An IMCO liquidity committee is also responsible for overseeing a crisis environment plan and approving any breach remediation plans. A crisis environment condition is triggered by a drop in the S&P 500 of 10% (USD) over the prior week in conjunction with a drop of 15% over the prior month or as declared by the liquidity committee during periods of significant market stress.

As at December 31, 2024, the RPP's investments are 80.2% (2023: 98.9%) in treasury bills, provincial bonds, and units in public equities funds, which are highly liquid assets. The RPP's investments in other pooled funds are redeemable on a quarterly basis.

Note 10: Collateral

As of December 31, 2024, and 2023, the RPP had no collateral pledged or received and no security lending agreements.

Note 11: Commitments and Guarantees

As of December 31, 2024, there were \$53,221 (2023 - \$1,735) in unfunded capital commitments to the private asset pools.

Note 12: Pension Obligation

FUNDING VALUATION

An actuarial valuation for funding purposes ("funding valuation") was prepared for the Plan as at January 1, 2024 by Aon plc, the Plan's appointed actuary, for the primary purpose of establishing contribution requirements in accordance with the *Income Tax Act*. The valuation was prepared in accordance with *Ontario Regulation 290/13*. The valuation was prepared based on membership data as at January 1, 2024. The next actuarial valuation for the purpose of developing funding requirements must be prepared with an effective date no later than December 31, 2026.

The funding valuation determined the maximum eligible contribution to the RPP under the *Income Tax Act*. The Plan is not subject to the provisions of the *Pension Benefits Act*. As such, there is no minimum required contribution to the RPP. The obligation was calculated using the projected unit credit cost method and the contribution requirements were calculated using the aggregate cost method. As at January 1, 2024, the funding deficit on a going concern basis associated with the RPP was \$11,471.

FINANCIAL STATEMENT VALUATION

For the purposes of these financial statements, Aon, the Plan's actuary, used the funding valuation as at January 1, 2024, on the basis of the accounting methodology required by the CPA Canada Handbook – Accounting, Section 4600 and extrapolated those liabilities using current service cost and actual benefit payments to December 31, 2024. The obligations were determined using the projected unit credit prorated on service method. The total RPP pension obligations under this method for pension benefits payable under the Plan was \$448,031 (December 31, 2023 – \$433,894). This obligation is presented in the statement of financial position.

The indexation loss is due to the cost-of-living adjustment for January 2025 of 2.7% (January 2024: 4.8%). Net experience losses are primarily due to retirement and mortality experiences. The net impact of change in assumptions is the reduced obligations resulting from a change in the discount rate.

Significant assumptions used in the financial statement valuation for the RPP are shown below.

Assumptions	2024	2023
Economic Assumptions		
Increase in Consumer Price Index (Inflation)		
2024	—	4.80%
2025	2.70%	2.50%
2026 and thereafter	2.00%	2.00%
Increase in Income Tax Act maximum pension limit	2.75%	2.75%
Increase in salaries	3.00%	3.00%
Nominal discount rate		
RPP	4.75%	4.75%

Demographic Assumptions

Mortality table	2004 Public Sector Canadian Pensioners' Mortality Table with generational projection using mortality improvement scale MI-2017.
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The discount rate has been set based on the RPP's investment policy and its funding policy and objectives.

Note 13: Related Party Transactions

The Government of Ontario is the sponsor of the Plan. As at December 31, 2024, RPP held Province of Ontario bonds valued at \$30,640 (2023 - \$10,119).

As the Plan administrator, the Board is assisted by OPB in carrying out its responsibilities. OPB administers pension payroll and benefits for Plan members and assists the Government of Ontario in carrying out its responsibilities in respect of the SUPP. OPB provides these services on a cost recovery basis (Note 7).

IMCO manages the RPP's investment assets. The RPP pays its share of IMCO's operating expenditures on a cost recovery basis (Note 8). Custodial fees are paid by IMCO on the RPP's behalf.

Note 14: Capital Management

The RPP defines its capital as the funding surpluses or deficits determined periodically through the funding valuations prepared by the independent actuary. The actuary's funding valuation is used to measure the long-term health of the RPP. The Plan Sponsor determines the level of funding payments. Any resulting deficit is guaranteed by the Plan Sponsor. There have been no changes in what the RPP considers to be its capital.

The RPP's SIP&P was amended and effective on September 21, 2023. The SIP&P also provides guidance with respect to the investment of the RPP's assets (Note 5a) to assist with the management of any funding excesses or shortfalls. The RPP's investment strategies and its individual portfolios have an objective to generate returns over rolling periods of five years or longer, as may be appropriate for a particular strategy, that meet or exceed the returns of relevant benchmarks. The expected long-term annualized nominal rate of return on the policy asset mix is 5.7% per annum, net of investment-related expenses, including investment management fees.

Management's Responsibility for Financial Reporting

The financial statements of the Supplemental Retirement Compensation Arrangement Pension Plan ("RCA") have been prepared by management, which is responsible for the integrity and fairness of the data presented. The accounting policies followed in the preparation of these financial statements are in accordance with Canadian accounting standards for pension plans. Of necessity, many amounts in the financial statements must be based on the best estimates and judgment of management with appropriate consideration as to materiality.

Systems of internal control and supporting procedures are maintained to provide assurance that transactions are authorized, assets are safeguarded against unauthorized use or disposition, and proper records are maintained. The system includes careful hiring and training of staff, the establishment of an organizational structure that provides for a well-defined division of responsibilities and the communication of policies and guidelines of business conduct throughout the PJPP.

The Provincial Judges Pension Board (the "PJPB") is ultimately responsible for the financial statements of the RCA. The PJPB reviews the financial statements in detail with management before such statements are approved. The PJPB meets with management and the Office of the Auditor General of Ontario to review the scope and timing of audits, to review their findings and suggestions for improvements in internal control, and to satisfy themselves that their responsibilities and those of management have been properly discharged.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian accounting standards for pension plans. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.



Mark A. Henry
Director, Managed Plans
Ontario Pension Board



Armand de Kemp Chief
Financial Officer Ontario
Pension Board

June 11, 2025

Independent Auditor's Report

To the Provincial Judges Pension Board and to the President of the Treasury Board

Opinion

I have audited the financial statements of the Supplemental Retirement Compensation Arrangement Pension Plan (the "RCA"), which comprise the statement of financial position as at December 31, 2024, and the statement of changes in net assets available for benefits and the statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (together, "the financial statements").

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the RCA as at December 31, 2024, and the changes in its net assets available for benefits and the changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the RCA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the RCA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the RCA either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the RCA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RCA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RCA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RCA to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
June 11, 2025

Shelley Spence, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

As at December 31
(in thousands of dollars)

	2024	2023
Assets		
Cash	\$ 36,320	\$ 25,684
Contributions receivable		
Members	49	26
Province	—	—
Other receivables	451	2,039
Refundable tax asset (Note 5)	60,320	48,556
Total assets	97,140	76,305
Liabilities		
Accounts payable	14	6,272
Total liabilities	14	6,272
Net assets available for benefits	97,126	70,033
Pension obligation (Note 9)	453,555	448,225
Deficit	\$ (356,429)	\$ (378,192)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board:



Deborah A. (Debbie) Oakley
Chair



Gus Gatzios
Member

Statements of Changes in Net Assets Available for Benefits

For the year ended December 31 (in thousands of dollars)

	2024	2023
Increase in net assets		
Bank interest income	\$ 1,608	\$ 1,885
Contributions		
Members – current service	503	584
Province – matching payments	503	584
Province – funding payments	48,731	29,900
Increase in net assets	51,345	32,953
Decrease in net assets		
Retirement benefits	22,473	20,588
Termination and other benefits	1,143	14
Pension administration expenses (Note 6)	636	620
Decrease in net assets	24,252	21,222
Change in net assets for the year	27,093	11,731
Net assets available for benefits, at beginning of the year	70,033	58,302
Net assets available for benefits, at end of the year	\$ 97,126	\$ 70,033

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Pension Obligations

For the year ended December 31 (in thousands of dollars)

	2024	2023
Pension obligations, at beginning of the year	\$ 448,225	\$ 456,502
Increase in pension obligations		
Service accrual	15,924	18,842
Interest cost	19,553	17,314
Indexation loss (Note 9)	600	7,776
Net experience losses (Note 9)	12,938	2,690
Increase in pension obligations	49,015	46,622
Decrease in pension obligations		
Benefits paid	23,616	20,602
Net impact of change in assumptions (Note 9)	20,069	34,297
Decrease in pension obligations	43,685	54,899
Net increase/(decrease) in pension obligations	5,330	(8,277)
Pension obligations, at end of the year	\$ 453,555	\$ 448,225

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

As at and for the year ending December 31, 2024

Note 1: Description of the Provincial Judges Pension Plan

On January 1, 2020, Ontario Regulation 290/13 ("Regulation") was amended to split the Provincial Judges' Pension Plan ("PJPP" or the "Plan") into three different parts: a Registered Pension Plan for provincial judges ("RPP") funded through a trust, a Supplemental Retirement Compensation Arrangement Pension Plan ("RCA") funded through a trust and a Supplemental Pension Account ("SUPP") funded through a special purpose account held in the Consolidated Revenue Fund of the Province of Ontario ("SUPP account"). The PJPP is included as an employee future benefit liability within the consolidated financial statements of the Province of Ontario ("Province" or "Plan Sponsor"). The RPP, RCA, and SUPP are not subject to the reporting requirements under the Ontario *Pension Benefits Act*, R.S.O. 1990 and Regulations ("*Pension Benefits Act*").

The Government of Ontario is the sponsor of all three parts of the Plan. The Provincial Judges Pension Board ("the Board") is the administrator of the RPP and RCA for the purposes of the *Income Tax Act (Canada)* R.S.C. 1985 ("*Income Tax Act*"). The Board is also the trustee of both the trust for the RPP and the trust for the RCA with all powers afforded to the trustee by the respective trust agreements. The Ontario Minister of Finance ("Minister") is the custodian of the SUPP account. The balance of the SUPP account is held within the Consolidated Revenue Fund of the Province of Ontario. The Board oversees the administration of the PJPP and, in accordance with applicable law, oversees all administrative functions in respect of the pensions, survivor allowances and refunds.

The primary purpose of the Plan is to provide eligible judges with pension in the form of periodic payments following their retirement from full-time service as Provincial judges.

REGISTERED PENSION PLAN

The RPP is registered for income tax purposes and provides for pension benefits up to the limit permitted under the *Income Tax Act*.

RETIREMENT COMPENSATION ARRANGEMENT

The RCA provides supplementary pension benefits to members whose earnings result in a pension that exceeds the maximum pension benefits permitted under the *Income Tax Act* for the RPP, up to two per cent of the judge's average salary for their final three years of service. The *Income Tax Act* limits the maximum benefits that are permitted to be paid to pensioners.

SUPPLEMENTAL PENSION PLAN

The SUPP supplements the pensions of members whose benefits provided by the above two components are above the maximum prescribed by the Income Tax Act. A right under this part of the PJPP to a supplemental pension or supplemental survivor allowance is only in respect of service on or after January 1, 1992.

These financial statements present the financial position, the changes in net assets available for benefits and the changes in the pension obligations of the RCA only. Separate financial statements are prepared for the RPP and SUPP.

Note 2: Administration of the Plan

The Ontario Pension Board (“OPB”) has been jointly selected by the Minister and the Provincial Judges Pension Board to assist the Board in carrying out its responsibilities and assist the Government of Ontario in carrying out its pension administration responsibilities in respect of the Plan.

The *Investment Management Corporation of Ontario Act, 2015* created the Investment Management Corporation of Ontario (“IMCO”), an entity providing investment management and selected advisory services to participating organizations in Ontario’s broader public sector with the ownership of the investment assets remaining with the participants. The Board appointed IMCO as the sole and exclusive investment manager for the investment assets of the RCA. The investment management agreement between IMCO and the Board for the management of the RCA assets was effective March 17, 2020.

As of December 31, 2024 and 2023, IMCO did not manage any of the RCA assets (Note 12).

The Board retains responsibility for setting the investment strategy and target asset mix for the RCA’s investments.

Note 3: Description of the RCA

The following is a brief description of the RCA provided for general purposes only. For more complete information, reference should be made to the Regulation.

FUNDING POLICY

The RCA is a contributory defined benefit pension plan covering eligible judges (members) of the Ontario Court of Justice. The RCA requires the Province to contribute an amount at least equal to the RCA contributions from the members. The benefits and contribution rates are set, and may be amended, by the Plan Sponsor through an Order-in-Council.

CONTRIBUTIONS

Each judge is required to contribute 7% of their salary into the Plan, by way of deduction from the judge's salary, up to the earlier occurrence of either meeting their basic service requirement or attaining 70 years of age.

The Province ensures that, in respect of each calendar year of service, the portion of each judge's pension contributions that exceeds the dollar limit for pension plan contributions under the Income Tax Act is contributed to the RCA.

The amount to be contributed in a year by the Province is based on an actuarial valuation and subject to the limits set out in the Income Tax Act and its regulations.

PENSION PAYMENTS

A pension payment is available based on the age and the number of years of full-time service for which a member has credit upon ceasing to hold office and is based on the salary of a full-time judge of the highest judicial rank held by the member while in office. The member is entitled to these payments during their lifetime. The pension payment sourced from RCA is equal to 2% of the judge's average salary, indexed in accordance with the Income Tax Regulations, for their final three years of service multiplied by the judge's years of service without regard to the defined benefit limit or maximum benefit limit, reduced by the RPP amount.

DISABILITY PENSION PAYMENTS

A disability pension is available at age 65 for members with a minimum of five years of full-time service who are unable to serve in office due to injury or chronic illness. The annual amount of the pension is the amount that would be payable if the judge had continued in office on a full-time basis until the judge attained 75 years of age and if the pension were determined without regard to the defined benefit limit or maximum benefit limit, reduced by the amount that is actually payable to the judge under the RPP and RCA.

SURVIVOR ALLOWANCES

A survivor allowance equal to 60% of the qualifying judge's pension payment is paid to the spouse during the spouse's lifetime or to children who meet the age, custody, education, or disability criteria defined by the Regulation.

DEATH BENEFITS

A death refund can be payable to the personal representative of a member where there is no further entitlement to a survivor allowance. The amount of the refund is equal to the member's contributions to the Plan plus interest, less entitlements already paid out.

TERMINATION PAYMENTS

Upon ceasing to hold office for a reason other than death, participants not eligible to receive pension payments are entitled to receive a refund of their contributions to the Plan plus interest.

INDEXATION OF BENEFITS

Judges retired before June 1, 2007

The annual inflationary increase for judges who retired before June 1, 2007, is based on changes in the Average Weekly Earnings published by Statistics Canada and subject to a maximum of 7% in any one year and is effective on April 1st every year. In addition, the pensions are adjusted based on the salary increases of sitting judges as recommended by the Provincial Judges Remuneration Commission.

Judges retired on or after June 1, 2007

The annual inflationary increase for judges who were appointed before June 1, 2007, who retired on or after June 1, 2007, and elected to be paid under the plan provisions effective on that date is based on changes in the Consumer Price Index and is effective on January 1st every year. The same annual inflationary increase is applicable upon retirement for those judges appointed to office on or after June 1, 2007, with no available election.

Note 4: Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The financial statements are prepared in accordance with the Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook – Accounting (Section 4600).

Section 4600 provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, in accordance with Section 4600, the Board has elected to use Canadian Accounting Standards for Private Enterprises in Part II of the CPA Canada Handbook – Accounting to the extent that those standards do not conflict with the requirements of Section 4600.

All amounts are expressed in thousands of Canadian dollars, unless expressed otherwise.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts on the statements of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates. The most significant estimates affecting the financial statements relate to the determination of pension obligations (Note 9).

CONTRIBUTIONS

Contributions from the members and the Province of Ontario are recorded on an accrual basis. Contributions due at the year-end are recorded as contributions receivable. The Province's funding contributions to the RCA are made in accordance with the funding requirements as specified by the most recent actuarial funding valuation. The PJPP is not subject to the *Pension Benefits Act* and, as such, there is no minimum required funding contribution by the Province.

RETIREMENT BENEFITS, TERMINATION AND OTHER BENEFITS

Retirement benefits, termination and other benefits including commuted value transfers, refunds to former members, and transfers to other pension plans are recorded when paid.

PENSION ADMINISTRATION EXPENSES

Pension administration expenses are recognized on an accrual basis. Expenses applicable to the RCA are paid by RCA trust account.

PENSION OBLIGATION

Pension obligations are determined based on an actuarial valuation prepared by an independent firm of actuaries using an actuarial valuation report prepared for funding purposes. This valuation uses the projected benefit cost method pro-rated based on service and management's best estimate of various economic and demographic assumptions. The year-end valuation of pension obligations is based on data extrapolated to the current financial statement year-end date.

NEW ACCOUNTING PRONOUNCEMENTS

Amendments to Section 4600, Pension Plans were issued in December 2022 and are effective for fiscal years beginning on or after January 1, 2024. The amendments did not have any impact on the RCA's financial statements.

Note 5: Refundable Tax Asset

Contributions made to the RCA, as well as investment income and net capital gains earned within the RCA, net of distributions, are taxed at a 50% rate under the Income Tax Act. New contributions are taxable at the time the contribution is made. Investment returns earned within the RCA component are assessed as at December 31 each year. The remitted tax amounts are held by the Canada Revenue Agency as a non-interest-bearing deposit. These tax amounts are refundable when distributions are made from the RCA component of the Plan to the beneficiaries of the retirement compensation arrangement.

Note 6: Pension Administration Expenses

The following is a summary of the expenses incurred by the RCA related to services provided by Ontario Pension Board (Note 10).

For the year ended December 31 (in thousands of dollars)

	2024	2023
Pension administration and Information technology	\$ 523	\$ 516
Insurance	44	43
Actuarial fees	24	26
Legal expenses	41	31
Pension payroll processing charges	4	4
Total pension administration expenses	\$ 636	\$ 620

Note 7: Risk Management

The RCA is subject to financial risks as a result of its activities that could impact its cash flows, income, and assets available to meet benefit obligations. These risks include market risk (interest rate risk), liquidity risk, and others as applicable.

MARKET RISK

Interest rate risk – Interest rate risk refers to the effect on the fair value of the RCA's assets and liabilities due to fluctuations in market interest rates. There was no interest rate exposure as at December 31, 2024 and 2023.

LIQUIDITY RISK

Liquidity risk is the risk that the RCA has insufficient cash flows to meet its pension obligations and operating expenses as they become due. The typical cash requirements of the RCA are in the form of monthly retirement benefit payments as well as periodic termination and other benefit payments and expenses.

Management

The RCA manages liquidity risk by maintaining a cash reserve and performing regular cash flow projections to ensure the RCA can meet obligations. Most cash requirements are typically met through member and Plan Sponsor contributions.

Note 8: Collateral

As of December 31, 2024, and 2023, the RCA had no collateral pledged or received.

Note 9: Pension Obligation

FUNDING VALUATION

An actuarial valuation for funding purposes (“funding valuation”) was prepared for the Plan as at January 1, 2024 by Aon plc, the Plan’s appointed actuary, for the primary purpose of establishing contribution requirements in accordance with the Income Tax Act. The valuation was prepared in accordance with Ontario Regulation 290/13. The valuation was prepared based on membership data as at January 1, 2024. The next actuarial valuation for the purpose of developing funding requirements must be prepared with an effective date no later than December 31, 2026.

The funding valuation determined the contribution to the RCA as required by Ontario Regulation 290/13. The obligation was calculated using the projected unit credit cost method and the contribution requirements were calculated using the aggregate cost method. As at January 1, 2024, the funding deficit on a going concern basis associated with the RCA was \$371,345.

FINANCIAL STATEMENT VALUATION

For the purposes of these financial statements, Aon, the Plan’s actuary, used the funding valuation as at January 1, 2024, on the basis of the accounting methodology required by the CPA Canada Handbook – Accounting, Section 4600 and extrapolated those liabilities using current service cost and actual benefit payments to December 31, 2024. The obligations were determined using the projected unit credit prorated on service method. The total RCA pension obligations under this method for pension benefits payable under the Plan was \$453,555 (December 31, 2023 – \$448,225). This obligation is presented in the statement of financial position.

The indexation loss is due to the cost-of-living adjustment for January 2025 of 2.7% (January 2024: 4.8%). Net experience losses are primarily due to retirement and mortality experiences. The net impact of change in assumptions is the reduced obligations resulting from an increase in the discount rate for RCA from 4.40% to 4.75%.

Significant assumptions used in the financial statement valuation for the RCA are shown below.

Assumptions	2024	2023
Economic Assumptions		
Increase in Consumer Price Index (Inflation)		
2024	—	4.80%
2025	2.70%	2.50%
2026 and thereafter	2.00%	2.00%
Increase in Income Tax Act maximum pension limit	2.75%	2.75%
Increase in salaries	3.00%	3.00%
Nominal discount rate		
RCA	4.75%	4.40%
Demographic Assumptions		
Mortality table	2004 Public Sector Canadian Pensioners' Mortality Table with generational projection using mortality improvement scale MI-2017.	

The discount rate has been set based on the Plan’s investment policy and its funding policy and objectives.

Note 10: Related Party Transactions

The Government of Ontario is the sponsor of the Plan.

As the Plan administrator, the Board is assisted by OPB in carrying out its responsibilities. OPB administers pension payroll and benefits for Plan members and assists the Government of Ontario in carrying out its responsibilities in respect of the SUPP. OPB provides these services on a cost recovery basis (Note 6).

Note 11: Capital Management

The RCA defines its capital as the funding surpluses or deficits determined periodically through the funding valuations prepared by the independent actuary. The actuary's funding valuation is used to measure the long-term health of the Plan. The Plan Sponsor determines the level of funding payments. Any resulting deficit is guaranteed by the Plan Sponsor. There have been no changes in what the RCA considers to be its capital.

Note 12: Subsequent Event

The Statement of Investment Policies and Procedures for the RCA plan was approved and effective on January 15, 2025 with target asset allocation entirely on public equities.