

14 June 2011

An Act Respecting Provincial Court Judges' Pensions

An Act Respecting Provincial Court Judges' Pensions received Royal Assent on 10 June 2011 and includes:

- Amendments made on the recommendations of the Judicial Remuneration Commission (JRC),
- Amendments required to implement the JRC's recommendations,
- Amendments regarding compliance with federal **Income Tax Act (ITA) and Regulations (ITR)**.

1. JRC's recommendations

The 2008 Judicial Remuneration Commission made recommendations in 2010 which were accepted by government and resulted in the following amendments to the **Provincial Court Judges' Pension Act (PCJPA)** and **Regulations**:

- 1.1 The pension accrual rate was increased from 2.75% to 3% for service that is accrued on or after 1 April 2010; and
- 1.2 The judge's pension contribution rate was increased from 7% to 8% effective 1 April 2010.

2. Amendments to implement the JRC's Recommendations

As a result of increasing the pension accrual rate for service on or after 1 April 2010, the maximum length of service to reach the maximum pension of 65% will be less than the current maximum length of 23.63 years of pensionable service.

Therefore, this amendment to the **PCJPA** will provide that the maximum period of service that may be used in the calculation of a judge's pension will end on the date that the judge is entitled to be paid 65% of his or her average salary.

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3. Maximum Age Prescribed under the Federal Income Tax Act and Regulations

3.1 Compliance with the ITR

The maximum age prescribed under the federal *ITR* for contributing to and receiving a pension was sixty-nine when the *PCJPA* was drafted to comply with the federal *ITA* and *ITR*.

However, for the year 2007 and later, the federal government increased the maximum age from sixty-nine to seventy-one, and the *PCJPA* was administered accordingly.

The amendments will validate the administration of the plan since 2007, and will provide that the maximum age for contributing to and receiving an annual pension will be in accordance with the age prescribed in the *ITR*.

In the future if the federal government changes the maximum age, no further amendment to the *PCJPA* will be required.

3.2 Supernumerary judges under the Provincial Court Act (PCA) and Provincial Court Judges' Pension Act (PCJPA)

Active supernumerary judges are paid a combination of salary and annual pension under the *PCJPA* or annuity under the *PCA* after the end of the year of becoming age 69.

In 2007 the federal government increased the maximum age for receiving a pension from age 69 to 71. Those provisions were administered accordingly.

The amendments will validate the administration of the plan since 2007, and will increase the maximum age for receiving an annual pension/annuity from age 69 to the age prescribed in the *ITR*.