



President  
of the Treasury Board

Président  
du Conseil du Trésor

**Report on the  
Administration of  
the *Supplementary  
Retirement Benefits Act*  
for the Fiscal Year  
Ended March 31, 2000**

Report on the  
Administration of  
the *Supplementary  
Retirement Benefits Act*  
for the Fiscal Year  
Ended March 31, 2000



## **Also available in alternative formats**

Published by the  
Treasury Board of Canada Secretariat

©Minister of Public Works and Government Services 2000

Catalogue No BT 1-12/2000  
ISBN 0-662-65532-10

This document is also available in Acrobat  
on the Internet at the following address:  
<http://www.tbs-sct.gc.ca/>





Her Excellency the Right Honourable Adrienne Clarkson, C.C., C.M.M., C.D.  
Governor General of Canada

Excellency:

I have the honour to submit to Your Excellency the *Report on the Administration of the Supplementary Retirement Benefits Act for the Fiscal Year Ended March 31, 2000*.

Respectfully submitted,

Lucienne Robillard  
President of the Treasury Board





This is the 30th annual report on the administration of the *Supplementary Retirement Benefits Act* (the Act), which came into force on April 1, 1970.

## SUPPLEMENTARY BENEFITS

The Act makes it possible to provide supplementary benefits for — that is, to index — pensions or allowances payable under the following Acts or regulations, as at March 31, 2000:

1. the *Governor General's Act*;
2. Part VI of the *Members of Parliament Retiring Allowances Act*, R.S.C. 1970, c. M-10;
3. the *Lieutenant Governors Superannuation Act*;
4. the *Judges Act*;
5. the *Diplomatic Service (Special) Superannuation Act*;
6. the *Civil Service Superannuation Act*;
7. the *Defence Services Pension Continuation Act*, R.S.C. 1970, c. D-3;
8. the *Royal Canadian Mounted Police Pension Continuation Act*, parts II and III, R.S.C. 1970, c. R-10;
9. subsection 15(2) of the *Currency, Mint and Exchange Fund Act*;
10. subsection 25(10) of the *War Veterans Allowance Act*;
11. the *Annuities Agents Pension Regulations*;
12. the *Canadian Overseas Telecommunications Corporation Pension Regulations*;
13. the *Canadian Arsenals Pension Regulations*;
14. the *Sydney Pilots Pension Regulations*;
15. the *National Harbours Board Pension Regulations*;
16. the *Canadian Wheat Board Pension Regulations*;
17. the *Atlantic Pilotage Authority Pension Regulations*;
18. the *Atomic Energy of Canada Ltd. Pension Regulations*.

The original Act of 1970 provided for increases in pensions of a maximum of 2 per cent per year, based on the year of retirement going back to 1952. The increases were payable at the age of 60, or earlier under specific conditions.





Effective January 1, 1974, the 2 per cent ceiling on increases was removed. An annual increase in pensions reflecting the full increase in the cost of living was permitted. The annual increase in pensions is payable in January of each year. This increase is based on the percentage increase in the average of the Consumer Price Index (CPI) for the 12 months ended on the preceding September 30 over the CPI average for the 12 months ended a year earlier.

The Act was amended in 1975 to permit interest to be paid on contributions. The interest rate is 4 per cent compounded annually.

Since 1982, the legislation has required that the increase payable in the first year after a person retires be pro-rated according to the number of complete months of retirement.

In 1983 and 1984, the increases were limited to 6.5 and 5.5 per cent, respectively, under amendments to the Act passed in 1983.

In 1992, the Act was amended because changes were being made to the statutes governing four federal public-sector pension plans: the *Public Service Superannuation Act* (PSSA); the *Canadian Forces Superannuation Act* (CFSA); the *Royal Canadian Mounted Police Superannuation Act* (RCMPSA); and the *Members of Parliament Retiring Allowances Act* (MPRAA). The amendments meant that the Act did not apply to pensions payable under those statutes. Consequently, each of those statutes now permits increases in these pensions, which are determined as they were under the Act. The amendments to the Act related to benefits payable under the PSSA, the CFSA and the RCMPSA were made retroactive to April 1, 1991. Those related to the MPRAA became effective on January 1, 1992. For more information on these amendments, see the section titled 'Funding'.

The increase in pensions payable in January 2000 was 1.5 per cent.

## FUNDING

The Act establishes an account known as the Supplementary Retirement Benefits Account (the Account). Plan members who have not yet retired, except the Governor General, contribute to this account. The government matches these contributions.

Between April 1, 1970, and December 31, 1976, members contributed 0.5 per cent of their salary. Effective January 1, 1977, this rate was increased to 1 per cent.

Interest on the Account is payable at the end of each quarter. It is calculated monthly on the minimum balance in the Account at an interest rate that represents the yield on outstanding Government of Canada bonds having a term to maturity of five years, less one eighth of 1 per cent.





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

Under the 1992 amendments mentioned in the preceding section, the appropriate portions of the Account were transferred to the superannuation accounts established under the PSSA, the CFSA, the RCMP SA and the MPRAA. These transfers greatly reduced the size of the Account.

## **ACCOUNT TRANSACTIONS AND MEMBERSHIP STATISTICS**

During the year, total receipts from contributors and the government, including interest, amounted to \$7.0 million. The total amount paid under the Act was \$38.712 million, of which \$0.039 million was charged to the Account; the remaining \$38.673 million was charged to the Consolidated Revenue Fund, in accordance with subsection 8(2) of the Act. The balance in the Account at the end of the year was \$77.7 million.

Details of the transactions in the Account during the fiscal year appear in tables 1 and 2.

Table 3 is a comparative statement of receipts and payments since the Act came into force.

On March 31, 2000, there were 981 contributors to the Account and 2,429 beneficiaries. The number of contributors and beneficiaries over the last ten years appears in Table 4.





**TABLE 1**

**Supplementary Retirement Benefits Account (in thousands of dollars)**

<b>Balance on March 31, 1999</b>	<b>70,723</b>
<b>Receipts</b>	
Contributions	
– Members	1,727
– Government	1,722
Interest	<u>3,546</u>
<b>Total Receipts</b>	<b>6,995</b>
<b>Payments</b>	
Annuities	38,712
Less charges to the Consolidated Revenue Fund in accordance with subsection 8(2) of the Act	<u>38,673</u>
– <b>Net Payments</b>	<b>39</b>
<b>Balance on March 31, 2000</b>	<b>77,679</b>

*Note:* Totals may not add up due to rounding.



**TABLE 2****Supplementary Retirement Benefits Account  
Details of Receipts and Payments 1999–00 (in thousands of dollars)**

	RCMP	Parliament	Others	Total
<b>Balance at March 31, 1999</b>	<b>9,169</b>	<b>99</b>	<b>61,454</b>	<b>70,723</b>
<b>Receipts</b>				
Contributions				
– Members			1,727	1,727
– Government			1,722	1,722
Interest		6	3,541	3,546
<b>Total Receipts</b>		<b>6</b>	<b>6,989</b>	<b>6,995</b>
<b>Payments</b>				
Annuities <sup>1</sup>			39	39
Return of Contributions				
<b>Total Payments</b>			<b>39</b>	<b>39</b>
Increase (Decrease)		6	6,950	6,956
<b>Balance at March 31, 2000</b>	<b>9,169</b>	<b>105</b>	<b>68,404</b>	<b>77,679</b>

<sup>1</sup> In addition to these charges to the Account, \$38,673,415 was charged to the Consolidated Revenue Fund under subsection 8(2) of the Act.

**Note:** Totals may not add up due to rounding.



**TABLE 3**

**Supplementary Retirement Benefits Account  
Comparative Data – April 1, 1970, to March 31, 2000 (in thousands of dollars)**

Fiscal Years	Members Contributions	Government Contributions	Other Receipts	Interest	Total Receipts	Annuities	Return of Contributions	Transfers	Total Payment	Yearly Net Increases (Decrease)
1970-1987	1,128,867	977,319	153,873	1,562,906	3,822,965	5,360,299	110,837	9,170	441,086	3,381,879
1987-88	139,086	115,375	24,543	332,270	611,274	900,516	19,619	1,753	74,409	536,865
1988-89	141,037	115,333	24,281	397,643	678,294	979,348	21,726	2,097	94,809	583,485
1989-90	154,851	129,221	27,266	471,138	782,476	1,069,653	23,589	2,207	119,523	662,953
1990-91	164,794	138,648	26,545	610,418	940,405	1,175,979	22,466	2,813	143,098	797,307
1991-92	1,294	1,279	-	2,849	5,422	47,457	16	5,939,714 <sup>1</sup>	174	(5,934,466)
1992-93	1,199	1,199	-	2,250	4,647	50,482	-	-	71	4,576
1993-94	1,393	1,265	-	1,762	4,420	48,580	-	-	66	4,354
1994-95	1,239	1,304	-	3,848	6,391	48,357	-	-	46	6,345
1995-96	1,365	1,364	-	3,487	6,216	44,422	-	-	37	6,179
1996-97	1,408	1,406	-	2,980	5,794	42,997	8	-	1,688	4,107
1997-98	1,451	6,713	-	2,187	10,350	47,038	12	-	66	10,284
1998-99	1,703	1,704	-	3,502	6,909	40,568	-	-	45	6,864
1999-00	1,727	1,722	-	3,546	6,995	38,712	-	-	39	6,956
<b>Totals</b>	<b>1,741,414</b>	<b>1,493,852</b>	<b>256,508</b>	<b>3,400,786</b>	<b>6,892,558</b>	<b>9,894,408<sup>2</sup></b>	<b>198,263</b>	<b>5,957,754</b>	<b>875,157</b>	

<sup>1</sup> Represents the aggregate amounts transferred to the superannuation accounts established under the PSSA, the CFSA, the RCMPSA and the MPRAA, as explained earlier in this report.

<sup>2</sup> Includes approximately \$9.2 billion charged to the Consolidated Revenue Fund from 1973-74 to 1999-00 under subsection 8(2) of the Act.

**Note:** Totals may not add up due to rounding.



**TABLE 4****Supplementary Retirement Benefits Account**

	<b>Public Service</b>	<b>Canadian Forces</b>	<b>RCMP</b>	<b>Parliament</b>	<b>Others</b>	<b>Total</b>
<b>Number of Contributors</b>						
At: March 31, 1991	308,977	87,319	19,209	404	706	416,615
March 31, 1992 <sup>1</sup>	–	–	–	–	753	753
March 31, 1993	–	–	–	–	796	796
March 31, 1994	–	–	–	–	833	833
March 31, 1995	–	–	–	–	854	854
March 31, 1996	–	–	–	–	902	902
March 31, 1997	–	–	–	–	913	913
March 31, 1998	–	–	–	–	928	928
March 31, 1999	–	–	–	–	954	954
March 31, 2000	–	–	–	–	981	981
<b>Number of Beneficiaries</b>						
At: March 31, 1991	178,274	54,183	4,035	349	514	237,355
March 31, 1992 <sup>1</sup>	–	1,591 <sup>2</sup>	1,260 <sup>2</sup>	–	551	3,402
March 31, 1993	–	1,476	1,196	–	560	3,232
March 31, 1994	–	1,383	1,143	–	585	3,111
March 31, 1995	–	1,294	1,095	–	609	2,998
March 31, 1996	–	1,174	1,004	–	609	2,787
March 31, 1997	–	1,092	992	–	630	2,714
March 31, 1998	–	1,007	906	–	642	2,555
March 31, 1999	–	923	886	–	653	2,462
March 31, 2000	–	870	887	–	672	2,429

<sup>1</sup> As explained earlier in this report, in the fiscal year 1991–92, the Act ceased to apply to pensions payable under the PSSA, the CFSA, the RCMPSA and the MPRAA.

<sup>2</sup> Beginning with the fiscal year 1991–92, these beneficiaries are those receiving pensions under the Defence Services Pension Continuation Act and the Royal Canadian Mounted Police Pension Continuation Act.

