

# **PJPP**

**Ontario  
Provincial Judges  
Pension Plan**

Provincial Judges Pension Board  
Business Plan 2025-2027  
September 30, 2024

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## **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 ethical standards in everything we do.

## **Executive Summary**

The Provincial Judges Pension Board (PJPB or “Board”) is a trust agency, and its five Board members are responsible for the administration of the Provincial Judges’ Pension Plan and the investment of its Registered Pension Plan (RPP) Trust Fund and Retirement Compensation Arrangement (RCA) Trust Fund. A Chair is selected from among the five members and one member is a representative of the Association of Ontario Judges (AOJ).

The Provincial Judges’ Pension Plan (PJPP or “Plan”) is a contributory defined benefit plan providing pensions and pension services to 291 sitting provincial judges and 369 retired provincial judges and survivors.<sup>1</sup> Since the implementation of fund redesign effective January 1, 2020, pensions and survivor allowances are paid from three sources: the RPP Trust, the RCA Trust and the Supplemental Pension Account (SUPP). For the 12 months ending December 31, 2023, the Plan paid a total of \$67.4 million in pensions and survivor allowances.

<sup>1</sup> Source: Actuarial Valuation Results as of January 1, 2024.

The Board has no employees to carry out its complex responsibilities. Ontario Pension Board (OPB) and the Investment Management Corporation of Ontario (IMCO) were selected to play key roles in supporting Plan and Fund administration and provide negotiated services to the Board on a cost-recovery basis. Plan expenses related to RPP and RCA administration are paid from the respective funds. Expenses relating to the SUPP are paid directly by the Province.

The Plan's complex benefit and funding structures demand close attention and as the Plan Administrator we are confident that PJPP operations will continue to meet the Board's and the membership's service expectations. Moving forward, it is important that we remain focused on fine-tuning our performance measures, oversight standards and capabilities so we can assess and respond to emerging needs of the Plan and its membership. For 2025, the Board will continue to maintain its pension governance system, cultivating the Plan's viability, delivering excellent member service, and building effective stakeholder relations. We are also mindful of the Sponsor's priorities within the most recent Annual Letter of Direction and our objectives reflect a shared focus that includes:

- Continuing to fulfil our mandate to administer the Plan and its associated funds;
- Maintaining governance and operations structures and processes that support, monitor and evaluate effective administration and performance of the PJPP and its funds;
- Providing strong oversight of both IMCO and OPB in their respective roles under the Plan; and
- Supporting effective stakeholder relations and superior client service.

Although there is still work to be done, the Board has established a solid foundation for Plan governance and operations. We are looking forward to working with all our stakeholders in the coming year and beyond so we can continue to deliver on the Plan's pension promise.

## **Mandate**

The Board is the Administrator of the Plan. We are responsible for providing steady, independent oversight of the administration of the Plan and investment of its trust funds. 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. As many as five members may be appointed to the Board by the Lieutenant Governor in Council including one nominated by the AOJ and a Chair that is designated from among the appointed members.

Our mandate is set in Regulation under the *Courts of Justice Act* and, since 2020, has encompassed comprehensive 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 its funds.

Maintaining a sustainable, tax efficient pension plan is vital to ensuring that our members and pensioners (“Clients”) continue to have access to a secure, predictable, lifetime income in retirement. Under the Regulation, we have engaged Ontario Pension Board (OPB) to deliver high quality pension administration services we require to fulfil our mandate. Investments are managed through an agreement with the Investment Management Corporation of Ontario (IMCO). Through these arrangements, we are able to affordably leverage their operational expertise and existing infrastructure to ensure the plan remains viable into the future and delivers the pensions as promised.

## **Strategic Directions**

When the PJPB’s role changed in 2020, we set about creating a pension governance framework to support the administration of the redesigned Plan and funds. With that governance system deployed, we shifted our focus to delivery and performance.

For the 2025 plan year, four strategies will continue to form the foundation of the Board’s business plan. The PJPB will be focused on enhancing the pension governance system, cultivating the Plan’s long-term viability, delivering excellent member service and building effective stakeholder relations. The PJPB’s four strategic priorities are as follows:

### **a. Enhance Governance Structures and Processes for the Plan and Funds**

Beginning in 2020, the Board was focused on consolidating responsibility for Plan management with OPB, investment management with IMCO and establishing the supporting governance infrastructure. Now that those structures are operational, periodic review of their performance will contribute to improved effectiveness of Board oversight and mitigation of governance-related risk. Mitigation can be accomplished through ongoing efforts to document new Board policy and Plan administration procedures, including delegations of Board authority, and by implementing new Board-approved performance indicators. The Board can also continue with ongoing review of its self-assessment approach and instituting regular Board education programs (e.g., fiduciary and cybersecurity training).

## **b. Cultivate the Plan's Long-Term Viability (Security of the Promise)**

The PJPB is responsible for service delivery to active members (sitting judges) as well as pensioners, and for oversight of Plan assets for the RPP and the RCA. The Board, with the engagement and recommendations of IMCO and our independent investment advisor, Willis Towers Watson, has developed investment strategies that aim to maximize risk-adjusted economic benefits and keep the Plan affordable for members and the Sponsor. To achieve these goals, the Board will need to monitor the Plan's funding position and make appropriate recommendations to the Sponsor as necessary. In addition, quarterly investment performance reporting is included in the Board meeting agendas for review and to take any appropriate action.

## **c. Deliver Excellent Cost-Effective Member Service**

The Board's responsibilities include pension service offerings to just over 290 active members and almost 370<sup>1</sup> pensioners and survivors. OPB was appointed to provide expanded, accountable pension operations management that is aligned with the Board's mandate. The PJPB is committed to ensuring active members understand their pension entitlements and rights and responsibilities under the PJPP so they can make informed decisions about their participation in the Plan. The Board will also seek opportunities to improve existing services to the Plan's pensioners and survivors while maintaining efficient and accurate pension payroll operations. The PJPP is a relatively small but complex pension plan with limited opportunity to achieve economies of scale associated with large plan populations and high-volume operational environments.

The strategy aligns with the Province's priorities applicable to all agencies, specifically the IT and communications initiatives that will support the implementation of online service delivery. Going forward, the Board, with the assistance of OPB, IMCO and Treasury Board Secretariat (TBS), will need to balance costs and anticipated benefits to ensure members receive "value for money".

## **d. Foster Effective Stakeholder Relations**

Each of the PJPP's stakeholders brings important perspectives to any discussion concerning judicial pensions. The AOJ provides insight on member needs and expectations, and the presence of the AOJ nominee on the Board is welcome. Administration of the redesigned Plan requires regular and ongoing collaboration among all stakeholders to ensure successful delivery of member services and effective Plan and Fund management. A complete list of Plan stakeholders appears in Appendix A. The Board will continue to build its reputation as a trusted partner through regular communication and consultation with its stakeholders.

<sup>1</sup> As at January 1, 2024.

## Overview of Current and Future Programs and Activities

Plan funding redesign added new investment oversight and administrative responsibilities relating to the management of the RPP and RCA trust accounts, including investment of assets, tax administration, member contribution records and associated financial reporting. All pre-existing responsibilities and supporting processes under the Plan remain and did not require any significant modifications to ensure effective Plan operations.

Major program activities for 2025 include:

### a. IT/Communications Strategy Portal Services

The Board considers the development of IT service delivery to be vital for improving our service offerings, as well as making progress against government priorities for digital delivery and customer service. In 2024 we introduced the PJPP website, which is expected to serve longer-term communications and self-service solutions that take advantage of OPB's system modernization initiatives to deliver more cost-effective digital services. In 2025, the Board will continue developing the scope, cost and timelines relating to options for the second phase of its IT/Communications Strategy. Business case approval will be required before the PJPB can proceed with any proposed projects.

### b. Client Survey

With the bilingual PJPP website in place, another key component of our service model is now operational. We believe that a Client Survey will yield important information about all client interactions, what they like and dislike, and what changes we can make to improve their service experience. We have historically collected this information from stakeholders, but this will represent a first-hand account of the client service experience and tell us what they value. Since the survey will determine our future priorities, it is critical that we benchmark current satisfaction levels so that we can measure and report on our progress. We will likely need to engage third-party expertise on survey design to proceed. Further Board discussion is required to agree on scope and cost and will be necessary before moving forward.

**c. Implement Long-Term Investment Strategy**

The Strategic Asset Allocation (SAA), Statement of Investment Policies and Procedures (SIP&P) and Investment Management Agreement (IMA) between the PJPB and IMCO were adopted in 2023 for the RPP Fund. In 2024, the Board began shifting assets from the existing RPP Fund investment portfolio toward its selected long-term optimal investment portfolio. Sufficient assets have now accumulated under the RCA Fund to effectively support a similar process of establishing and moving to a new asset mix based on advice and ongoing consultation with IMCO and the PJPB's independent investment advisor, Willis Towers Watson (WTW). Consulting costs for the program are included in the 2025 budget.

**d. Delegation of Authority (Payments from the Plan - Pensions, Survivor Allowances and Lump Sums)**

The Board wants to ensure the smooth and effective delivery of pension entitlements. Currently, unless it establishes rules for making the payment, each new pension paid from the Plan must be approved by the Board, and this can lead to delays. Since the Board has rulemaking authority, we can assign that responsibility within an appropriate accountability framework to our service provider, OPB, and create a more efficient, value-added process. In 2025, we will continue to assess opportunities to expand our written procedures to delegate Board authority where appropriate.

**e. Business Continuity (BC) Plan Testing**

The PJPB has an Incident Response Plan in place, and according to industry best practice, we are planning to introduce periodic exercises to increase Board member awareness. These exercises are invaluable in preparing the participants to respond effectively to an incident by validating the BCP and familiarizing each Board member with their role and responsibilities during an event. The Board recognizes the importance of good facilitation during these exercises and will engage a professional facilitator to run the activity. Program cost is reflected in the Board's budget for each year covered by this Business Plan.

**f. New Board Member Onboarding**

The PJPB is currently operating with less than its full complement. The Board is awaiting the appointment of its fifth member, who will be nominated by the AOJ. Once appointed, the PJPB will oversee the new member's orientation to ensure they are able to fully contribute to the objectives and priorities of the Board. Once the appointment is confirmed, the Board has an established policy framework for new Board member orientation that will guide their onboarding.



#### **g. Annual Actuarial Valuation**

The PJPB completed its first funding valuation of the redesigned Plan and filed it with the CRA in 2023. In keeping with its decision to complete annual valuations, the Board will ask the Plan actuary to perform a valuation in 2025 that includes all three components of the Plan (i.e., RPP, RCA and SUPP). Doing so will provide the Board with important information regarding the status of the Plan's funding. This report is for information only and does not have to be filed with the CRA. Program cost is reflected in the Board's budget for each year covered by this Business Plan.

#### **h. Annual Pension Statement**

The Annual Pension Statement (APS) program will continue and highlights the need for a secure method of electronic communication between the Board and sitting judges. The Board requires a temporary, secure communication channel until it can establish a permanent solution within OPB's communication infrastructure. We were grateful to the Chief Justice Office for facilitating electronic delivery of the APS by providing access to their email system. A permanent solution will not be achievable in the required timeline as it will require integration with OPB's IT initiatives. We will need to assess options and decide the matter with the input from the Client Survey to permit secure delivery of the APS. Ensuring the Board is able to communicate electronically with the membership is consistent with government-wide priorities to adopt digital delivery.

### **Resources Needed to Meet Goals and Objectives**

The Board expects to meet its objectives through the ongoing application and operation of its restated Service Level Agreement (SLA) with OPB, particularly OPB's assumption of the Plan management function.

For objectives that are not part of the fixed fee services, or where an unanticipated expense occurs, the Board will require a business case and may need to engage TBS for specific analysis and additional resources. These fees are expected to cover all aspects of projects including OPB staff resources.

To meet its goals and objectives for the planning period, the Board requires the following resources:

- OPB facilities, management, administrative and financial services (OPB fixed fee services);
- OPB project services:
  - » project funding (e.g., website maintenance and e-service development and production);
  - » project management;
  - » business analysis; and
  - » subject matter expertise.
- IMCO investment management and performance management;
- investment advisory services;
- Plan actuary;
- PJPB independent legal counsel; and
- insurance.

Note: Related financial information appears in the table found in the Financial Budget section.

## **Risk Identification, Assessment and Mitigation Strategies**

Under the SLA, OPB is responsible for managing the development, ongoing monitoring and reporting of the PJPB's enterprise risk framework. OPB's risk management team works closely with the Board to maintain a risk framework designed to identify and assess key and significant risks to the PJPB's mandate, implement key controls or mitigations, shape future action plans and report on progress.

Risk mitigations and action plans have been identified, and the Board receives regular updates at its quarterly meetings.

The Board has defined its risks, identified mitigations and action plans. Top risks in terms of severity for the Board are:

**Cybersecurity:** Risk of failure of critical IT systems or a breach with catastrophic consequences (e.g., loss of member/beneficiary data, compromised website, missed pension payroll).

- Action plans: OPB to provide security awareness training to the PJPB; engage OPB's CISO in security assessments; introduction of future electronic communications or services.

**Client services – IMCO:** Risk of not having a strong management structure with respect to IMCO's role and responsibilities related to PJPP.

- Action Plans: to mitigate this risk include negotiation of a comprehensive long-term IMA for the RCA and establishing ongoing performance measures for IMCO for continuing evaluation.

**Client services – OPB:** Risk of ineffective oversight of OPB's role and responsibility related to delivering superior client service regarding pension-related information and annual statement to its members under the PJPP.

- Action plans: document operational procedures and obtain Board approval for delegations of authority; explore budget variance reporting.

**Plan funding (investment):** Risk that Plan funding might be adversely impacted by government funding decisions that are not aligned with the Plan's purpose and goals.

- Action plans: prepare annual actuarial valuations; refine Board investment update requirements.

## Environmental Scan

The environmental scan below provides a description of the business environment in which the Board is operating. It identifies and briefly discusses the considerations used to inform the risk assessment reflected in the discussion under the Risk Identification, Assessment and Mitigation Strategies section.

### UNCERTAINTY CAUSED BY WORLD EVENTS

War, pandemic and recession are all events that contribute to increasing risk and uncertainty in the investment markets. Each can leave poorly informed or unprepared investors exposed to negative consequences caused by shifts into safer assets. The Board must be alert to these developments and ensure that its strategies are appropriate for the circumstances, maintaining value and meeting the long-term pension promise. The PJPB expects ongoing reporting from both IMCO and our independent investment advisor will contribute to effective management of this risk.

## **POST-PANDEMIC ENVIRONMENT**

The PJPB contracts its pension management services through the SLA with OPB and its investment management services through the IMA with IMCO. While some impacts of the pandemic continue to linger (e.g., impact on labour markets), both organizations have shown they have strong business continuity plans in place, ensuring the PJPB has not experienced any disruption of business since the onset of the COVID-19 pandemic. The PJPB will require ongoing assurance from OPB and IMCO concerning their response to the pandemic risk and effectiveness of their BCPs.

## **SENSITIVITY OF JUDGES' DATA/CYBERSECURITY THREATS**

Personal information belonging to 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 adequately secured. This is especially important given the PJPB's intention to explore and shift toward greater use of digital services and communication for the Plan's members. OPB has extensive experience with change management and well-established privacy and disaster recovery policies that will help mitigate the risks associated with the introduction of these new services.

## **TRANSITION TO LONG-TERM INVESTMENT STRATEGIES**

Since the PJPB has adopted its long-term IMA, SAA and SIP&P for the RPP Fund and is establishing similar instruments for the RCA Fund, the Board can focus on implementing its longer-term investment strategy. The Board will need to assess its approach in consultation with IMCO and its independent investment advisor to ensure it is mitigating the financial and operational risks through its transition plan for both funds.

## **INFORMATION TECHNOLOGY (IT) OPPORTUNITY AND COST**

Over the years, the relatively small number of Plan members has contributed to limited investment in complex and expensive IT solutions, resulting in a heavy reliance on manual processes for pension administration services. The redesigned Plan requires a more urgent assessment of automation solutions. While automation is expected to yield improvements in client service, risk mitigation, quality, cost effectiveness and governance, there will be a cost associated with establishing access to and modifying existing OPB systems. Any additional cost generated by these changes will require the Sponsor's approval.

## **SPONSOR'S FISCAL CONSTRAINTS**

Under Plan redesign, the Province expects to make contributions of almost \$31 million annually to the RPP and RCA as it copes with remaining pandemic recovery and economic impacts from recent inflation and high interest rates. Sponsor fiscal constraints would not affect contributions to the Plan but may create challenges for funding special projects to support Plan and Fund administration in the future.

## **KEY STAKEHOLDER ENGAGEMENT**

Membership of the Plan is composed of individuals who are considered legally and financially sophisticated. In the past, PJPP-related pension issues were typically raised by individuals and resolved in that context. The AOJ has expressed strong ongoing interest in the PJPP's operations and governance framework. As a stakeholder, the AOJ represents sitting and retired judges who are also members of the Plan and is motivated to ensure the administration of the Plan respects the principle of judicial independence.

The Board values the AOJ as a key stakeholder and welcomes their feedback, particularly on service needs and experience of the membership. The presence of a member recommended by the AOJ to serve on the Board should also contribute to opportunities for dialogue and improved transparency respecting the Plan's governance and operations.

## **ONGOING AOJ/TBS LITIGATION**

Implementation of funding redesign is expected to resolve long-standing litigation that began in December 2013. That Application has since been adjourned and the original Standstill Agreement, which was established to maintain administration of the Plan according to the old provisions, was periodically extended over the years. The Board continues to monitor its legal costs associated with the delay and ongoing compliance with the Standstill Agreement.

## **PROVINCIAL JUDGES REMUNERATION COMMISSION**

Compensation for Judges is determined through a commission process prescribed within the Framework Agreement. The 9th and 10th Judicial Remuneration Commissions made their recommendations and they were included in the changes to the Plan's design. The next Judicial Remuneration Commission (11th Judicial Remuneration Commission) will consider periods on and after April 1, 2022, and it is unclear whether further substantial pension changes are likely in the near future.

## **AGENCY ACCOUNTABILITY REQUIREMENTS**

In an effort to strengthen accountability and clarify roles and responsibilities in the broader public sector, the government has been providing more frequent guidance to provincial agencies like the PJPB. Many organizations, including this Board, have found the directives helpful in more precisely defining their obligations and the government's expectations. Despite this accountability relationship with the government, the Board, as trustee and fiduciary of the PJPP, consistently and firmly asserts its independence in all actions and decisions affecting interests of the Plan's beneficiaries as required by law.

## **Staffing, Human Resources and Compensation Strategy**

The Board has no employees. There is, as a result, no human resources impact, and no need for a compensation strategy or benchmarking against other public sector bodies.

## **Outcome and Output-Based Performance Measures and Targets**

The PJPB is committed to performance measurement and has established several output measures that are tracked and reported through the Board's quarterly meetings. Telephone call performance data, exception reporting on case processing, as well as compliance status, are examples of output measures the Board has implemented over the years to help it assess the delivery of services to beneficiaries of the Plan.

Plan redesign introduced additional responsibilities that require the PJPB to consider whether its existing key performance indicators are sufficient and whether it should adopt more sophisticated metrics at this time. The Board is taking steps to ensure it is aligned with the Province's commitment to evidence-based reporting through outcome and output-based reporting. Performance reporting is identified as an ongoing priority for the Board in each of the next three years. This is an excellent opportunity to improve both service delivery for clients and the Board's ability to oversee the Plan's pension and investment operations.

## Financial Budget

### PROVINCIAL JUDGES' PENSION PLAN ANNUAL OPERATING BUDGET JANUARY 1, 2025 TO DECEMBER 31, 2025

|                              | RPP <sup>1</sup>    | RCA               | SUPP <sup>2</sup> | Total                     |
|------------------------------|---------------------|-------------------|-------------------|---------------------------|
| OPB Administration Under SLA | \$ 678,224          | \$ 678,224        | \$ 471,516        | \$ 1,828,000 <sup>3</sup> |
| Insurance <sup>4</sup>       | 45,000              | 45,000            | 45,000            | 135,000                   |
| Legal                        | 33,333              | 33,333            | 33,334            | 100,000 <sup>5</sup>      |
| Actuarial                    | 26,000              | 26,000            | 50,000            | 102,000 <sup>6</sup>      |
| Investment Advisory          | 35,000 <sup>7</sup> | 15,000            | 0                 | 50,000                    |
| Project Costs                | 25,000              | 25,000            | 25,000            | 75,000 <sup>8</sup>       |
| <b>Total</b>                 | <b>\$ 842,557</b>   | <b>\$ 822,557</b> | <b>\$ 624,850</b> | <b>\$ 2,290,000</b>       |

1 Expenses associated with the RPP and RCA are paid from the Trust Funds established for these plans.

2 Expenses associated with the SUPP are reimbursed from the Sponsor, as part of the expenses of the Province.

3 Investment expenses charged by IMCO, or other external asset managers, are netted against investment returns and do not form part of this operating expense budget.

4 Insurance expenses include cost of Brokers.

5 Use of Legal Resources are expected to decline as the Board governance and oversight matures; as a result, estimates for 2025 costs were not adjusted for inflation.

6 Actuary Fixed Fees to be adjusted for annual CPI%. Includes preparation of annual actuarial valuation.

7 Investment Advisory Services were procured by the Board to provide independent investment advice in relation to the development and implementation of the Board's long-term investment strategy for the RPP Fund.

8 Allocating \$75,000 for projects in 2025, including Client Survey and developmental work required for Phase 2 of the IT/Communications Strategy. Fees for APS production are included as a fixed fee service under OPB Administration and are not reported as a separate project cost. The SLA requires development and approval of business cases before proceeding with the addition of new services. See note 6 for actuarial projects.

**PROVINCIAL JUDGES' PENSION PLAN**  
**THREE-YEAR OPERATING EXPENSE PROJECTION**  
**JANUARY 1, 2025 TO DECEMBER 31, 2027**

| <b>Three-Year Projection - Full Plan</b>  | <b>2025<sup>1</sup></b> | <b>2026</b>          | <b>2027</b>         |
|---|-------------------------|----------------------|---------------------|
| OPB Administration Under SLA <sup>2</sup> | \$ 1,828,000            | \$ 1,864,600         | \$ 1,901,850        |
| Insurance                                 | 135,000                 | 137,700              | 140,454             |
| Legal                                     | 100,000                 | 100,000              | 100,000             |
| Actuarial                                 | 102,000                 | 104,040              | 106,120             |
| Investment Advisory                       | 50,000                  | 50,000               | 50,000              |
| Project Costs                             | 75,000                  | 100,000 <sup>3</sup> | 75,000              |
| <b>Annual Operating Expense</b>           | <b>\$ 2,290,000</b>     | <b>\$ 2,356,340</b>  | <b>\$ 2,373,424</b> |

1 Apart from Legal and Investment Advisory and Project Costs expenses, an inflation estimate of 2%, the midpoint of the Bank of Canada's inflation control target range, is applied to each subsequent year's expense. Top end of the Bank of Canada's inflation control target range is applied to insurance based on experience to date.

2 Proposed changes to the SLA to include automated annual increase for inflation. The estimates for OPB service costs in 2025 and 2026 have been adjusted to reflect any related changes.

3 Amount includes estimated project costs for implementation of Phase 2 of the IT/Communications Strategy.



## **Realty**

The PJPB does not control realty outside of RPP and RCA trusts.

## **Information Technology (IT)/Electronic Service Delivery (ESD) Plan**

Like the Province, the Board is committed to digital delivery and customer service. Automation may yield improvements in risk mitigation, quality, cost effectiveness and governance, but establishing access to and enhancing IT systems can be expensive. Any future IT projects will need to be prioritized and any additional costs generated by the solution will require stakeholder consultation as well as the Board and Sponsor before proceeding.

The PJPP has a small client base spread over a large geographic area and these characteristics would favour an increased level of electronic communications and service delivery in the future. Care must be taken when designing Electronic Service Delivery to consider how to best mitigate related privacy and security risks. The Board's Communication Policy confirms that digital delivery is its preferred channel of communication for the PJPP but it must be secure.

Under the PJPB's service arrangement, OPB provides access to its IT resources to support essential Plan administration and Board governance responsibilities. Since OPB has responsibility for development and maintenance of pension and other business systems, the Board has not needed to establish a PJPP-specific IT plan. In 2022, however, the Board began preliminary discussions with OPB concerning development of a strategy to enhance technology applications for the PJPP and its membership.

These discussions drove the Board's decision to develop and launch its bilingual website in 2024 and then assess the introduction of a secure portal for members to access digital pension services in 2025. The PJPB will also benefit from OPB's pension modernization, which is set to transform its pension administration processes and technology to meet evolving member and stakeholder expectations and keep pace with technological improvements in the future. Since these improvements require significant coordination with OPB resources (i.e., people and systems), OPB will need to engage project planning resources for deployment.

## **Initiatives Involving Third Parties**

The Board does not have employees and must oversee third parties retained to manage and administer the Plan and its funds. The Board delivers services through contracts with OPB, which acts as Plan management, and IMCO, which serves as the Plan's Investment Manager.

The Board requires advice on emerging legal issues affecting its obligations and the administration of the Plan. Osler, Hoskin & Harcourt LLP (Osler) was retained to provide legal services to the Board as it implements Plan redesign. This arrangement will continue in 2025 and is an expense allocated to the RPP, RCA and SUPP funds.

The firm of Borden Ladner Gervais LLP (BLG) was retained in 2014 to provide legal services to the Board relative to the litigation arising from the government's restatement of the Plan to bring it into compliance with the *Income Tax Act*. The original budget allocated for funding these services has been fully expended, and after considering options for representation, the PJPB decided to consolidate these legal services under its existing agreement with Osler. TBS continues to be responsible for payment of Osler invoices relating to litigation.

Aon provides actuarial consulting services under contract to OPB. The PJPB can access these services according to the terms of OPB's contract. These services include preparation of ongoing funding valuations of the Plan and more complex entitlement calculations such as determining the commuted value of individual entitlements for the purpose of family law valuations. The PJPP requires annual actuarial valuations, and the next reports will be prepared as at January 1, 2025 and January 1, 2026. A funding valuation for the Registered Plan component was completed and filed with the CRA, and the next funding valuation is expected to be filed in 2026.

The Board contracts independent investment advisory services to support its oversight of the Plan's investment function. Willis Towers Watson provides regular access to senior investment expertise for the purpose of developing and reporting on investment strategies for the Plan's funds.

Engagement of third parties to perform work for the PJPB must be completed in compliance with the province's Procurement Directive.

## **Implementation Plan**

See Table at Appendix B.

## **Communication Plan**

Delivery of high-quality service offerings starts with effective communication between the Board, the Plan's beneficiaries and its stakeholders. The Board also believes that good communications help create an environment of trust and openness that is vital to collecting feedback on how to continually improve the member service experience. The Board will continue to focus on improving the exchange of Plan-related information needed to support informed decision making in all aspects of the Plan's administration.

Legislative changes effective January 1, 2020 expanded the Board's communications mandate to include active members in addition to pensioners, survivors and personal representatives. To ensure clarity of expectations and goals and to facilitate timely delivery of communication programs, the PJPB adopted its first Communication Policy at the end of 2021. The policy serves as a resource to help prioritize future communications initiatives and ensure delivery in a logical, well-planned and cost-effective manner.

The Board will continue to produce and deliver the APS to active members. The APS is a valued source of pension entitlement information for Plan members across Ontario. The APS provides Plan members with personalized pension entitlement information encouraging responsibility for their retirement planning and financial health in retirement. The AOJ is an invaluable resource for member's perspectives on content, and the Board expects to achieve excellent results through an elevated level of early consultation on content requirements and applying member feedback from APS surveys completed in the prior year.

The Board's approach to communications has been shaped by its limited access to a direct digital communication channel. The Board introduced the PJPP website in 2024 and plans to add digital service delivery in 2026. This will provide the Board with the means for more direct and timely digital communication with the membership. In the meantime, the PJPB will consider available temporary arrangements it can access to support e-communication directly with sitting judges. To ensure security, the Board expects to continue relying on more traditional oral and written communication platforms to reach its retiree and survivor audiences. All communication products are developed in-house and approved by either the Board or the Chair as appropriate, prior to distribution. To improve the efficient operation of the Plan and timely notification of the membership, the Board can delegate its approval authority in accordance with its Communication Policy.

PJPB members need access to knowledgeable staff that can provide timely, personalized information about the Plan. The Board plays an active role in the development of administrative policy, which is used to guide development of written operational procedures by OPB, our service provider. Documenting procedures and template communications to support staff will ensure PJPP members receive consistent and accurate information each time they contact the Board. In the coming years we will continue to clarify administrative policy with respect to emerging pension issues, including those related to future remuneration commissions.

Transparency and openness are cornerstones of trust and are hallmarks of the Board's approach to communications. The PJPB strives to ensure our stakeholders have access to information and an opportunity for dialogue about the Plan's financial and operational performance. Public consultations are outside the scope of the Board's mandate, but each member is committed to consultation with our stakeholders in advance of administrative changes that may have a direct effect on them or their constituents.

The Board will continue to identify opportunities for communication that will help active members, retirees and survivors make informed decisions concerning their pensions. The Board will also create opportunities for stakeholder feedback by consulting the Chief Justice Office and AOJ frequently on these and other pension administration services to assess member satisfaction and suggested changes.

There are no media or public consultations expected in 2025.

## **A Response to the Expectations Set Out in the Minister's Letter of Direction**

Each year the Government informs provincial agencies of its high-level expectations for their governance and operation in the form of a Letter of Direction from their Minister. The agencies in turn incorporate these priorities into their strategic plans. A letter of direction (formerly the Mandate letter) for the 2025-2027 planning period was received at the end of the 2024 fiscal year. While the letter of direction did not produce significant changes there were subtle shifts, mostly reflecting PJPB's maturing state of operations and governance structures, that needed our attention to ensure strategic alignment. The Business Plan reflects the Minister's stated priorities and as such, the Board will focus on:

- continuing to fulfil its mandate to administer the PJPP and its associated funds;
- maintaining governance and operations structures and processes that support, monitor and evaluate effective administration and performance of the PJPP and its funds;
- providing 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 regarding its service level responsibilities in respect of the PJPP; and
- supporting effective stakeholder relations and superior client services.

For 2025, the Minister emphasized seven government-wide priorities that apply to its agencies. Not all are relevant, and we have identified all that are applicable to the Board's operations as follows:

## **1. Competitiveness, Sustainability and Expenditure Management**

- Operating within your agency's financial allocations.
- Identifying and pursuing opportunities for revenue generation, efficiencies and savings through innovative practices, and improved program sustainability.
- Complying with applicable direction related to accounting practices and supply chain centralization, including leveraging Supply Ontario's bulk purchasing arrangement and working with Supply Ontario on strategic procurement initiatives.

**Comment** – The Board continues to enhance its governance and operations and is committed to integrating the priorities above, where possible.

## **2. Transparency and Accountability**

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the Board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure boards have qualified appointees.
- Reviewing and updating the PJPB's KPIs annually to ensure efficiency, effectiveness and sustainability.

**Comment** – The PJPB will ensure it meets its accountability commitments by maintaining regular reporting on all known obligations and allocating a standing agenda item to address new compliance matters. The Board will maintain its "Board member skills matrix", updating from time to time and as needed to ensure diverse and complementary Board composition. The Board will also continue to follow established accounting standards and practices and respond to applicable audit findings.

### 3. Risk Management

- Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including cybersecurity and any future emergency risks.

**Comment** – The Board established and maintains a risk management framework, documenting risk by category, assessing severity, and identifying mitigations and action plans. The Board adopted quarterly reporting requirements and will continue to build mitigations to ensure continuity when responding to emerging risk. The Board is committed to supporting measures that are intended to mitigate the impacts of cybersecurity and any future emergencies.

### 4. Workforce Management

**Comment** – Not applicable, as the Board does not have employees.

### 5. Diversity and Inclusion

- Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision making.

**Comment** – The Board does not have employees but will seek assurance through relevant OPB and IMCO reporting that workplace culture and client interactions meet these requirements. The PJPB will also consider available opportunities for appropriate diversity, equity and inclusion training in 2025.

### 6. Data Collection

- Improving how the agency uses data in decision making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision making.

**Comment** – The Board will consider incorporating outcome objectives into key projects for the coming year including the IT and Communications Phase 2 (Portal Services) and Annual Pension Statement.

## 7. Digital Delivery and Customer Service

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations.

**Comment** – The Board introduced a bilingual PJPP website and expects to assess the feasibility of digital service delivery as part of its IT and Communications Strategy. PJPB will seek updates from OPB and IMCO on approaches and tools used to manage the risk of remote service delivery.

## Appendix A - PJPP Stakeholder Roles Summary

| Stakeholder  | Role   |
|--|--|
| Government of Ontario  | <b>Plan Sponsor</b> <ul style="list-style-type: none"> <li>• Executes Plan design decisions settled under the Provincial Judges Remuneration Commission process</li> <li>• Prepares Plan amendments</li> <li>• Shares the cost of funding benefits with members</li> </ul>   |
| Provincial Judges Pension Board (PJPB)   | <b>Plan Administrator and Trustee</b> <ul style="list-style-type: none"> <li>• Oversees all aspects of administration of pensions and survivor allowances</li> <li>• Oversees the investments of the Plan's assets</li> <li>• Approves all payments from the Fund</li> <li>• Oversees member and pensioner communications</li> <li>• Ensures compliance with regulatory and agency requirements and that regulatory reporting requirements are met</li> <li>• Adjudicates appeals</li> <li>• Pays expenses associated with administering the RPP and RCA plans and funds.</li> </ul> |
| Treasury Board Secretariat (TBS)<br>Centre for Public Sector Labour Relations and Compensation | <b>Plan Sponsor Representative</b> <ul style="list-style-type: none"> <li>• Oversees implementation of pension design and policy changes</li> <li>• Oversees implementation of non-pension benefits design and policy changes (e.g., life insurance, health and dental benefits, long-term income protection plan, severance)</li> <li>• Pays expenses associated with administering the Supplementary Plan, including expenses related to legal and actuarial services</li> </ul>   |



| Stakeholder   | Role   |
|---|--|
| Treasury Board Secretariat (TBS)<br>Pay and Benefits Operations Branch (PBOB) | <b>Pay and Benefits Administrator</b> <ul style="list-style-type: none"> <li>• Completes tax reporting – Issues T4s for sitting judges (showing pension deductions and pension adjustments)</li> <li>• Runs payroll for sitting judges</li> <li>• Handles day-to-day administration of non-pension benefits (e.g., life insurance, health and dental benefits, long-term income protection plan, severance)</li> </ul>   |
| Association of Ontario Judges (AOJ)   | <ul style="list-style-type: none"> <li>• Represents contributors and beneficiaries of the Plan in matters affecting remuneration, pension design and non-pension benefits</li> <li>• Nominates a representative to sit on the Board</li> </ul>   |
| Chief Justice Office (CJO)  | <b>Administrator of the Ontario Court of Justice</b> <ul style="list-style-type: none"> <li>• Provides judicial support for:               <ol style="list-style-type: none"> <li>1. sitting judges</li> <li>2. judges' appointments and assignment to administrative ranks</li> <li>3. per diem judges</li> </ol> </li> <li>• Produces communications for sitting judges with input from the PJPB/OPB</li> </ul>  |
| Ontario Pension Board (OPB)   | <b>Plan Management</b> <ul style="list-style-type: none"> <li>• Delivers secretarial services for the Provincial Judges Pension Board meetings</li> <li>• Monitors member and Sponsor contributions</li> <li>• Manages member, pensioner and survivor information</li> <li>• Prepares member, pensioner and survivor communications</li> <li>• Calculates pension entitlements</li> <li>• Disburses pension entitlement</li> <li>• Develops Plan policy and procedures</li> <li>• Designs and delivers Plan communications</li> <li>• Completes compliance, regulatory and Plan financial reporting</li> </ul> |

| Stakeholder   | Role   |
|---|--|
| Investment Management Corporation of Ontario (IMCO) | <b>Fund Manager</b> <ul style="list-style-type: none"> <li>• Manages the Plan's assets on behalf of the Provincial Judges Pension Board</li> <li>• Maintains Fund records</li> <li>• Supports compliance and regulatory reporting</li> </ul> |

## Appendix B - Business Plan Implementation Plan Table

| 2025  | 2026  | 2027  |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Client Survey on Plan services</li> <li>• IT and Communications Phase 2 – Portal Services scope and cost</li> <li>• Board approval for delegations of authority</li> <li>• Adopt a complaints resolution policy</li> <li>• Approve policy for determining actuary's independence</li> <li>• PJPP privacy policy development review</li> <li>• Diversity and inclusion awareness training for the Board</li> <li>• RCA Fund transition to long-term investment strategy</li> <li>• Implement recommendations of 11th Remuneration Commission</li> <li>• Board member onboarding (AOJ representative)</li> <li>• Procure independent investment advisor</li> <li>• Deliver pre-retirement seminar</li> <li>• Adopt revised MOU with TBS</li> </ul> | <ul style="list-style-type: none"> <li>• Commence IT and Communications Phase 2</li> <li>• See ongoing initiatives below</li> </ul> | <ul style="list-style-type: none"> <li>• See ongoing initiatives below</li> </ul> |

**2025**

**2026**

**2027**

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**Ongoing**

- Internal audit
  - Production and deployment of Annual Pension Statement
  - Regular table top business continuity exercise
  - Update performance measurements for service providers according to emerging requirements
  - Complete annual actuarial valuation and communicate results to key stakeholders
  - Annual review of Statement of Investment Policies and Procedures
  - Improve administration through policy and procedure development
  - Board approval for delegations of authority
  - Website maintenance
  - Stakeholder consultation on emerging Plan issues and projects
  - Quarterly strategy and priority updates
  - Maintenance of governance and operations structures and processes to support the Plan and its funds
  - Identify, assess and mitigate emerging risks
  - Stakeholder support as required
-

## Appendix C - Key Performance Indicators and Metrics Plan Table

| Business Objective                          | Defined Output   | Performance Metric  |
|---|--|---|
| Investment performance (execution)          | PJPB's investment return on RPP Fund vs. the SAA benchmark   | Outperformance, after fees, of benchmark return over rolling five-year periods <sup>1</sup> |
| Business Plan achievement                   | Advancement of strategies and initiatives (both planned and emergent)  | Substantial delivery/achievement of Business Plan initiatives                               |
| Managing to budget                          | Actual versus budgeted expenses  | Within 5% of budget   |
| Digital delivery and customer service       | Visitor engagement (new)   | Number of website views increasing year over year   |
|   | Page views per user (new)  | Year-over-year increase   |
|   | Average engagement time (new)  | Year-over-year increase   |
|   | SLA service targets met  | 95% of highest volume transactions <sup>2</sup> meet service standard                       |
|   | Call Centre response times   | Within 5 seconds  |
| Cost-efficiency                             | Expense management ratios (cost per component Fund benefits liability for pension administration in the case of the RCA, or net assets under management in the case of the RPP):<br><br>1. PJPB operating expenses (pension administration, legal, professional and independent investment advisor expenses) | 15 basis points or lower  |
| Compliance with regulatory filing timelines | Maintain Plan registration and tax status  | All filings remitted on time, no penalties incurred   |

1 This will commence with Year 1 as 2024 and build to a five-year metric.

2 Key service transactions are defined as: membership enrolments, retirement commencement, death payment (survivor allowance setup), client inquiries and pension estimates.