

May 6, 2016

Sent By E-mailNorton Rose Fulbright Canada LLP
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nortonrosefulbright.comMs. Louise Meagher
Executive Director
Judicial Compensation and Benefits Commission
99 Metcalfe Street, 8th Floor
Ottawa, Ontario K1A 1E3**Pierre Bienvenu, Ad. E.**
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Your reference

Our reference
00167035-0020

Dear Ms. Meagher:

Quadrennial Commission 2015-2016

I write to respond to Commissioner Griffin's request that the judiciary provide: (1) a table showing the actual amounts reflected in the graph that follows paragraph 100 of the Association and Council's Main Submission; (2) a revised version of the table that follows paragraph 102 of the Association and Council's Main Submission that includes a column for the actual judicial salary; and (3) a table that provides projected amounts for all of the columns to 2020, along with an explanation of the judiciary's rationale for the projections.

We have prepared the below table to respond to all of these requests:

**Comparison of Judicial Salary, Block Comparator,
Total Average DM-3 Compensation
and Maximum Compensation, 2000-2020 (Projected)**

Date	Judicial Salary	Block Comparator	Total Average Compensation	Maximum Compensation
April 1, 2000	\$198,000	\$223,630	\$256,574	\$263,760
April 1, 2001	\$204,600	\$230,615	\$256,842	\$272,040
April 1, 2002	\$210,200	\$236,060	\$262,610	\$278,400
April 1, 2003	\$216,600	\$242,000	\$267,051	\$285,360
April 1, 2004	\$232,300	\$248,050	\$267,670	\$292,560
April 1, 2005	\$237,400	\$255,585	\$274,844	\$301,440
April 1, 2006	\$244,700	\$261,965	\$288,848	\$309,000
April 1, 2007	\$252,000	\$276,632	\$315,233	\$335,062
April 1, 2008	\$260,000	\$289,095	\$326,580	\$356,839

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April 1, 2009	\$267,200	\$293,522	\$331,866	\$362,292
April 1, 2010	\$271,400	\$297,949	\$331,557	\$367,745
April 1, 2011	\$281,100	\$303,250	\$346,866	\$374,262
April 1, 2012	\$288,100	\$307,910	\$345,269	\$379,981
April 1, 2013	\$295,500	\$311,055	\$343,993	\$383,838
April 1, 2014	\$300,800	\$312,628	\$349,890	\$385,833
April 1, 2015	\$308,600	\$314,259	\$356,538	\$387,828
April 1, 2016	\$314,100	\$320,230	\$363,312	\$395,197
April 1, 2017	\$321,000	\$326,314	\$370,215	\$402,705
April 1, 2018	\$328,700	\$332,514	\$377,249	\$410,357
April 1, 2019	\$337,200	\$338,832	\$384,417	\$418,154
April 1, 2020	\$346,600	\$345,270	\$391,721	\$426,099

The Commission will note that the projections in the above table are largely consistent with the Government's projections as set out in its letter to the Commission dated May 2, 2016.

The Government and the judiciary both rely on the IAI forecast from the Office of the Superintendent of Financial Institutions to project judicial salaries from 2017 forwards.

The Government and the judiciary also both project that total average DM-3 compensation will grow at an annual rate of 1.9%, based on average growth without at-risk pay from 2000 to 2014. As set out in the Association and Council's Main Submission at paragraph 107, the rationale for calculating the rate of increase from the year 2000 is because that was the year the Government fully implemented the Strong Committee's recommended increases to at-risk pay for DM-3s.

The only area of disagreement between the Government's projections and the above table is the Block Comparator's projected growth (referred to in the Government's letter as the "DM-3 Midpoint + Max. at-Risk/2").

The Government states in its letter that it has projected that the Block Comparator will grow at an annual rate of 1.5%, based on the average growth of the DM-3 midpoint from 2006 and the assumption that the maximum at-risk pay will remain constant at 33%. In subsequent correspondence between counsel following a request for the Government's rationale for choosing 2006 as the first year for its calculations, counsel for the Government advised that it considered that the period of 2006 to 2015 was a reasonable period of time as it contained a sufficient number of data points to generate a reliable forecast.

The judiciary agrees with the Government's assumption that the maximum at-risk pay will remain constant throughout the present Quadrennial period. However, the judiciary takes the position that there is no justification for using different time periods to calculate the average growth of the Block Comparator and the total average DM-3 compensation.

The Government has already accepted it should base its projections on the growth of the total average DM-3 compensation by looking at average growth starting in 2000. The Government's stated rationale does not explain why it would take a different approach with the Block Comparator and only look at average growth starting in 2006. Consistency demands that the projections for the Block Comparator be based on the same average

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percentage growth (that is, arrived at based on the same time period) as the projections for total average DM-3 compensation.

The average annual growth of the DM-3 midpoint from 2000 to present is 1.9%. The growth projections for the Block Comparator in the above table are calculated on that basis. The growth projections for the total DM-3 compensation amounts (which are not found in the Government's letter) are likewise calculated based on an average annual growth of 1.9%.

I trust the above is of assistance. Please let me know if the Commission requires any further clarification on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Pierre Bienvenu".

Pierre Bienvenu, Ad. E.
Senior Partner

cc: Ms. Anne Turley, Department of Justice
Mr. Andrew Lokan, Paliare Roland LLP