

## Department of Justice Canada

Ministère de la Justice Canada

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## **BY EMAIL**

May 2, 2016

Our File Number:

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## Louise Meagher

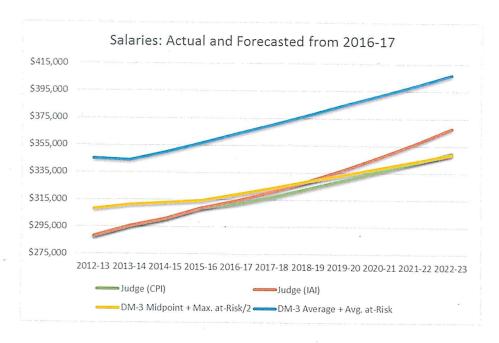
Executive Director Judicial Compensation and Benefits Commission 99 Metcalfe Street, 8th Floor Ottawa, Ontario K1A 1E3

Dear Ms. Meagher:

## Re: QUADRENNIAL COMMISSION 2015-16

We write to respond to the two questions Commissioner Bloodworth asked the Government during the Quadrennial Commission hearings on April 28-29, 2016.

First, Commissioner Bloodworth asked the Government to provide the assumptions underlying the graph found following paragraph 64 of the Government's Reply submissions:





The following chart lists the numeric values that are the basis for the above graph. Confirmed numbers are in black and forecasts are listed in blue. IAI and CPI forecasts are those of the Office of the Superintendent of Financial Institutions (as of 25 February 2016). The growth forecast for DM-3 midpoint is the average from 2006 through 2015. It is further assumed that the maximum at-risk will remain at 33%.

For 2015-16 onwards, the graph assumes that the DM-3 average + average at-risk increases annually by 1.9%. This assumption is based on the judiciary's average growth projections from 2000 to 2014, listed at paragraph 107(ii) of the Judiciary's main submissions.

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*					DM-3		DM-3	
	10	ä			Midpoint		Average	
`	Judge		Judge		+ Max. at-		+ Avg. at-	
	(IAI)	Index	(CPI)	Index	Risk/2	Index	Risk	Index
2012-2013	\$288,100	2.5%	\$288,100	-	\$307,910	,	\$345,269	v.
2013-2014	\$295,500	2.6%	\$295,500		\$311,055	19	\$343,993	
2014-2015	\$300,800	1.8%	\$300,800		\$312,628		\$349,890	
2015-2016	\$308,600	2.6%	\$308,600	-	\$314,259		\$356,538	1.9%
2016-2017	\$314,100	1.8%	\$311,900	1.1%	\$318,977	1.5%	\$363,312	1.9%
2017-2018	\$321,000	2.2%	\$316,800	1.6%	\$323,754	1.5%	\$370,215	1.9%
2018-2019	\$328,700	2.4%	\$323,100	2.0%	\$328,588	1.5%	\$377,249	1.9%
2019-2020	\$337,200	2.6%	\$329,500	2.0%	\$333,540	1.5%	\$384,417	1.9%
2020-2021	\$346,600	2.8%	\$336,000	2.0%	\$338,543	1.5%	\$391,721	1.9%
2021-2022	\$356,900	3.0%	\$342,700	2.0%	\$343,621	1.5%	\$399,163	1.9%
2022-2023	\$367,900	3.1%	\$349,500	2.0%	\$348,775	1.5%	\$406,748	1.9%

Second, Commissioner Bloodworth asked the Government to provide updated age-weighted values for the chart found on page 7 of Mr. Pannu's February 25, 2016 report (Government Book of Documents, Tab 10). Commissioner Bloodworth asked the Government to exclude the "under 44" category and the "64 and over" category when recalculating the age-weighted 75<sup>th</sup> percentile 2014 income. The results are as follows.

75th Percentile Age-Weighted 2014 Income – Age 44 to 64

Age	Weight	75th Percentile Income	Age-Weighted
44 to under 48	20.5%	\$340,830	\$69,802
48 to under 52	24.5%	\$338,490	\$82,862
52 to under 56	27.2%	\$313,570	\$85,291
56 to under 60	19.4%	\$304,785	\$59,006
60 to under 64	8.5%	\$257,260	\$21,816
Age-Weighted 75 <sup>th</sup>	Percentile 2014 Inc	ome	\$318,777

When performing the calculation requested by Commissioner Bloodworth, Mr. Pannu became aware of an arithmetic error in his original report. The total age-weighted 75<sup>th</sup> percentile 2014 income listed on page 7 of his February 25, 2015 report should be \$312,161 as opposed to \$267,041. All other values in the table remain accurate except this total amount. The revised 75<sup>th</sup> Percentile Age-Weighted 2014 Income Chart is as follows:

75<sup>th</sup> Percentile Age-Weighted 2014 Income – <u>REVISED</u>

	<u>Age</u>	Weight	75th Percentile Income	Age-Weighted
	Under 44	5.0%	\$247,125	\$12,448
	44 to under 48	19.0%	\$340,830	\$64,631
	48 to under 52	22.7%	\$338,490	\$76,724
	52 to under 56	25.2%	\$313,570	\$78,973
	56 to under 60	17.9%	\$304,785	\$54,636
	60 to under 64	7.9%	\$257,260	\$20,200
	64 and over	2.4%	\$191,915	\$4,549
1	Age-Weighted 75	5 <sup>th</sup> Percentile 2014 Inc	ome	\$312,161

The Government apologizes for this error and the associated error at paragraph 68 of its main submissions, which should also list \$312,161 as the age-weighted 75<sup>th</sup> percentile 2014 income.

Should the Commission have any further questions, please do not hesitate to contact the undersigned.

Sincerely,

Kirk G. Shannon

Counsel

cc: Pierre Bienvenu, Norton Rose Fullbright LLP Andrew Lokan, Paliare Roland LLP