

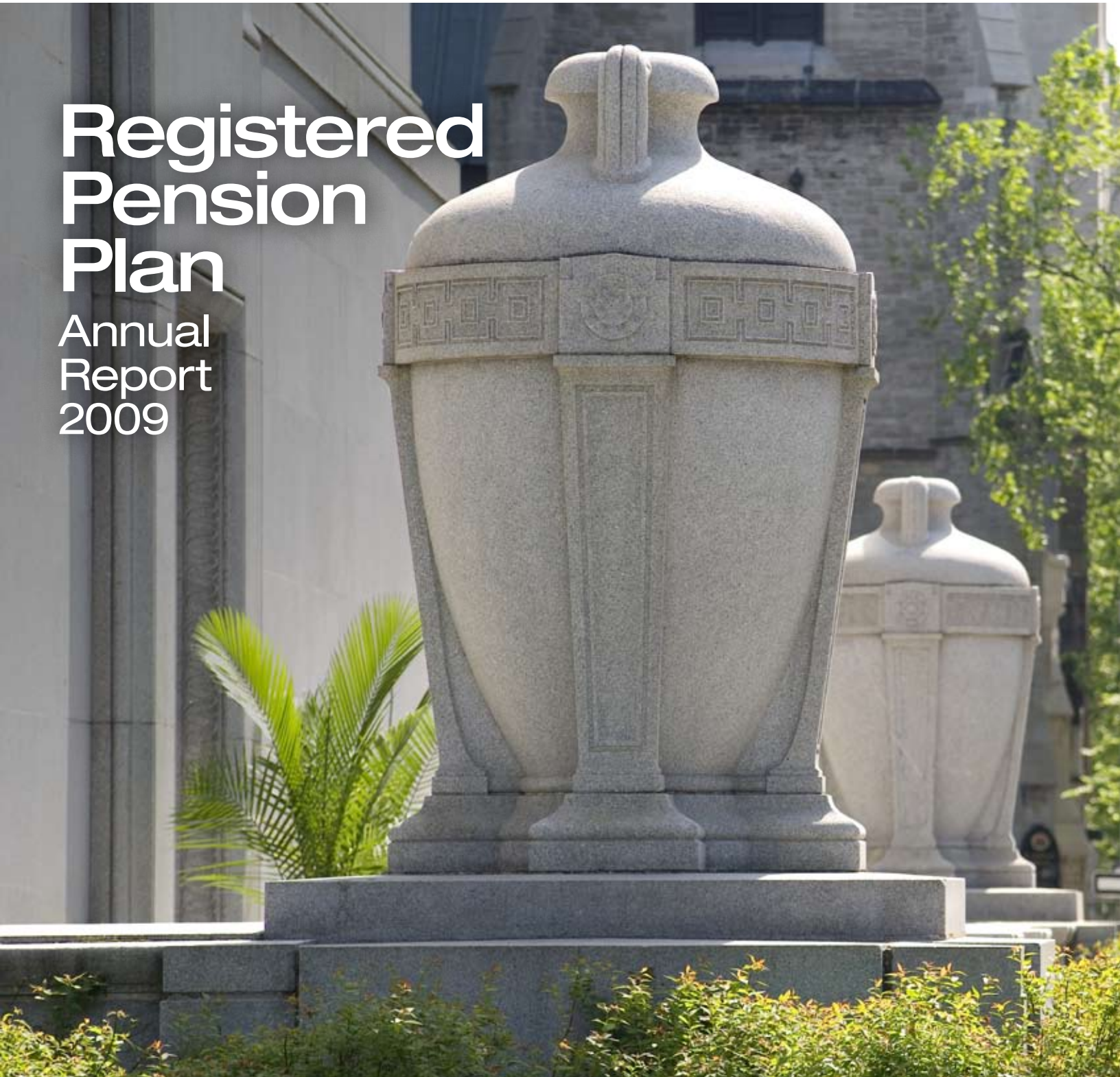


BANK OF CANADA  
BANQUE DU CANADA

CELEBRATING 75 YEARS  
CÉLÉBRONS 75 ANS

# Registered Pension Plan

Annual  
Report  
2009



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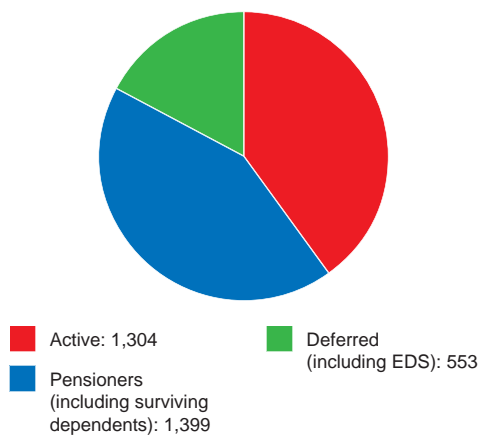
# Plan Highlights

## YOUR PLAN AT A GLANCE

- The Bank of Canada Pension Plan (“the Plan”) had 3,256 members at the end of 2009 (Figure 1).
- Payments from the Pension Trust Fund (“the Fund”) over the past three years have increased slightly (Figure 2).
- The value of the Fund’s net assets rebounded after last year’s decline, increasing from \$752 million in 2008 to \$887 million at the end of 2009 (Figure 3).
- The Fund’s rate of return was 15.6 per cent in 2009, compared with a rate of return on the policy benchmark of 17.9 per cent<sup>1</sup> (Figure 6, page 6).
- On a going-concern basis (which assesses the Plan over the long term assuming that it would operate indefinitely) the funding status of the Plan was an actuarial surplus of \$113 million as at 31 December 2009 (Figure 4).
- On a solvency basis (which assesses the Plan assuming that it would be wound up immediately) the funding status of the Plan was an actuarial deficit of \$122 million as at 31 December 2009 (Figure 4).
- The Bank contributed \$48 million to the Fund for 2009, including \$29 million towards eliminating the solvency deficit.

**Figure 1: Membership**

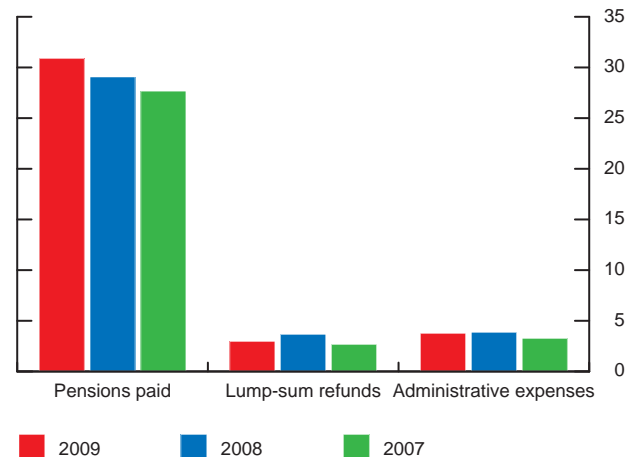
(as at 31 December 2009)



<sup>1</sup> The Fund’s benchmark is a combination of equity and fixed-income market indexes weighted in accordance with the Fund’s Statement of Investment Policies and Procedures.

**Figure 2: Payments from the Fund in 2009**

(\$ millions)



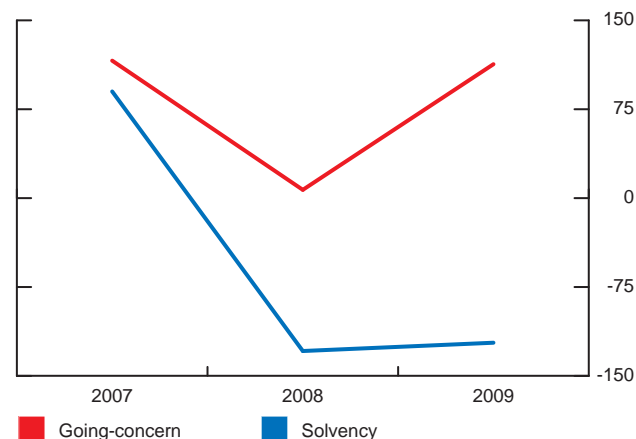
**Figure 3: Net Assets of the Fund 2005-2009**

(\$ millions)



**Figure 4: Funding Position**

(\$ millions)



# Message from the Chair

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As the Interim Chair of this Committee, I would first like to acknowledge the outstanding contributions of Paul Jenkins, former Senior Deputy Governor of the Bank and immediate past Chair of the Pension Committee (PC). His leadership during the past seven years has been superb, and we wish him well.

## ABOUT THIS REPORT

During 2009, financial markets around the world recovered substantially from the decline of the previous year, but some challenges remain and are reflected in this report. As you review the information that follows, it is important to remember that the Bank's commitment is always to meet its pension obligations.

I am pleased to report that we are going green by reducing the amount of printed information. We have included a summarized set of financial statements in this annual report. A full set of financial statements of the Plan, including notes, is available online or upon request.

## THE PLAN'S POSITION

On a funding or going-concern basis, the Plan remains fully funded, with a surplus of \$113 million (or a funding ratio of 113 per cent) at the end of 2009. At the end of 2008, the Plan was found to be in a solvency deficit position of \$129 million (a solvency ratio of 85 per cent). The PC determined to pay down this deficit over five years and made an initial \$29 million additional contribution to the Fund in 2009. At the end of 2009, the Plan's solvency deficit stood at \$122 million, with a solvency ratio of 88 per cent.

## RENEWING YOUR TOTAL COMPENSATION

In February 2010, the Bank announced changes to its total compensation program. This included changes in the design of the Pension Plan that will affect new employees hired from 1 January 2012. Current employees will also have an opportunity to select the new design for future service, which provides more take-home pay (including a lower contribution rate) but offers later retirement eligibility (by five years). More information will be provided in 2011 to current employees before the changes are implemented and before they are asked to choose between the current Plan and the new option.

Retirees and deferred pensioners will not be affected.

## LITIGATION UPDATE

In 2004, a group of pensioners launched a proposed class action against the Bank. The claim alleged that the Bank had no right to charge any pension administration expenses to the Fund. As disclosed annually in the *Registered Pension Plan Annual Report*, the Bank charges to the Fund reasonable administrative expenses that are directly attributable to services that benefit Plan members. The Bank vigorously defended the action, spending approximately \$843,000 in legal fees — none of which was charged to the Fund.

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In August 2009, the Supreme Court of Canada confirmed in the *Nolan v. Kerry (Canada) Inc.* decision that, in the absence of an express prohibition in the pension plan, the administrator of a pension plan is entitled to charge the pension fund for certain reasonable expenses. Shortly after the release of this decision, the plaintiffs reached an agreement with the Bank to discontinue the action without either party being liable for costs incurred. The court-approved discontinuance was effective 21 December 2009.

## OTHER NEWS

An Asset-Liability Modelling (ALM) study was conducted this year to ensure that the Fund is achieving the right balance in its portfolio. The results generally supported the Plan's current asset allocation while suggesting refinements for future consideration.

There have been some changes to the Pension Committee in recent months. Tiff Macklem will assume his duties as Senior Deputy Governor on 1 July 2010 and will become Chair of the Pension Committee at that time.

Robert Turnbull accepted an 18-month secondment to the Department of Finance. Darcy Bowman, a senior lawyer with the Bank's Legal department, will replace Robert as Secretary to the Pension Committee.

A list of the members of the Pension Committee and its sub-committees is on page 4.

The Bank extends its thanks to the members of the Pension Committee, the Pension Fund Investment Committee, and the Pension Administration Committee for their excellent stewardship of the Bank's Pension Plan over the past year.

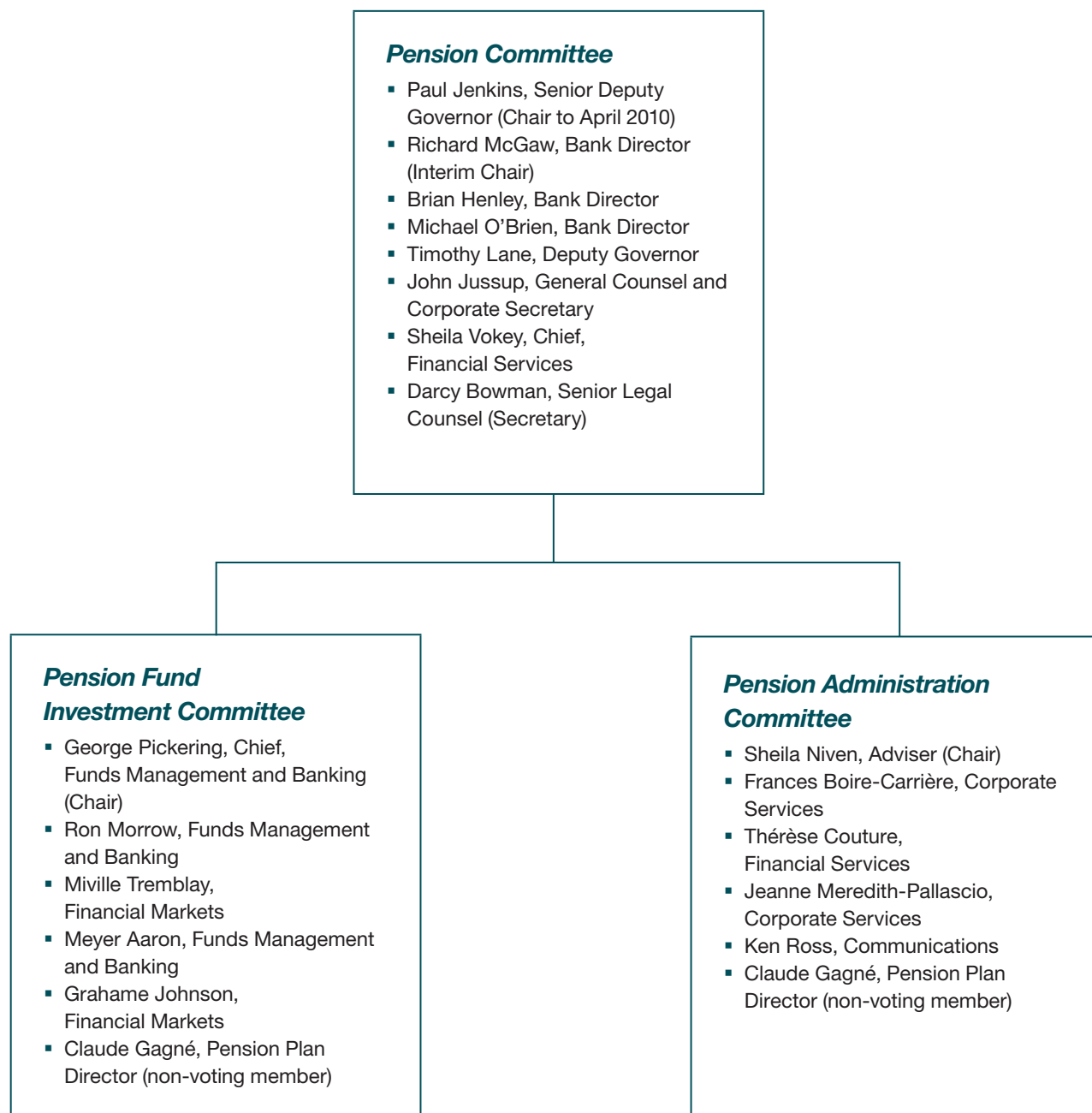


Richard McGaw, Ph.D.  
Interim Chair, Pension Committee

# Pension Governance

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The Bank's Pension Plan is administered by the Pension Committee of the Bank's Board of Directors (the "Board"). It is supported by two sub-committees—the Pension Administration Committee and the Pension Fund Investment Committee. These committees make decisions related to the Plan, monitor investments and the performance of service providers on an ongoing basis, and report regularly to the Board.



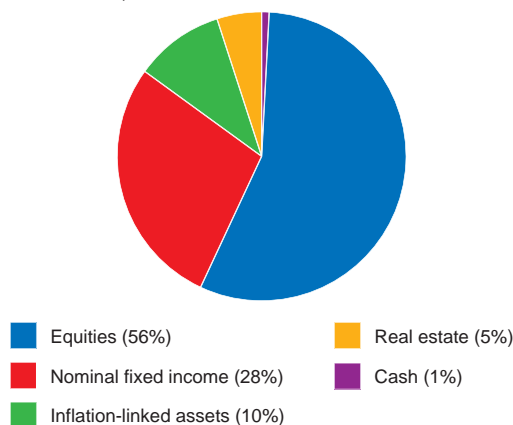
# Pension Assets and Investments

## ASSETS

Adhering to its disciplined long-term investment principles, the Fund continues to be invested in a diversified portfolio of equities, nominal bonds, inflation-linked assets, real estate, and cash (Figure 5).

**Figure 5: The Five Main Asset Categories in the Fund's Portfolio, 2009\***

(as at 31 December 2009)



\* Allocation midpoints

The majority of the Fund's assets are invested by external managers chosen for their expertise in specific asset classes and for their investment styles. Diversification across asset classes and investment styles is a prudent way to achieve the Fund's long-term investment objectives while managing investment risks.

## INVESTMENTS

Since the purpose of the Fund is to meet the Pension Plan's liabilities to its members, the Fund's investment activities are evaluated within an asset/liability management (ALM) framework on a regular basis. The most recent ALM study was conducted in 2009. The results generally supported the Plan's current asset allocation while suggesting refinements for future consideration.

The Fund's day-to-day investment activity is overseen by the Pension Fund Investment Committee (PFIC), which

reports to the Pension Committee on a quarterly basis. The PFIC's actions are guided by the Plan's *Statement of Investment Policies and Procedures* and by the Pension Committee, which establishes ranges for permissible asset allocations. The PFIC also regularly monitors the performance of external portfolio managers and conducts a formal annual performance review that is conveyed to the Pension Committee.

## EQUITIES

The Fund continues to allocate assets across Canadian, U.S., international, and global investments in this portfolio. These holdings are managed by external portfolio managers with various levels of active management.

## FIXED-INCOME SECURITIES

### Nominal bonds

The majority of the holdings in this class are managed against an index mandate and are benchmarked against the DEX long-bond index. A small portion of the portfolio is managed internally to meet short-term liquidity needs and to manage the duration of the Fund's fixed-income investments.

### Inflation-linked assets

The majority of the holdings in this asset class are in the form of inflation-linked bonds (primarily Government of Canada Real Return Bonds). Other holdings include inflation-linked mortgages guaranteed by the Canada Mortgage and Housing Corporation.

## REAL ESTATE

The Fund's real estate holdings consist of investments in closed-end pooled funds. External managers of these funds have the discretion to create and manage a diversified portfolio of commercial real estate across different sectors and regions of Canada.

## CASH

The Fund maintains sufficient liquidity in the form of cash deposits and Government of Canada treasury bills to meet anticipated payments and investment commitments.

*Global institutional pension fund assets in the 13 major markets increased by 15 per cent during 2009.*  
*Source: Towers Watson, Global Pension Assets Study 2010*

## PERFORMANCE OF THE FUND

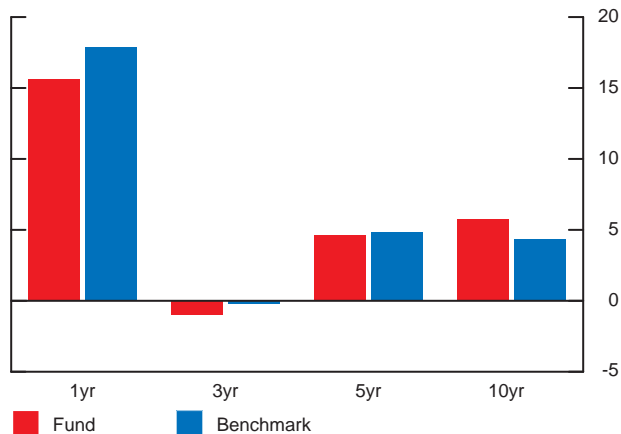
Returns in 2009 were positive as a result of the recovery in financial markets. The Fund's 1-year return, ending on 31 December 2009, was 15.59 per cent, which, while lower than the benchmark return of 17.85 per cent, was slightly above the median return of other defined-benefit plans over the past year (Figure 6).

Benefits payable under the Plan are indexed to keep pace with inflation each year. The long-term investment objective is therefore to achieve the actuarial rate of return which is currently at the rate of inflation plus 3.5 per cent, net of expenses.

The composition of the benchmark has changed over time and is currently a mix of indexes, such as the S&P/TSX Composite Index and the S&P 500 Index, weighted in accordance with the target asset mix of the Fund.

**Figure 6: Total Fund Rate of Return**

(as at 31 December 2009)



*For a typical defined-benefit plan, extremely negative returns on assets in 2008, combined with low solvency valuation rates, led to a significant deficit by year-end. Increases in the stock market, which began on 9 March 2009, have permitted pension funds to recapture part of their 2008 losses.*

*Source: Morneau Sobeco*

## Definitions of some common pension plan terms

### Actuarial valuation

An actuarial valuation estimates, at a point in time, the total value of the benefits expected to be paid to members compared with the assets available to meet this obligation. Its purpose is to measure the funding status of the Plan.

### Going-concern basis

The funding or going-concern basis assumes that the Plan will continue to operate indefinitely. Assumptions are therefore based on a long-term perspective and relate to such items as interest rates, inflation rates, salary increases, retirement rates, and mortality rates.

### Smoothed value of assets

The smoothed value of assets represents the market value of assets, but, to mitigate short-term market volatility, recognizes excess investment gains and losses (relative to a long-term target return) over five years.

### Funding ratio

The funding ratio is the ratio of the smoothed value of assets over the going-concern actuarial liabilities.

### Solvency basis

The solvency basis assumes that the Plan will be wound up immediately; that is, on the valuation date. This means that there is no need to assume future salary increases or termination rates, and the interest rate used to discount liabilities is prescribed by the Pension Benefits Standards Act (PBSA).

### Solvency ratio

The solvency ratio is the ratio of the market value of assets over the solvency liabilities.

## Supplementary Trust Fund

The Supplementary Pension Arrangement (SPA) supplements the pensions of those employees whose pension contributions or benefits are above the maximum prescribed by the *Income Tax Act*. The provisions of the SPA mirror the Plan, and a separate trust fund has been established to support it: the Supplementary Trust Fund (STF). STF investments are directed by the Pension Committee and the PFIC.



# Actuarial Valuation

As reported in last year's *Registered Pension Plan Annual Report*, the Bank conducted an actuarial valuation as at 31 December 2008. The valuation was completed to assess the changes in the funding and solvency positions of the Plan following the disruptions in market conditions in 2008.

The results of the actuarial valuation indicated that the Plan remained in an actuarial surplus position on a going-concern basis, but not on a solvency basis (see Table 1 and 2 below). With a view to eliminating the solvency deficit over five years, the Bank made an additional contribution of \$29 million to the Fund for 2009, in addition to the regular \$19 million payment, for a total 2009 contribution of \$48 million.

## THE 2009 FINANCIAL STATUS OF THE PLAN

Once the Plan is found to have a solvency deficit, the Bank is required by law to conduct an annual actuarial valuation until the deficit is eliminated. As at the end of 2009, despite favourable returns experienced by the Fund and the initial contribution made by the Bank towards eliminating the deficit, the solvency deficit only improved slightly. This was caused by a significant reduction in Real Return Bond yields, which reached historically low levels in 2009. Real Return Bond yields are used to set the interest rate prescribed by the PBSA to discount solvency liabilities. On a more positive note, the going-concern position improved significantly over the previous year.

The results of the actuarial valuation as at 31 December 2009 showed a funding surplus of \$113 million, for a funding ratio of 113 per cent, and a solvency deficit of \$122 million, for a solvency ratio of 88 per cent.

The Bank will continue to make special payments to eliminate the solvency deficit until they are no longer required. In total, the Bank will remit about \$53 million to the Fund in 2010: the sum of \$20 million in regular contributions to cover current service costs, plus \$33 million towards the elimination of the solvency deficit within five years.

When the 2009 actuarial valuation was conducted, there were no changes in economic and demographic assumptions (other than those prescribed for solvency by the PBSA) relative to what had been assumed at the time of the last valuation, at 31 December 2008.

**Table 1: Going-Concern Funding Basis**

(\$ millions as at 31 December)

	2001*	2004	2007**	2008	2009
Actuarial value of assets	677	740	907	827	966
Going-concern liabilities	513	653	791	820	853
Surplus	164	87	116	7	113
Funding ratio (assets as a percentage of liabilities)	132%	113%	115%	101%	113%

\* 2001 results updated to reflect 2002 pension improvement

\*\* Triennial valuations up to 2007; annual thereafter

**Table 2: Solvency Basis**

(\$ millions as at 31 December)

	2001*	2004	2007**	2008	2009
Market value of assets	679	776	959	751	886
Solvency liabilities	482	685	869	880	1,008
Surplus (deficit)	197	91	90	(129)	(122)
Solvency ratio (assets as a percentage of liabilities)	141%	113%	110%	85%	88%

\* 2001 results updated to reflect 2002 pension improvement

\*\* Triennial valuations up to 2007; annual thereafter

The large difference between the solvency ratio and the funding ratio is attributable to the different methodologies used for calculating liabilities and to the use of the market value of assets for solvency purposes, as opposed to a smoothed value of assets for funding purposes. The methodology prescribed for solvency valuations is significantly more stringent than that allowed in funding valuations.

In the case of the solvency valuation, the year-end yield on Real Return Bonds is used to value liabilities. This was lower than the long-term interest rate used to value liabilities for the going-concern funding valuation, resulting in relatively larger liabilities on a solvency rather than on a funding basis.

Finally, because of the 2008 investment losses, the smoothed value of assets (used in the going-concern funding valuation) is currently higher than the market value of assets (used in the solvency valuation).

# Pension Administration

## ADMINISTRATIVE EXPENSES

The expenses charged to the Fund are scrutinized by committee members to ensure that they support the goal of the Plan and are charged in accordance with the Pension Trust Fund Expense Policy established by the Pension Committee. In 2009, overall expenses charged to the Fund decreased.

Table 3 shows the administrative expenses charged to the Fund. Total expenses paid decreased by 4 per cent in 2009 and amounted to 0.427 per cent of total Fund assets. The main reason for the year-over-year decrease in 2009 was the decline in *Investment management and custodian fees*. These fees are levied, for the most part, as a percentage of the asset base and declined in 2009 based on a lower average market value of the Fund during the year. *Consulting fees and compensation* also decreased, as further internal processes were developed, thereby reducing the need for external consultant services. Offsetting these decreases, there were two areas where expenses rose in the year. First, *Pension administration fees* rose, owing to an increased volume of transactions. Second, expenses relating to *Initiatives* increased, primarily as a result of the Asset-Liability Modelling study performed in 2009.

## PENSION AUDIT

Follow-up continued on the Pension Audit to verify current pension payments. It is anticipated that this audit will be concluded shortly, confirming that pension payments are being made to properly-entitled beneficiaries.

**Table 3: Administrative Expenses**

(\$ thousands)

	2007	2008	2009
<b>Investment management and custodian fees</b>	2,214	2,484	2,269
<b>Pension administration fees</b>	574	619	646
<b>Consulting fees and compensation</b>	469	697	603
<b>Initiatives</b>	49	138	273
<b>Total expenses</b>	3,306	3,938	3,791
<b>Net assets as at 31 December</b>	960,082	751,852	887,054
<b>Total expenses as a percentage of net assets</b>	0.344%	0.524%	0.427%

## COMMUNICATIONS

Ongoing communication with all Plan members will continue, primarily through our annual newsletter, *Pension News*, and in this *Registered Pension Plan Annual Report*. The full audited financial statements are available online on the Bank's external website.

Information is also available to employees on Banque Centrale, the Bank's intranet, and questions can always be addressed to the Bank of Canada Benefits and Pension Administration Centre (Mercer). See the centre spread of this report for contact information.

## Late Breaking News

On May 3, 2010, the federal Minister of Finance released Regulations amending the minimum funding requirements for federally-registered pension plans. These new rules would allow the Bank to reduce to \$7 million its 2010 contribution towards the elimination of the solvency deficit. The Pension Committee chose to follow the prior regulations, as allowed to do, requiring a Bank contribution of \$33 million in 2010 towards the elimination of the solvency deficit (in addition to the regular contribution of \$20 million).





# Summarized Financial Statements

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As at 31 December 2009



## FINANCIAL REPORTING RESPONSIBILITY

The accompanying Summarized Financial Statements of the Bank of Canada Registered Pension Plan (the Plan) have been prepared by the Bank's management in accordance with Canadian generally accepted accounting principles and contain certain items that reflect estimates and judgment of management. The integrity and reliability of the data in these summarized financial statements and related complete financial statements are management's responsibility. Management is responsible for ensuring that all information in the annual report is consistent with the summarized financial statements and related complete financial statements.


In support of its responsibility for the integrity and reliability of these summarized financial statements and related complete financial statements, and for the accounting system from which they are derived, management has developed and maintains financial and management control systems and practices to provide reasonable assurance that transactions are properly authorized and recorded, that financial information is reliable, that the assets are safeguarded and liabilities recognized, and that the operations are carried out effectively. Internal controls are reviewed and evaluated by internal audit programs, including financial controls and their application.

The Pension Committee is responsible for overseeing management and has overall responsibility for approving the summarized financial statements and related complete financial statements. The Pension Committee meets with management and with the external auditors to review the scope of the audit, to review their findings, and to satisfy themselves that their responsibilities have been properly discharged. In addition, Mercer (Canada) Limited, a firm of consulting actuaries, conducts a formal actuarial valuation of the Plan at least every three years, as required under the Pension Benefits Standards Act.

Deloitte & Touche LLP, the Plan's external auditor, appointed by the Pension Committee, has conducted an independent examination of the summarized financial statements and related complete financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and procedures as they consider necessary to express an opinion in their report to the Pension Committee. The external auditors have full, unrestricted access to the Pension Committee to discuss their audit and related findings.



**R. McGaw, PhD**  
Member, Board of Directors of the Bank of Canada  
and Interim Chair,  
Pension Committee



**S. Vokey, CA**  
Chief Accountant and Member,  
Pension Committee

6 May 2010

## ACTUARY'S OPINION

Mercer (Canada) Limited was retained by the Bank of Canada to perform an actuarial assessment of the going-concern assets and accrued pension benefits of the Bank of Canada Registered Pension Plan as of 31 December 2009 for inclusion in the Plan's financial statements.

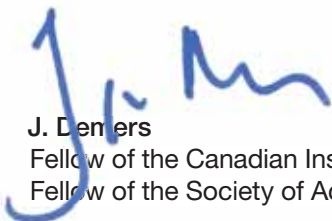
The objective of the financial statements is to fairly present the financial position of the Plan as of 31 December 2009 on a going-concern basis. While the actuarial assumptions used to estimate accrued pension benefits for the Plan's financial statements represent the Bank of Canada's best estimate of future events, and while in our opinion these assumptions are reasonable for the purposes of these statements, the Plan's future experience will inevitably differ, perhaps significantly, from the actuarial assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations, and will affect the financial position of the Plan at that time, as well as the contributions required to fund it.

As part of our assessment, we examined the Plan's recent experience relative to the economic and non-economic assumptions and presented our findings to management. In addition, we provided the Bank of Canada with statistical surveys and other information used to develop their long-term assumptions.

Our assessment of the Plan's going-concern assets and accrued pension benefits was based on:

- the results of our 1 January 2010 actuarial valuation of the Plan's going-concern liabilities,
- pension fund data provided by the Bank of Canada as of 31 December 2009,
- methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements, and
- assumptions about future events that have been developed by the Bank of Canada and Mercer (Canada) Limited.

We have tested the membership and pension fund data for reasonableness and consistency, and we believe them to be sufficient and reliable for the purposes of the valuation. Our valuations have also been performed in accordance with the requirements of the Canadian Institute of Actuaries. Our opinions have been given and our valuations performed in accordance with accepted actuarial practice.



J. Deners  
Fellow of the Canadian Institute of Actuaries  
Fellow of the Society of Actuaries



S. Crabtree  
Fellow of the Canadian Institute of Actuaries  
Fellow of the Society of Actuaries

Mercer (Canada) Limited

Ottawa, Canada  
6 May 2010

## AUDITORS' REPORT

To the Bank of Canada Pension Committee

The accompanying summarized financial statements, which include statements of net assets available for benefits, accrued pension benefits, and funding excess and statements of changes in net assets available for benefits and of changes in accrued pension benefits, are derived from the complete Financial Statements of the Bank of Canada Registered Pension Plan as at 31 December 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated 6 May 2010. The fair summarization of the complete Financial Statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants, is to report on the summarized Financial Statements.

In our opinion, the accompanying summarized financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Bank of Canada Registered Pension Plan's net assets available for benefits, accrued pension benefits, funding excess, changes in net assets available for benefits and accrued pension benefits, reference should be made to the related complete financial statements.



Chartered Accountants  
Licensed Public Accountants

Ottawa, Canada  
6 May 2010

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS, AND FUNDING EXCESS

As at 31 December

	2009	2008
<b>ASSETS</b>		
Investments	\$ 882,931,374	\$ 751,985,869
Accrued investment income	413,360	583,868
Accrued employer contributions	4,351,366	-
	<u>887,696,100</u>	<u>752,569,737</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	641,616	718,011
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	887,054,484	751,851,726
Actuarial Asset Value Adjustment	79,043,937	75,185,173
<b>ACTUARIAL VALUE OF NET ASSETS AVAILABLE FOR BENEFITS</b>	966,098,421	827,036,899
<b>ACTUARIAL VALUE OF ACCRUED PENSION BENEFITS</b>	852,774,805	819,799,514
<b>FUNDING EXCESS</b>	<u>\$ 113,323,616</u>	<u>\$ 7,237,385</u>

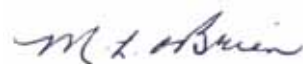
On behalf of the Pension Committee and the Board of Directors of the Bank of Canada



**R. McGaw, PhD**  
Member, Board of Directors of the Bank of Canada  
and Interim Chair,  
Pension Committee



**S. Vokey, CA**  
Chief Accountant and Member,  
Pension Committee



**M.L. O'Brien, FCA**  
Member, Board of Directors of the Bank of Canada and Pension Committee

The full set of financial statements, including notes, is available online at  
<<http://www.bankofcanada.ca/en/pensions/pension.html>>, or by request

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended 31 December

	2009	2008
<b>INCREASE IN ASSETS</b>		
Investment income	\$ 29,615,441	\$ 35,529,803
Current-year change in fair value of investments	88,112,060	(213,862,096)
	117,727,501	(178,332,293)
Employer contributions		
Current service	18,986,658	-
Special payment for funding deficiency	28,877,932	-
Employee contributions		
Current service	5,762,940	5,431,915
Past service	935,655	369,218
Transfers from other plans	649,262	1,026,467
	55,212,447	6,827,600
	172,939,948	(171,504,693)
<b>DECREASE IN ASSETS</b>		
Benefits paid	30,944,823	29,078,087
Refunds and transfers	3,001,544	3,709,405
Administrative expenses	3,790,823	3,938,085
	37,737,190	36,725,577
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	135,202,758	(208,230,270)
<b>NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	751,851,726	960,081,996
<b>NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR</b>	\$ 887,054,484	\$ 751,851,726



## STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

Year ended 31 December

	2009	2008
<b>INCREASE IN ACCRUED PENSION BENEFITS</b>		
Benefits earned	\$ 26,334,515	\$ 24,319,796
Interest cost	44,879,647	43,276,775
Experience gain	(4,292,504)	(6,093,873)
	66,921,658	61,502,698
<b>DECREASE IN ACCRUED PENSION BENEFITS</b>		
Benefits paid	30,944,823	29,078,087
Refunds and transfers	3,001,544	3,709,405
	33,946,367	32,787,492
<b>NET INCREASE IN ACTUARIAL VALUE OF ACCRUED PENSION BENEFITS</b>	<b>32,975,291</b>	<b>28,715,206</b>
<b>ACTUARIAL VALUE OF ACCRUED PENSION BENEFITS, BEGINNING OF YEAR</b>	<b>819,799,514</b>	<b>791,084,308</b>
<b>ACTUARIAL VALUE OF ACCRUED PENSION BENEFITS, END OF YEAR</b>	<b>\$ 852,774,805</b>	<b>\$ 819,799,514</b>

The Plan is registered with the Office of the Superintendent of Financial Institutions for the purposes of the *PBSA* which regulates the Plan's design, funding, investment policy, and operations. The Plan is also registered with the Canada Revenue Agency for purposes of the *Income Tax Act (Canada)*, which regulates the maximum contributions payable to, and the maximum permissible benefits payable from, a tax-sheltered pension arrangement.

For pension or post-retirement questions and requests, contact the Bank of Canada Benefits and Pension Administration Centre:

08:00 to 18:00 (Eastern Time)  
Monday to Friday

active employees: 1 888 903-3308  
retirees: 1 888 588-6111

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For payroll questions, customer service concerns, or to request pension-related information, contact the HR Centre:

10:00 to 16:00 (Eastern Time)  
Monday to Friday

7766 (internal), 613 782-7766 (Ottawa)  
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