



BANK OF CANADA  
BANQUE DU CANADA

# Pension Plan Annual Report 2024



## About the Plan

The Bank of Canada Pension Plan (the Plan) is registered with the Office of the Superintendent of Financial Institutions for the purposes of the *Pension Benefits Standards Act*, which regulates the Plan's design, funding, investment policy and operations. The Plan is also registered with the Canada Revenue Agency in compliance with the *Income Tax Act*, which regulates the maximum contributions payable to, and the maximum permissible defined benefits payable from, a tax-sheltered pension arrangement. Assets are held in trust in the Pension Trust Fund (the Fund) and invested according to our investment strategy.

Under the *Pension Benefits Standards Act* and the terms of the Plan (by-law 15), the Bank is the Plan administrator.

The *Pension Plan Annual Report* and the Plan's financial statements are available on the Bank's website at [www.bankofcanada.ca/pension-plan](http://www.bankofcanada.ca/pension-plan).

ISSN 1914-5691 (Print)  
ISSN 1487-2466 (Online)  
© Bank of Canada 2025

# Contents

Message from the Chair ..... 1

Your Plan at a glance ..... 3

Pension Plan governance .....5

Pension Fund assets and performance .....5

Actuarial valuation ..... 8

Pension Plan administration:  
Information for members ..... 9

Additional information .....11

Contact information .....12

Glossary .....13



## Message from the Chair

I'm pleased to share the Bank of Canada's *Pension Plan Annual Report*. As at the end of 2024, the Plan continues to be in a solid financial position.

### Above-benchmark returns

The Fund performed well in 2024, with a net investment return of 8.6%, above our benchmark of 7.2%. This is an increase in returns compared with 2023. Notably, our Canadian equity managers outperformed in a strong year for that asset class.

### Contributions to the Plan

We continue to be well positioned to meet our financial obligations to our members, so they can enjoy a secure retirement. The Plan remains strong on both a [going-concern](#) and a [solvency basis](#). As required by regulations under the *Income Tax Act*, the Bank did not contribute to the Plan in 2024. Employer contributions will resume as required, depending on the results of future actuarial valuations. Employee contributions are not changing.

## The benefits of diversification

Our solid financial position is due, in part, to the variety of asset classes and investment strategies in the Plan's portfolio. We continuously review our investments and managers and aim to proactively position the portfolio for the future. In 2024, we retained a new investment manager that specializes in small caps for a portion of the Fund's equity allocation.

## Enhanced member services

We continued to update our online portal, Selection Centrale, for employees and Plan members. Pensioners can now view and update their online personal profile, including banking and contact details. To keep this information safe, we introduced enhanced security measures for every login to the website.

We also updated our online pension projection tool to help our active members estimate their future pension payments using different assumptions and scenarios.

These initiatives enhance the efficient administration of our Plan while ensuring our members get the information they need, when they need it.

## A note of appreciation

I would like to thank our employees and committee members for their expertise in overseeing, managing and administering our Plan.

The report that follows contains more information about our Plan's activities, investments and financial position.



**Carolyn Rogers**  
Senior Deputy Governor  
Chair, Pension Committee

# Your Plan at a glance

## Financial overview 2024



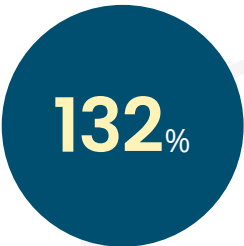
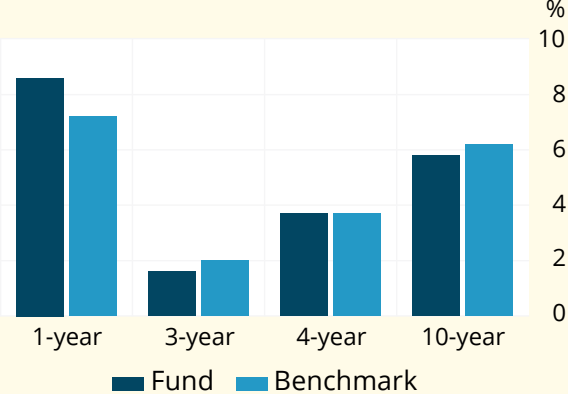
Pension payments  
from the Fund: **\$70 million**



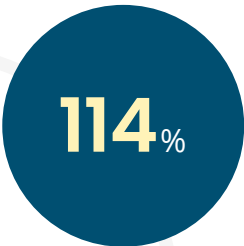
Value of the Fund's  
assets: **\$2,278 million**

**Chart 1: Total Fund rate of return,  
net of fees**

As at December 31, 2024



Funding ratio on a  
going-concern basis



Funding ratio on a  
solvency basis



Surplus on a  
going-concern basis



Surplus on a  
solvency basis

# Your Plan at a glance

## Membership overview 2024



Total membership: **4,410**

**1.05 to 1.0**  
Pensioner to  
employee ratio

**101**  
Age of oldest  
member

**23**  
Age of youngest  
member

**1,904**

Active members  
(43%)

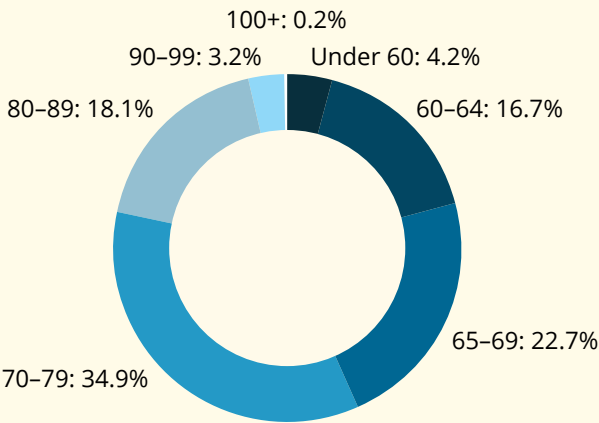
**501**

Deferred members  
(11%)

**2,005**

Retired members  
(46%)

**Chart 2: Age of those receiving a pension benefit**





# Pension Plan governance

The Plan has strong governance structures in place that promote effective decision-making, prudent resource management and regular communications. Our oversight, management and administration frameworks ensure that we adequately fund Plan benefits and properly manage risks.

## Committees

The Pension Committee, the Pension Administration Committee and the Pension Fund Investment Committee oversee the Plan. The Bank ensures committee members are equipped to fulfill their roles by educating them about the Plan and the statutory and regulatory framework in which it is administered.



See the Plan’s governance documents.



See the committees’ terms of reference, roles and current members.

# Pension Fund assets and performance

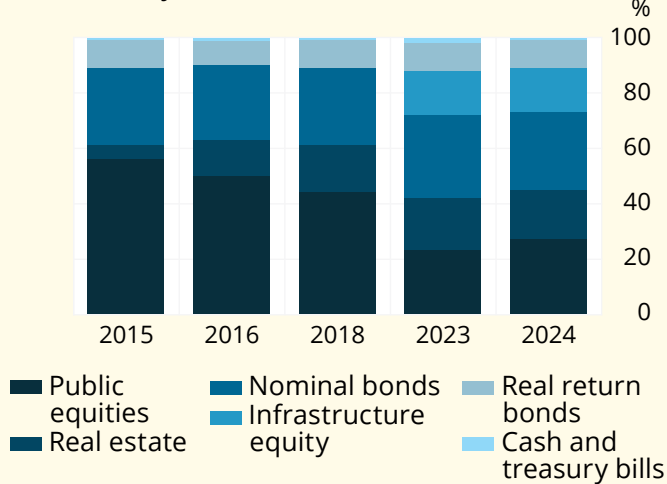
## Assets

To achieve our long-term investment goals, the Fund has a diversified portfolio of investments (**Chart 3**). We carefully select asset classes to protect against various risks.

Our portfolio has evolved over time to reduce the impact of market volatility on the Plan. Diversification across asset classes and investment strategies helps preserve the Plan’s financial strength.

We continue to consider environmental, social and governance issues when selecting our investment strategies for the long-term health of the Plan. The *Bank of Canada Disclosure of Climate-Related Risks 2024* report describes how we are integrating climate change considerations into our investment decisions.

**Chart 3: A history of the Fund’s asset mix**  
Asset mix at year-end



Note: Private infrastructure equity was added to our portfolio of assets in 2022.



External managers invest most of the Fund’s assets on our behalf. We select these managers for their expertise in specific asset classes and their investment strategies. We closely monitor their performance and recommend changes to the Pension Committee as required.

Asset allocation

We conduct an [asset-liability modelling study](#) at least every four years to assess and adjust our allocation strategy as needed. The results of the most recent study, in 2022, recommended we maintain our current balance between assets that enhance the Fund’s returns (61%) and assets that match liabilities (39%). The Fund’s positive performance demonstrates the benefits of diversification (**Table 1**).

Table 1: Asset mix and returns (before fees) by asset class

Assets	Year-end 2024	Return %	
	Target asset mix (%)	1-year	10-year
Return-seeking			
Canadian equity	10	23.8	9.6
Global equity	16	28.9	11.8
Private infrastructure equity	15	10.3	n/a*
Real estate	20	0.1	5.0
Liability-matching			
Nominal bonds	28	1.9	2.3
Real return bonds	10	3.5	2.0
Cash	1	4.6	1.8
Total	100	8.6	5.8

\* Private infrastructure equity was added to our portfolio of assets in 2022.

Last year, we retained a new small cap manager for a portion of the Fund’s Canadian equity allocation, with the aim of maintaining exposure to small and mid-sized public companies with strong growth potential, while managing risks and enhancing returns. Our asset allocation remains stable with no significant changes.

## Performance of the Fund

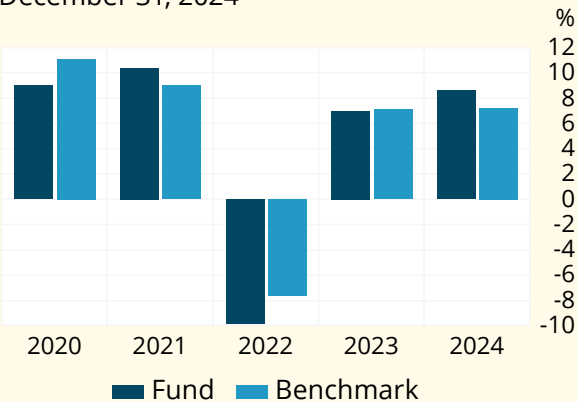
The Fund’s overall benchmark, against which we compare our rate of return, is based on a mix of indexes such as the [S&P/TSX Composite Index](#) and the [MSCI World Index](#) (**Chart 4**). These indexes are weighted to align with our Fund’s asset-mix target.

The net return of 8.6% this year was above the benchmark of 7.2% and well over the 2024 investment target of 5.5%. This equals the Bank’s 2% inflation target plus a real return of 3.5% after investment expenses.

The Fund’s gains this year came, in part, from the solid performance of our public equities, as well as our infrastructure assets, which also performed well. The fundamentals for commercial real estate remain strong, except for the office sector. However, valuations have been impacted by the rise in interest rates over the last three years. Fixed-income returns for the Fund are influenced by the level of interest rates. The rise in long-term interest rates from 2020 to the end of 2024 has negatively impacted those returns over the 1- and 10-year periods.

**Chart 4: Total Fund rate of return, net of fees**

As at December 31, 2024



Note: The *Benchmark* composition has changed over time to reflect changes to our Internal Investment Guidelines or our Statement of Investment Policies and Procedures.

# Actuarial valuation

The **actuarial valuation** estimates the total value of benefits expected to be paid to Plan members at a given time compared with the assets available to meet this obligation. The valuation’s purpose is to measure the funding status of the Plan and set the level of Bank contributions. This is done in two ways:

- The **going-concern** valuation indicates the long-term financial strength of the Plan, assuming it will continue to operate indefinitely.
- The **solvency** valuation is based on the hypothetical event of Plan termination.

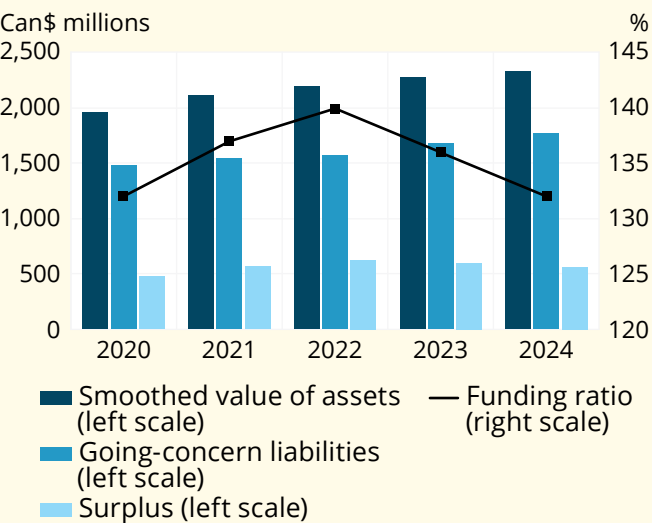
The Bank conducts annual actuarial valuations. The result of the valuation as at December 31, 2024, showed that the going-concern and solvency positions of the Plan have remained strong (**Chart 5** and **Chart 6**).

Regulations under the *Income Tax Act* prohibit employer contributions when the going-concern ratio is greater than 125%, except where they are required by the *Pension Benefits Standards Act*. As a result, the Bank did not contribute to the Plan in 2024.

Bank contributions will resume depending on the results of future actuarial valuations. Employee contributions are not changing.

**Chart 5: Going-concern position**

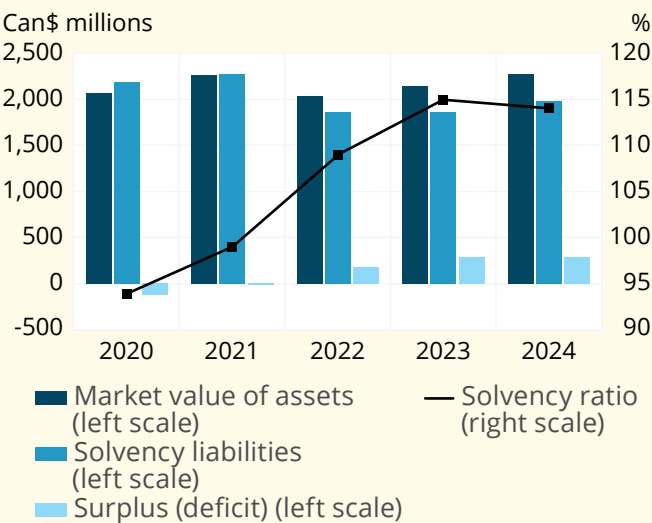
As at December 31, 2024



Note: *Funding ratio* is the smoothed value of assets as a percentage of liabilities.

**Chart 6: Solvency position**

As at December 31, 2024



Note: *Solvency ratio* is the market value of assets as a percentage of liabilities.

## Supplementary Pension Arrangement valuation

The Supplementary Pension Arrangement (SPA) supplements the pensions of employees whose salary level results in pension benefits that are above the maximum prescribed by the *Income Tax Act*.

The provisions of the SPA mirror the Plan, and a separate trust fund, the Supplementary Trust Fund (STF), has been established to support it. The Pension Committee and the Pension Fund Investment Committee direct STF investments.

The Bank conducts actuarial valuations of the SPA every three years. The last one was conducted as at December 31, 2022.

# Pension Plan administration: Information for members

## Member services

TELUS Health provides pension administration services for Plan members. These services include preparing individual annual pension statements and options packages. TELUS Health also performs calculations for employees who leave the Bank, want to buy back prior Bank service or wish to transfer their pension from a previous employer.

### Member services by the numbers

**7,973** Logins to the pension projection tool for pension estimates

**5,937** Logins to the communication centre to access personal pension documents\*

**1,419** Pension-related transactions completed for members

**167** Buy-back calculations

\* Includes personal annual statements for active employees and pensioners, as well as tax documents and pay statements for pensioners.

We work with TELUS Health to continuously improve the services they provide to you, and we welcome your feedback. When you contact TELUS Health by phone, you are invited to answer a short satisfaction survey.

## Selection Centrale

We have also been working hard to improve the administration of our Plan and enhance our member experience. Pensioners and active employees can access our secure self-service website, [selectioncentrale.ca](https://selectioncentrale.ca). Log in using our new two-step verification process to review and update your pension and benefits details.

- **Pensioners:** Update your personal profile, including your contact and banking information, and download electronic versions of your annual pension statement, monthly pay statements and tax documents. If you are eligible for retiree benefits, you can also review coverage levels (including life insurance), update your beneficiary designation and refer to information booklets.<sup>1</sup>
- **Active employees:** View your annual pension statement and use the enhanced pension projection tool to estimate the pension you will receive when retiring from the Bank. We updated the tool in April 2024 to make it easier to compare various scenarios.

### Annual pension statement

This document provides important details about your pension. Annual pension statements are available online by mid-June every year and are mailed to each member's home address, as required by legislation.

**Check yours to ensure it is accurate and contact TELUS Health if you have questions.**

## Maintaining accurate records

Keeping our records up to date is an essential part of administering our Plan and helps ensure that we are making pension payments to the right person at the right time. Every year, we contact about one-third of pensioners who have been retired for more than 10 years to confirm their personal information. The most recent round of letters was mailed in October 2024, followed by a reminder in March 2025. If you received a letter and have not yet responded, please do so as soon as possible.

<sup>1</sup> Members who retire with an immediate pension are eligible to purchase health and dental coverage under the Bank's Plan, while those who defer their pensions are not.

# Administrative expenses

We carefully review expenses charged to the Fund to ensure they are reasonable and meet the terms of the Plan and the Pension Trust Fund Expense Policy (**Table 2**). We also look for opportunities to control these costs by regularly reviewing our processes and practices.

Table 2: The Fund’s administrative expenses (\$ thousands)

	2022	2023	2024
Investment management fees	14,850*	12,220	13,358
Pension administration fees	851	941	1,231
Audit and actuarial fees	271	225	158
Other administrative fees	1,683	1,680	1,699
Tax expenses (recoveries)	(1,126)	298	260
Net expenses	16,529	15,364	16,706
Net assets as at December 31	2,047,242	2,152,497	2,278,081
Total expenses (as a percentage of net assets)	0.81%	0.71%	0.73%

\* The 2022 investment management fees were adjusted by \$4.2 million to include Fund expenses and incentive fees. This was offset by an adjustment of \$4.2 million to the investment income.

# Additional information

## Communications

As of this year, we no longer print or mail our publications, including retiree benefit booklets. We communicate electronically with Plan members in various ways:

- **bankofcanada.ca** (*all members*): Find the Plan’s governance documents, annual reports and audited financial statements.
- **Banque Centrale** (*active employees*): Learn about the Plan and find links to other important pension tools and documents.

- **Pension News** (*all members*): Receive annual updates on the Plan. Active employees will find this newsletter on *Banque Centrale*. Pensioners and deferred members should contact the HR Centre to sign up for it.
- **Electronic newsletter** (*pensioners and deferred members*): Get non-confidential Plan information in a subscription-based email newsletter that more than 1,080 pensioners and deferred members have signed up for. A personalized, unique ID is required to subscribe. For further details on how to sign up, see the letter attached to the 2024 edition of *Pension News*.
- **Monthly pension pay statements and tax documents** (*pensioners*): Find your monthly statement in the days following payment in your bank account, and see your tax documents in late February. These are now available online only, unless you have asked to receive them by mail.

## Contact information

Find out where to go for help, who can answer your questions and how to update your personal information.

### Active members

**Pension or benefits inquiries:**  
Contact [TELUS Health](#).

**Payroll or client service issues:**  
Use [ServiceNow](#) via your work computer.

**Address updates:**  
Use [PASSePORT](#) via your work computer.

### Pensioners




**Personal, contact and banking updates:**  
Contact [TELUS Health](#) or visit [www.selectioncentrale.ca](http://www.selectioncentrale.ca) (under “Financial security and retirement”).

**Pension or benefits inquiries:**  
Contact [TELUS Health](#).

**Client service issues:**  
Contact the [Bank's HR Centre](#).



### TELUS Health

(Pension and benefits inquiries)

-  [www.selectioncentrale.ca](http://www.selectioncentrale.ca)
-  1-888-588-6111  
(Monday–Friday, 8:00–18:00 ET)
-  [bank-banque-canada@telushealth.com](mailto:bank-banque-canada@telushealth.com)\*

### The Bank's HR Centre

(Client service and payroll issues)

-  613-782-7766 or 1-866-404-7766  
(Monday–Friday, 10:00–16:00 ET)
-  [hrcentre@bankofcanada.ca](mailto:hrcentre@bankofcanada.ca)

\* If you want to be able to send non-confidential questions by email, TELUS Health will validate your personal email address every 12 months.



## Members with deferred pensions

Pension inquiries:  
Contact [TELUS Health](#).

Payroll or client service issues; address updates:  
Contact the [Bank's HR Centre](#).

## Glossary

For definitions of key terms used throughout this report, visit [www.bankofcanada.ca/pension-plan](http://www.bankofcanada.ca/pension-plan).