

Appendix D10 – Actuarial Method and Assumptions

Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Health Association Nova Scotia

Registered Pension Plan Name: Nova Scotia Health Employees' Pension Plan

EFFECTIVE DATE: February 13, 2021

The transfer amount shall equal the greater of the following:

- A. the amount determined using the Termination actuarial basis described below; and
- B. the amount determined using the modified Termination actuarial basis described below.

A. Termination actuarial basis

A1. **Actuarial Method** (describe): "Accrued Benefit" method

A2. **Assumptions:**

a) Economic Assumptions:

- (1) Interest Rate: Pre and post retirement interest rates for the month of calculation determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500)
- (2) Inflation Rate: Included in Interest Rate for post-retirement period
- (3) YMPE Growth Rate: N/A
- (4) Salary Growth Rate: N/A
- (5) Rate of Increase of Maximum Benefits under Income Tax Act: N/A
- (6) Rate of Indexing of Pension in Payment: Included in Interest Rate

b) Demographic Assumptions:

- (1) Mortality Table: In accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500)
- (2) Gender Split: 85% female, 15% male
- (3) Proportion With Spouse: 73% have a spouse at retirement
- (4) Age Difference Between Spouses: male spouse is 2.1 years older than female spouse
- (5) Retirement Age: 50% at the age which maximizes value of benefit, remainder at earliest unreduced retirement age
- (6) Withdrawal Rate: N/A
- (7) Disability Rate: N/A

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B. Modified termination actuarial basis

B1. Actuarial Method (describe): "Accrued Benefit" method

B2. Assumptions:

a) Economic Assumptions:

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| (1) | Interest Rate: | Pre and post retirement interest rates for the month of calculation determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) | Inflation Rate: | Included in Interest Rate for post-retirement period |
| (3) | YMPE Growth Rate: | N/A |
| (4) | Salary Growth Rate: | N/A |
| (5) | Rate of Increase of Maximum Benefits under Income Tax Act: | N/A |
| (6) | Rate of Indexing of Pension in Payment | Included in Interest Rate |

b) Demographic Assumptions:

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| (1) | Mortality Table: | In accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) | Gender Split: | 85% female, 15% male |
| (3) | Proportion With Spouse: | 73% have a spouse at retirement |
| (4) | Age Difference Between Spouses: | male spouse is 2.1 years older than female spouse |
| (5) | Retirement Age: | 75% at earliest unreduced retirement age based on projected service; remainder at age 65 |
| (6) | Withdrawal Rate: | N/A |
| (7) | Disability Rate: | N/A |