

## Appendix D16 – Actuarial Method and Assumptions

### *Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement*

Name of Public Authority: LAPP Corporation

Registered Pension Plan Name: Local Authorities Pension Plan

1. Actuarial Method (describe): Projected accrued benefit actuarial cost method
2. Assumptions: Effective date: August 1, 2018

a) Economic Assumptions

1. Interest Rate:
 

Nominal Interest Rate	5.30 %
Net Interest Rate	4.05 %
  
2. Inflation Rate: 2.00 %
  
3. YMPE Growth Rate: 3.00 %
  
4. Salary Growth Rate: 2.00% for 3 years from December 31, 2016  
3.00% thereafter plus age based merit and promotion scale
  
5. Rate of increase of Maximum Benefits under Income Tax Act: 3.00 %

b) Demographic Assumptions

1. Mortality

- a) Pre-retirement: 0 at all ages
- b) Post-Retirement: Public Sector Canadian Pensioners Mortality Table (CPM2014Publ) with LAPP-specific adjustments, sex distinct:

Age Band	Male	Female
<55	100%	100%
55-64	80%	70%
65-74	120%	90%
75-84	110%	95%
85+	100%	100%

Fully generational using CPM Improvement Scale B (CPM-B)

2. Withdrawal Rate: 0 at all ages
  
3. Disability Rate: 0 at all ages
  
4. Retirement Age:
  - If Member has 85 points at the Calculation date, the later of age 55 or age at the Calculation Date;
  - Otherwise, if Member will reach 85 points prior to 56<sup>th</sup> birthday, age 58;
  - Otherwise, if Member will reach 85 points prior to 60<sup>th</sup> birthday, 2 years after attaining age 85 points;
  - Otherwise, if Member will reach 85 points between ages 60 and 62, age 62; and
  - Otherwise, if Member will not reach 85 points prior to age 62, the later of age 62 or age at the Calculation Date.