

Appendix D2 - Actuarial Method and Assumptions

Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Nova Scotia Pension Services Corporation

Registered Pension Plan Name: Public Service Superannuation Plan

1. **Actuarial Method** (describe): Projected Unit Credit (also called accrued benefit)

2. **Assumptions:** Effective date: August 1, 2021

a) **Economic Assumptions:**

- | | | |
|--|--|-----------------------------------|
| (1) Interest Rate: | | Discount rate: 5.25% |
| (2) Inflation Rate: | | 2.00% |
| (3) YMPE Growth Rate: | | 2.50% |
| (4) Salary Growth Rate: | 2.50% + Merit Increase (see following scale) | |
| | Age | Merit Increase |
| | Under 30 | 2.00% |
| | 30 - 34 | 1.50% |
| | 35 - 39 | 1.00% |
| | 40 - 44 | 0.50% |
| | 45 - 49 | 0.00% |
| | 50 and over | 0.00% |
| (5) Rate of Increase of Maximum Benefits under Income Tax Act: | | 2.50% |
| (6) Rate of Indexing of Pension in Payment | | 0.0% until 2025, 1.00% thereafter |

b) **Demographic Assumptions:**

- | | |
|-------------------------------------|---|
| (1) Mortality Table: | 120% of CPM2014Publ projected using CPM-B |
| (2) Gender Split: | 50% male, 50% female |
| (3) Proportion With Spouse: | 85% male, 75% female have spouse at retirement |
| (4) Age Difference Between Spouses: | male spouse 3 years older than female spouse |
| (5) Retirement Age: | 10% at age 59
20% at age 60
10% at each age 61-64
50% at each age 65-69
100% at age 70
However, 20% each year on or after EURD, if greater
40% at 35 years of service (before age 65) |

(6) Withdrawal Rate:

<u>Years of Service</u>	<u>Termination</u>
0	12.00%
1	10.00%
2	7.00%
3	5.00%
4	4.00%
5	3.50%
6	3.00%
7	2.50%
8	2.00%
9	1.50%
10-15	1.25%
16	1.00%
17	0.75%
18	0.50%
19	0.25%
20	0.00%