

Appendix D4 - Actuarial Method and Assumptions

Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority:	New Brunswick Public Service Pension Plan Board of Trustees
Registered Pension Plan Name:	New Brunswick Public Service Pension Plan (NBPSPP)
1. Actuarial Method (describe):	Unit Credit Actuarial Cost Method with present value of benefits adjusted by the Funded Ratio as outlined in the last filed actuarial valuation report, and further including a minimum of deemed contributions
2. Assumptions:	Effective June 1, 2018

Please be advised that on a go-forward basis, these assumptions will change in step with the actuarial assumptions for the funding policy valuation of the NBPSPP. They will take effect on January 1 of the year following the adoption of the valuation results. They may be provided upon request and are further available at:

http://www2.gnb.ca/content/gnb/en/departments/treasury_board/human_resources/content/pensions_and_benefits/pp/pssa/financial/avcf.html.

a) Economic Assumptions:

(1) Interest Rate:	4.75%
(2) Inflation Rate:	n/a
(3) YMPE Growth Rate:	n/a
(4) Salary Growth Rate:	n/a
(5) Rate of Increase of Maximum Benefits under the Income Tax Act:	n/a
(6) Rate of Indexing of Pension in Payment:	n/a

b) Demographic Assumptions:

(1) Mortality Table:	Males: 105% of CPM2014_PUBL with CPM-B Females: 110% of CPM2014_PUBL with CPM-B
(2) Gender Split:	50% Male / 50% Female
(3) Proportion with Spouse:	Males 80% / Females 70%
(4) Age Difference Between Spouses:	Male 3 years older
(5) Retirement Age:	See next page
(6) Withdrawal Rates:	Nil
(7) Disability Rates:	Nil

c) Funded Ratio Applied to Present Value of Benefits:

(1) When NBPSPP is the Exporting Plan: Termination Value Funded Ratio
as at last filed actuarial valuation report
(At 108.8% as at January 1, 2017)

(2) When NBPSPP is the Importing Plan: Termination Value Funded Ratio
as at last filed actuarial valuation report
if greater than 100%, otherwise 100%
(At 108.8% as at January 1, 2017)

Retirement Rates	Age at January 1, 2014								
Retirement Age	Under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60+
55	0%	0%	0%	0%	0%	0%	0%	0%	0%
56	0%	0%	0%	0%	0%	0%	0%	2.5%	5%
57	0%	0%	0%	0%	0%	2.5%	5%	5%	5%
58	0%	0%	0%	2.5%	5%	5%	5%	5%	5%
59	0%	0%	5%	5%	5%	5%	5%	12.5%	20%
60	2.5%	5%	5%	5%	5%	12.5%	20%	20%	20%
61	5%	5%	5%	12.5%	20%	20%	20%	20%	20%
62	5%	5%	20%	20%	20%	20%	20%	13.1%	6.25%
63	12.5%	20%	20%	20%	20%	13.1%	6.25%	6.25%	6.25%
64	20%	20%	20%	13.1%	6.25%	6.25%	6.25%	6.25%	6.25%
65	55%	45%	25%	21.9%	18.75%	15.65%	12.5%	9.4%	6.25%