

Appendix D4 – Actuarial Method and Assumptions

Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement

Name of Public Authority:	Council of Atlantic Premiers
Registered Pension Plan Name:	Pension Plan for Employees of the Council of Atlantic Premiers and Participating Employers
1. Actuarial Method (describe):	“Projected Unit Credit” method
2. Assumptions: Effective date:	October 1, 2021
a) Economic Assumptions:	
(1) Interest Rate:	4.75% per annum
(2) Inflation Rate:	2.00% per annum
(3) YMPE Growth Rate:	2.50% per annum
(4) Salary Growth Rate (General): (Only used to project salaries up to December 31, 2022)	2.50% per annum
(5) Salary Growth Rate (Merit/Promotional increases): (Only used to project salaries up to December 31, 2022)	(See table below ¹)
(6) Rate of Increase of Maximum Benefits under Income Tax Act:	2.50% per annum
(7) Rate of Indexing of Pension after retirement (Guaranteed):	
- For service accrued prior to July 1, 2013	2.00% per annum
- For service accrued between June 30, 2013 and January 1, 2023	1.00% per annum
- For service after December 31, 2022	2.0% per annum for determining the maximum Going Concern current service cost and 0.0% per annum for determining the minimum Going Concern current service cost.
(8) Pre-retirement conditional indexation for active members: (from January 1, 2024)	2.0% per annum for determining the maximum Going Concern current service cost and 0.0% per annum for determining the minimum Going Concern current service cost.
b) Demographic Assumptions:	
(1) Mortality Table:	100% for males and 110% for females of the rates of the Canadian Pensioners Mortality Table (CMP2014Priv) Fully generational using CPM Improvement Scale B (CPM-B)
(2) Gender Split:	N/A

- (3) Proportion With Spouse: 85% have a spouse at retirement
- (4) Age Difference Between Spouses: male spouse is 3 years older than female spouse
- (5) Retirement Age: 50% retire at earliest age eligible for an unreduced pension (if before age 60) or age 55, 40% retire at age 60, and remainder retire at age 65
- (6) Withdrawal Rate (See table below²): 60% elect lump sum, remainder elect a deferred pension
- (7) Disability Rate: N/A

Note: If more room is needed to describe your assumptions, please use overleaf or attach a separate page to this form.

¹Merit/Promotional Increases:

Age	Termination
Under 30	3.0% per annum
30-39	1.5% per annum
40-44	1.0% per annum
45-49	0.5% per annum
50+	0.0%

²Withdrawal Rate:

Age	Termination
20	32.0%
25	20.0%
30	11.2%
35	6.3%
40	3.4%
45	1.8%
50	1.2%
55	0.0%