

## Appendix D1 – Actuarial Method and Assumptions

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

<b>Name of Public Authority:</b> Provident <sup>10</sup>	
<b>Registered Pension Plan Name:</b> Public Service Pension Plan (NL)	
<b>1. Actuarial Method:</b> The actuarial method is the “projected unit credit actuarial cost” method.	
<b>2. Assumptions:</b> Effective Date: March 31, 2023	
<b>a) Economic Assumptions:</b>	
i. Interest Rate	6.00%
ii. Inflation Rate	2.00%
iii. YMPE Growth Rate	2.75%
iv. Salary Growth Rate	3.50%
v. Rate of Increase under ITA	2.75%
vi. Rate of Indexing of Pensions in pay	1.00%
<b>b) Demographic Assumptions</b>	
i. Mortality Table	CPM RPP 2014 Public Sector Mortality Table CPM-B mortality improvement rates, pension size adjustment factors of 1.21 for males and 1.06 for females
ii. Gender Split	Unisex (65% female, 35% male)
iii. Proportion with Spouse	85%
iv. Age difference between spouses	Male is 3 years older than female
v. Retirement age > Old provisions <sup>1</sup>	50% at the earlier of age 55 with 30 years of service or age 60 with 5 years of service.  Remainder at the earlier of age 65 with 5 years of service and age 55 with 35 years of service.
> New provisions	57.5% at the earlier of age 58 with 30 years of service and age 60 with 10 years of service. Remainder at the earlier of age 65 with 5 years of service and age 58 with 35 years of service
vii. Withdrawal Rate	nil
vi. Disability Rate	nil

1. All members projected to attain unreduced retirement eligibility under the old PSPP provisions or 30 years of service by December 31, 2019 are assumed to retire in accordance with the old PSPP provisions assumption. All other members are assumed to retire in accordance with the new provisions assumption.