

Appendix D17 – Actuarial Method and Assumptions

Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Alberta Pensions Services Corporation

Registered Pension Plan Name: Management Employees Pension Plan (Alberta)

1 Actuarial Method (describe): Projected accrued benefit actuarial cost method

2. Assumptions: Effective date: April 1, 2023

a) Economic Assumptions

1. Interest Rate:	Nominal Interest Rate	<u>4.85</u>	%
	Net Interest Rate	<u>3.61</u>	%

2. Inflation Rate:		<u>2.00</u>	%
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3. YMPE Growth Rate:		<u>N/A</u>	
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4. Salary Growth Rate:	2.75% plus merit and promotion of 2.0% up to and including age 40 declining uniformly to 0.8% per year at age 45, then 0.8% up to and including age 51 and 0.5% thereafter.		
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5. Increase in DB limits:		<u>2.75</u>	%
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b) Demographic Assumptions

1. Mortality

a) Pre-retirement:	NIL
b) Post-Retirement:	95% CPM2014Publ with MI-2017 Improvement Scale

2. Proportion Married:	80%
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3. Spousal Age difference:	Male 2 years older than female
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4. Withdrawal Rate:	NIL
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5. Disability Rate:	NIL
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6. Retirement age

- If Member has 80 points at the Calculation Date, the later of age 55 or age at the Calculation Date;
- Otherwise, if Member will reach 80 points (with grow-in) prior to 60, the later of age at which 80 points will be achieved, age 57 or age at the Calculation Date;
- Otherwise, if Member will not reach 80 points (with grow-in) prior to age 60, the later of age 60 or age at the Calculation Date;
- With respect to transfers into MEPP, the determination of points shall include the service to be transferred in.