

Appendix D1 - Actuarial Method and Assumptions

Nova Scotia Public Service / Dalhousie University Reciprocal Transfer Agreement

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|--|---|-----------------------|
| Name of Pension Authority: | Province of Nova Scotia | |
| Registered Pension Plan Name: | Public Service Superannuation Plan | |
| 1. Actuarial Method (describe): | Projected Unit Credit (also called accrued benefit) | |
| 2. Assumptions: Effective date: | September 1, 2023 | |
| a) Economic Assumptions: | | |
| (1) Interest Rate: | | 5.85% |
| (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 Pay | 0.00% 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% |