

# Appendix D11 - Actuarial Method and Assumptions

## *Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement (DB)*

<b>Name of Public Authority:</b>		Nova Scotia Pension Services Corporation			
<b>Registered Pension Plan Name:</b>		Public Service Superannuation Plan			
1.	<b>Actuarial Method</b> (describe):	Projected Unit Credit (also called accrued benefit)			
2.	<b>Assumptions:</b> Effective date:	September 1, 2023			
a) <b>Economic Assumptions:</b>					
(1)	Interest Rate:	Discount rate: 5.85%			
(2)	Inflation Rate:	2.00%			
(3)	YMPE Growth Rate:	2.50%			
(4)	Salary Growth Rate:	2.50% plus merit/seniority based on attained age	<30	2.00%	
			30 - 34	1.50%	
			35 - 39	1.00%	
			40 - 44	0.50%	
			45 - 49	0.00%	
			50+	0.00%	
(5)	Rate of Increase of Maximum Benefits under Income Tax Act:	2.50%			
(6)	Rate of Indexing of Pension In Payment:	0.00% until 2025; 1.0% thereafter			
b) <b>Demographic Assumptions:</b>					
(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 is 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%

(7) Disability Rate:

Nil