

# Appendix D2 - Actuarial Method and Assumptions

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

**Name of Public Authority:** Nova Scotia Pension Services Corporation

**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, 2025

a) **Economic Assumptions:**

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|-----|--|--|
| (1) | Interest Rate:   | Discount rate: 6.50%                         |
| (2) | Inflation Rate:  | 2.00%  |
| (3) | YMPE Growth Rate:  | 2.50%  |
| (4) | Salary Growth Rate:  | 2.50% + Merit Increase (see following scale) |
|     | <b>Age</b>   | <b>Merit Increase</b>                        |
|     | 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 Payment                     | 2.61% until 2030, 1.00% thereafter           |

b) **Demographic Assumptions:**

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|-----|---------------------------------|---|
| (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<br>20% at age 60<br>10% at each age 61-64<br>50% at each age 65-69<br>100% at age 70<br>However, 20% each year on or after EURD, if greater<br>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%