

Appendix D6 – Actuarial Method and Assumptions
Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement

Name of Public Authority:	Halifax Regional Municipality
Registered Pension Plan Name:	Halifax Regional Municipality Pension Plan
Effective Date:	January 1, 2026

The transfer value will equal the greater of the amount determined using:

- A) the “Projected Unit Credit” method
B) the “Accrued Benefit” method

A1. **Actuarial Method** (describe): “Projected Unit Credit” method

A2. **Assumptions:**

a) **Economic Assumptions:**

- | | | |
|-----|--|---|
| (1) | Interest Rate: | 6.60% |
| (2) | Inflation Rate: | 2.00% |
| (3) | YMPE Growth Rate: | 2.75% |
| (4) | Salary Growth Rate: | 2.75% + merit according to following scale: |
| | <u>Age</u> | <u>Merit Increase</u> |
| | Under 30 | 2.0% |
| | 30-39 | 1.5% |
| | 40-44 | 1.0% |
| | 45-49 | 0.5% |
| | Over 49 | 0.0% |
| (5) | Rate of Increase of Maximum Benefits under Income Tax Act: | 2.75% |
| (6) | Rate of Indexing of Pension in Payment | N/A |
| (7) | PfAD (% added to cost as a Provision for Adverse Deviations) | 6.88% |

b) **Demographic Assumptions:**

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|-----|---------------------------------|--|
| (1) | Mortality Table: | CPM 2014 Private (unadjusted) with mortality improvements in accordance with CPM Improvement Scale B |
| (2) | Gender Split: | 65% male, 35% female |
| (3) | Proportion With Spouse: | 85% have a spouse at retirement |
| (4) | Age Difference Between Spouses: | Member is 0.9 years older than his/her spouse |
| (5) | Retirement Age: | Percentage assumed to retire at earliest unreduced retirement date:
60% + 40% x (30 – Earliest Retirement Date Age + Age at Calculation Date) / 30
Remainder retire at Normal Retirement Age |

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(6) Withdrawal Rates: Age related scale with following sample rates:

<u>Age</u>	<u>Annual Rate</u>
25	13.1%
30	7.0%
35	5.4%
40	4.1%
45	3.1%
50	2.4%
55	0.0%
60	0.0%

(7) Disability Rates: N/A

B1. **Actuarial Method** (describe): “Accrued Benefit” method

B2. **Assumptions:**

a) **Economic Assumptions:**

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|--|---|
| (1) Interest Rate: | Pre and post-retirement interest rates for the month of calculation determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values, as amended from time to time |
| (2) Inflation Rate: | N/A |
| (3) YMPE Growth Rate: | N/A |
| (4) Salary Growth Rate: | N/A |
| (5) Rate of Increase of Maximum Benefits under Income Tax Act: | 1% higher than the implied rates of increase in the Consumer Price Index determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values, as amended from time to time |
| (6) Rate of Indexing of Pension in Payment | N/A |

b) **Demographic Assumptions:**

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|-------------------------------------|--|
| (1) Mortality Table: | 2014 Canadian Pensioner Combined Mortality Table with mortality improvements in accordance with CPM Improvement Scale B, unisex, or such other table used under the Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values, as amended from time to time |
| (2) Gender Split: | 65% male, 35% female |
| (3) Proportion With Spouse: | 85% have a spouse at retirement, actual marital status used if retirement eligible |
| (4) Age Difference Between Spouses: | Member is 0.9 years older than his/her spouse, actual spouse age used if retirement eligible |
| (5) Retirement Age: | 50% at the age which maximizes value of benefit and 50% at the age which maximizes the amount of pension receivable. Both on the premise that continuous service ceases at the calculation date |
| (6) Withdrawal Rate: | N/A |
| (7) Disability Rate: | N/A |

Note: If more room is needed to describe your assumptions, please use overleaf or attach a separate page to this form.