

# Appendix D4 – Actuarial Method and Assumptions

## *Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement*

**Name of Public Authority:** Council of Atlantic Premiers

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**Registered Pension Plan Name:** Pension Plan for Employees of the Council of Atlantic Premiers and Participating Employers

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1. **Actuarial Method** (describe): Projected unit credit with projection based on conditional increases to accrued pensions

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2. **Assumptions:** Effective date: September 1, 2024

a) **Economic Assumptions:**

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|------|--|---|
| (1)  | Interest Rate:   | 5.15% per annum   |
| (2)  | Inflation Rate (CPI):  | 2.75% for 2024<br>2.25% for 2025<br>2.00% per annum thereafter                          |
| (3)  | YMPE Growth Rate:  | 2.75% per annum   |
| (4)  | Salary Growth Rate:  | N/A   |
| (5)  | Rate of Increase of Maximum Benefits under Income Tax Act:   | 2.75% per annum   |
| (6)  | Rate of Indexing of Pensions in Payment:                     |   |
|      | - For service accrued prior to July 1, 2013                  | 100% CPI  |
|      | - For service accrued from July 1, 2013 to December 31, 2022 | 100% CPI  |
|      | - For service after December 31, 2022                        | 100% CPI  |
| (7)  | Pre-retirement indexing on active accrued pensions:          | 100% CPI  |
| (8)  | Pre-retirement indexing on deferred pensions:                | 100% CPI for service prior to July 1, 2013<br>None for service on or after July 1, 2013 |
| (9)  | Interest rate for projected lump sums                        | 4.00% per annum   |
| (10) | Indexing for projected lump sums                             | 2.00% per annum   |

b) **Demographic Assumptions:**

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|-----|------------------|--|
| (1) | Mortality Table: | 100% for males and 110% for females of the rates of the Canadian Pensioners Mortality Table (CPM2014Priv) with future mortality improvements using CPM Improvement Scale B (CPM-B) |
|-----|------------------|--|

- (2) Gender Split: 55% male
- (3) Proportion With Spouse: 85% have a spouse at retirement
- (4) Age Difference Between Spouses: Male spouse is 3 years older than female spouse
- (5) Retirement Age: 10% retire at age 65, 40% at age 60, and the remainder at Rule of 80, if earlier than age 60
- (6) Withdrawal Rates: Age related table (see sample rates below)  
60% elect lump sum, remainder elect a deferred pension
- (7) Disability Rates: None

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

Sample Withdrawal Rates:

| Age | Termination |
|-----|-------------|
| 20  | 25%         |
| 25  | 25%         |
| 30  | 20%         |
| 35  | 12%         |
| 40  | 8%          |
| 45  | 8%          |
| 50  | 6%          |
| 55  | 0%          |