

APPENDIX “ D ”
METHODS AND ACTUARIAL ASSUMPTIONS USED

1. For the purposes of paragraph 8.1(a) of this agreement, the values of the benefits will be determined using the methods and assumptions contained in the Actuarial Report on the Pension Plan for the Public Service of Canada (*Public Service Superannuation Act*) as at March 31, 1999 (“*the actuarial report*”), except for and /or as noted in the following:
 - a) the rate of interest shall be 7.25% ; and
 - b) the rate of increase in the Consumer Price Index shall be 3.0% per annum; and
 - c) the rate of increase in salaries shall be 4.0% per annum, plus the merit increase contained in the actuarial report.
2. The methods and assumptions, except those specified in paragraphs 1(a) to 1(c) above, will automatically be amended each time a new actuarial report is laid before Parliament. The new methods and assumptions will take effect on the first day of the second month following the month in which the actuarial report is laid before Parliament and will apply to applications for transfer made after that date.
3. All or any of the assumptions specified in paragraphs 1(a) to 1(c) above can be amended by the Federal Minister. The new assumptions will take effect on the first day of the second month following the month in which written notification is sent by the Federal Minister to the Provincial advising him of the new assumptions and will apply to applications for transfer made after that date.