

APPENDIX “ E ”
METHODS AND ACTUARIAL ASSUMPTIONS

For the purposes of paragraph 8.1(b) of this agreement, the values of the benefits will be determined using the Accrued Benefit Method (also known as Projected Unit Credit) and the following assumptions:

Economic Assumptions:

1. Interest Rate:	7.64%
2. Inflation Rate:	3.00%
3. YMPE Growth Rate:	3.50%
4. Salary Growth Rate:	3.50%
5. Rate of Increase of Maximum Benefits under Income Tax Act:	3.50%
6. Rate of Indexing of Pension in Payment:	3.00%

Demographic Assumptions:

1. Mortality Table:	GAM-83
2. Gender Split:	Actual gender is used
3. Proportion With Spouse:	85% (m) and 75% (f) have spouse at retirement
4. Age Difference Between Spouses:	Male spouse 3 years older than female spouse
5. Retirement Age:	Average of (i) earlier of age 60 and 32.5 years of service but not before age 55 and (ii) earlier of age 62 and 30 years of service, but not before age 55
6. Withdrawal Rate:	NIL
7. Disability Rate:	NIL