

Appendix D4 - Actuarial Method and Assumptions

Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Province of New Brunswick

Registered Pension Plan Name: Public Service Superannuation Plan

1. **Actuarial Method** (describe): Actuarial Equivalent - cost to fund

2. **Assumptions:** Effective date: April 1, 2008

a) **Economic Assumptions:**

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|--|--------------------------|
| (1) Interest Rate: | 6.60% |
| (2) Inflation Rate: | 2.30% |
| (3) YMPE Growth Rate: | 3.00% |
| (4) Salary Growth Rate: | 3.50% |
| (5) Rate of Increase of Maximum Benefits under the Income Tax Act: | Projects at 4% from 2009 |
| (6) Rate of Indexing of Pension in Payment | 2.30% |

b) **Demographic Assumptions:**

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|-------------------------------------|--|
| (1) Mortality Table: | GAR94 projected to 2000 using Scale AA |
| (2) Gender Split: | 50% / 50% |
| (3) Proportion With Spouse: | Actives males 90%; active females 85%, deferred and pensioners varies by age |
| (4) Age Difference Between Spouses: | 3 years |
| (5) Retirement Age: | 15% age 57
60% age 60
25% age 63 |
| (6) Withdrawal Rate: | Nil |
| (7) Disability Rate: | Silent |

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