

## Appendix D2 - Actuarial Method and Assumptions

### Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Province of Nova Scotia

Registered Pension Plan Name: Public Service Superannuation Plan

1. Actuarial Method (describe): Projected Unit Credit (also called accrued benefit)

2. Assumptions: Effective date: April 1, 2009

a) Economic Assumptions:

(1) Interest Rate: real interest rate: 4.25%  
nominal interest rate: 6.86%

(2) Inflation Rate: 2.50%

(3) YMPE Growth Rate: 2.50%

(4) Salary Growth Rate: 2.50% + Merit Increase (see following scale)

| Age         | Merit Increase |
|-------------|----------------|
| Under 30    | 2.50%          |
| 30 - 34     | 2.00%          |
| 35 - 39     | 1.50%          |
| 40 - 44     | 1.00%          |
| 45 - 49     | 0.50%          |
| 50 and over | 0.00%          |

(5) Rate of Increase of Maximum Benefits under Income Tax Act: 2.50%

(6) Rate of Indexing of Pension in Payment 2.50%

b) Demographic Assumptions:

(1) Mortality Table: UP94 projected to 2015 using scale AA

(2) Gender Split: 50% male, 50% female

(3) Proportion With Spouse: 85% male, 75% female have spouse at retirement

(4) Age Difference Between Spouses: male spouse 3 years older than female spouse

(5) Retirement Age: 35% at age 54 with age plus service equal to 80 or greater;  
otherwise at earlier of age 60 or age at which 35 years of service is accrued

(6) Withdrawal Rate: nil

(7) Disability Rate: nil

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