

Amended June 4, 2002
Effective May 1, 2001

APPENDIX "F"

ONTARIO TEACHERS' PENSION PLAN BOARD (OTPPB)

1. ELIGIBILITY

- (a) For the purposes of section 3(a)(i) of the Agreement, the date specified is January 1, 1950.
- (b) For the purposes of section 3(a)(ii)(B) of the Agreement, Inactive Members of the Ontario Teachers' Pension Plan are eligible.

2. ACTUARIAL COST METHOD AND ASSUMPTIONS

- (a) Actuarial Cost Method **projected unit credit**
- (b) Annual interest rate
 - (i) Non-Indexed rate **rate as per section 7(c)(i)(B) of the agreement**
 - (ii) Indexed rate **rate as per section 7(c)(i)(B) of the agreement**
- (c) Annual inflation rate **determined as $[1 + \text{item 2(b)(i)}] / [1 + \text{item 2(b)(ii)}] - 1$**
- (d) Annual real rate of return **equal to item 2(b)(ii)**
- (e) Annual YMPE increase rate **annual inflation rate plus 1%**
- (f) Annual salary increase **annual inflation rate plus 1% plus seniority salary scale**
- (g) Increase in Tax Act maximum **annual inflation rate plus 1% starting on January 1, 2005**
- (h) Mortality
 - (i) Pre-Retirement **None**
 - (ii) Post-Retirement **GAM83 mortality table, as published on pages 880 and 881 of Volume XXXV of the Transactions of the Society of Actuaries Gender Neutral: 50% male and 50% female**
- (i) Withdrawal rate **None**

- (j) Disability rate **None**
- (k) Retirement age **earliest of:**
(i) age at which unreduced pension may first be payable,
(ii) age when 35 years of service will be accrued,
or
(iii) age 65
- (l) Seniority salary scale **0.75% per annum to retirement age**
- (m) Proportion with spouse at death **85%**
- (n) Age of spouse **same age as Applicant**

3. SPECIFIED TERMS AND CONDITIONS OF THE PLAN

- (a) Where the OTPPB is the Importing Plan Pension Authority and the Applicant
 - (i) was employed on either a full-time or part-time basis with an employer covered by the Exporting Plan prior to the Applicant ceasing to be an Active Member of the Exporting Plan, and
 - (ii) has been employed on less than a full-time or part-time basis with an employer covered by the Ontario Teachers' Pension Plan,
 the salary for the purposes of section 7(b)(ii) will be determined in accordance with the normal administrative practices of the OTPPB.
- (b) Where the OTPPB is the Importing Plan Pension Authority, the OTPPB will recognize the Applicant's Credited Service under the Exporting Plan, that is eligible for transfer, to determine eligibility for pension and ancillary benefits under the Ontario Teachers' Pension Plan.