

## 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: August 15, 2010

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 1.25%

b) Demographic Assumptions:

(1) Mortality Table: UP94 projected to 2020 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 earliest opportunity for an unreduced pension, but not before age 54; otherwise at earlier of age 60 with 2 years of service 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.