

Appendix D10 – Actuarial Method and Assumptions

Nova Scotia Public Authority Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: Health Association Nova Scotia

Registered Pension Plan Name: Nova Scotia Health Employees' Pension Plan

EFFECTIVE DATE: February 13, 2021

The transfer amount shall equal the greater of the following:

- A. the amount determined using the Termination actuarial basis described below; and
- B. the amount determined using the modified Termination actuarial basis described below.

A. Termination actuarial basis

A1. **Actuarial Method** (describe): "Accrued Benefit" method

A2. **Assumptions:**

a) **Economic Assumptions:**

- | | |
|--|---|
| (1) Interest Rate: | Pre and post retirement interest rates for the month of calculation determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) Inflation Rate: | Included in Interest Rate for post-retirement period |
| (3) YMPE Growth Rate: | N/A |
| (4) Salary Growth Rate: | N/A |
| (5) Rate of Increase of Maximum Benefits under Income Tax Act: | N/A |
| (6) Rate of Indexing of Pension in Payment | Included in Interest Rate |

b) **Demographic Assumptions:**

- | | |
|-------------------------------------|--|
| (1) Mortality Table: | In accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) Gender Split: | 85% female, 15% male |
| (3) Proportion With Spouse: | 73% have a spouse at retirement |
| (4) Age Difference Between Spouses: | male spouse is 2.1 years older than female spouse |
| (5) Retirement Age: | 50% at the age which maximizes value of benefit, remainder at earliest unreduced retirement age |
| (6) Withdrawal Rate: | N/A |
| (7) Disability Rate: | N/A |

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B. Modified termination actuarial basis

B1. **Actuarial Method** (describe): "Accrued Benefit" method

B2. **Assumptions:**

a) **Economic Assumptions:**

- | | |
|--|---|
| (1) Interest Rate: | Pre and post retirement interest rates for the month of calculation determined in accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) Inflation Rate: | Included in Interest Rate for post-retirement period |
| (3) YMPE Growth Rate: | N/A |
| (4) Salary Growth Rate: | N/A |
| (5) Rate of Increase of Maximum Benefits under Income Tax Act: | N/A |
| (6) Rate of Indexing of Pension in Payment | Included in Interest Rate |

b) **Demographic Assumptions:**

- | | |
|-------------------------------------|--|
| (1) Mortality Table: | In accordance with the Canadian Institute of Actuaries Standard of Practice for Pension Commuted Values (Section 3500) |
| (2) Gender Split: | 85% female, 15% male |
| (3) Proportion With Spouse: | 73% have a spouse at retirement |
| (4) Age Difference Between Spouses: | male spouse is 2.1 years older than female spouse |
| (5) Retirement Age: | 75% at earliest unreduced retirement age based on projected service; remainder at age 65 |
| (6) Withdrawal Rate: | N/A |
| (7) Disability Rate: | N/A |