

Appendix D6 - Actuarial Method and Assumptions

Public Service Defined Benefit Pension Plans Reciprocal Transfer Agreement

Name of Public Authority: OPSEU Pension Trust

Registered Pension Plan Name: OPSEU Pension Plan

1. **Actuarial Method** (describe):

The actuarial method is the “projected unit credit actuarial cost” method. Under this method, the transfer amount is the actuarial present value of the pension in respect of service accrued to the date of termination, assuming an annual increase in pensionable earnings between the year of termination and the retirement assumptions specified below.

2. **Assumptions:** Effective Date: September 1, 2026

(a) **Economic Assumptions:**

- 1) Interest Rate: 4.80% nominal, 2.80% real
- 2) Inflation Rate: 2.00%
- 3) YMPE Growth Rate: 2.50% except for divested members, where the YMPE used for projections in the actuarial transfer value is the actual YMPE at date of termination from the successor employer.
- 4) Salary Growth Rate: 2.75%, except for divested members, where the Annual Salary Rate used for projections in the actuarial transfer value is the Annual Salary Rate at the divestment date escalated by the CPI (using the same escalation methodology applied to divested pensions) for the period between the divestment date and the date of termination from the successor employer.
- 5) Rate of Increase of Maximum Benefits under Income Tax Act: 2.50%
- 6) Rate of Indexing of Pension In Payment: 2.00%
- 7) Rate of Return for Interest on Employee Contributions: 3.00%

(b) **Demographic Assumptions:**

1) Mortality Table:	Pre-Retirement:	None
	Post Retirement:	108% of 2011 Canadian Pensioner's Mortality Private Sector Table (CPM2011Priv), with generational projection using MI-2017 Scale;
2) Gender Split:	Unisex 40% male / 60% female	
3) Proportion with Spouse:	70%	
4) Age Difference between Spouses:	None	
5) Retirement Age:	Weighted average of 40% of the normal retirement age and 60% of the earliest age at which an unreduced pension under a permanent provision of the OPSEU Pension Plan would be payable if the member had continued employment with no breaks in service.	
6) Withdrawal Rate:	None	
7) Disability Rate:	None	
8) Residual Balance:	A 5 year guarantee is used to estimate the value of the residual balance paid to beneficiaries.	