

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 **updated each January 1 as reference rate plus a spread as per guidance provided in the Funding Management Policy**
- (c) Annual inflation rate **determined as geometric difference between the nominal Long Canada Bond yield (CANSIM V39056) and the Real Return Canada Bond yield (CANSIM V39057) limited as per description in 3(d),(e)&(f) below**
- (d) Annual real rate of return **determined as the geometric difference between the annual interest and inflation rates**
- (e) Annual YMPE increase **annual inflation rate plus 1%**
- (f) Annual salary increase **annual inflation rate plus 1% + seniority scale of 0.4% per annum**
- (g) Increase in Tax Act maximum **annual inflation rate plus 1%**

- (h) Mortality
 - (i) Pre-Retirement **None**
 - (ii) Post-Retirement **2019 OTPPB mortality rates & improvement scales for members and spouses derived from plan specific experience
Gender neutral: 30% male and 70% female.**

- (i) Proportion with spouse at death **80%**

- (j) Age of spouse **Males assumed to be 3 years older than female spouses, on average**

- (k) Withdrawal rate **None**

- (l) Disability rate **None**

- (m) Retirement age **Assumed retirement age is 6 months following the later of application date and the member's unreduced retirement date**

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.

- (c) Contributions, and their associated benefit calculations, are capped by application of a maximum annual rate of pay of six times the YMPE for any given calendar year.

- (d) Credited service accrued for periods before 2010 will receive guaranteed indexation equal to 100% of the change in CPI calculated on a twelve-month average basis. A maximum annual increase of 8% is applied and any excess over 8% is carried forward and applied in future years when the increase is less than 8%.
- (e) Credited service accrued for periods after 2009 and before 2014 will receive guaranteed indexation equal to 50% of the change in CPI calculated on a twelve-month average basis. Indexation above 50% of CPI, up to a maximum of 100% of the change in CPI calculated on a twelve-month average basis will be conditional on the funded status of the plan. A maximum annual increase of 8% is applied and any excess over 8% is carried forward and applied in future years when the increase is less than 8%.
- (f) Credited service accrued for periods after 2013 will receive guaranteed indexation equal to 0% of the change in CPI calculated on a twelve-month average basis. Indexation above 0% of CPI, up to a maximum of 100% of the change in CPI calculated on a twelve-month average basis will be conditional on the funded status of the plan. A maximum annual increase of 8% is applied and any excess over 8% is carried forward and applied in future years when the increase is less than 8%.