



Final

Final Standards – Revision to the Practice-Specific Standards for Pension Plans – Mortality Assumption for Pension Commuted Values and Promulgation of Mortality Table

Actuarial Standards Board

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3530 DEMOGRAPHIC ASSUMPTIONS

.01 *Except for situations specifically noted below, the actuary should assume:*

- *Separate mortality rates for male and female members; and*
- *Mortality rates in accordance with a mortality table promulgated from time to time by the Actuarial Standards Board for the purpose of these calculations.*

.02 *No adjustment should be made to reflect the health or smoker status of the member.*

.03 *The current age of the plan member should be used when valuing an immediate pension.*

.04 *If the plan provides a contingent benefit only to the person who is the plan member's spouse at the date of termination of membership, the actual age of the spouse, if any, should be used in the computation. If this information cannot be obtained, an appropriate proportion married and age difference between the plan member and spouse should be assumed.*

.05 *Where the plan provides a contingent benefit to a plan member's spouse and a change in the member's marital status after the valuation date is relevant to the determination of the commuted value, the actuary should make an appropriate assumption concerning the likelihood of there being an eligible spouse, and the age of that spouse, at the time of death.*

.06 *When valuing deferred pensions, including deferred pensions for a plan member who may also be entitled to an immediate pension, the normal retirement age should be used, except in the situation where the terminated plan member has the right to elect an earlier commencement date and the consequent early retirement pension exceeds the amount that is of actuarial equivalent value to the pension payable at normal retirement age. The retirement age should be determined in a manner consistent with paragraph 3520.09. [Effective February 1, 2014]*

.07 *The demographic assumptions would be the same for all types of immediate and deferred pensions.*