

APPENDIX "C"
METHODS AND ACTUARIAL ASSUMPTIONS USED

1. For the purposes of Clause 3.1 of this agreement, the value of the benefits will be calculated using the methods and actuarial assumptions contained in the ***Actuarial Report on the Pension Plan for the Public Service of Canada (Public Service Superannuation Act)*** as of December 31, 1992 (***the 1992 PSSA Actuarial Report***), except for and/or as noted in the following:
 - a) the initial rate of interest, applicable during the first 15 years, shall be 7.65%;
and
 - b) the interest rate for each succeeding year thereafter shall equal 6.61%; and
 - c) the rate of increase in the Consumer Price Index shall be 3.0%,
 - d) the rate of increase in salaries shall be set at 3.5% per year plus the merit increases used in the 1992 PSSA Actuarial Report.
2. For the purposes of paragraph 3.1(a) of this agreement, the initial salary to which the increases specified in paragraph 1(d) above shall be applied shall be the salary as of the date of ceasing to be employed with the Province.
3. For the purposes of paragraph 3.1(b) of this agreement, the initial salary to which the increases specified in paragraph 1(d) above shall be applied shall be the salary as of the date of becoming a contributor under the Federal Act.