

Memorandum

To: All Fellows, Affiliates, Associates, and Correspondents of the Canadian Institute of Actuaries and Other Interested Parties

From: Jim Christie, Chair
Actuarial Standards Board
Conrad Ferguson, Chair
Designated Group

Date: October 22, 2013

Subject: **Final Communication – Promulgation of Current Mortality Table for Pension Commuted Values**

Document 213091

PROMULGATION OF CURRENT MORTALITY TABLE

Paragraph 3530.01 of the Practice-Specific Standards for Pension Plans as approved by the Actuarial Standards Board (ASB) on October 8, 2013, to be effective as of February 1, 2014, reads as follows:

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.*

At its meeting on October 8, 2013, the ASB decided to promulgate the use of the following mortality table, effective February 1, 2014: *mortality rates equal to the UP-94 Table with generational projection using mortality projection scale AA.*

A [notice of intent](#) was published on March 6, 2013, with a comment period ending on March 26, 2013. An [exposure draft](#) for changes to the standards was published on May 31, 2013, with a comment period ending on July 5, 2013. The accompanying [memo](#) to the exposure draft also incorporated the Initial Communication to promulgate the current mortality table at the same time as the revised standard would become effective.

RATIONALE FOR THE PROMULGATION

The mortality table is the same as that specified by the standards in effect prior to February 1st, 2014. As stated in the initial communication, there is no change to the table currently in use and this promulgation is made necessary because of the revision to paragraph 3530.01

The designated group is of the view the promulgated mortality table meets the criteria set out in section B of the ASB's Due Process, specifically:

- The public interest will be served by retaining the current table until such time as a new table is promulgated following due process.
- The actuary will continue to apply professional judgment within a reasonable range as was the case previously. Although the use of the table is prescribed, there continues to be circumstances where an actuary should or may use judgment.
- Compliance with the promulgated table is practical for actuaries as it is not changed from the current table.
- The promulgated table is considered to be unambiguous.

COMMENTS RECEIVED

No comments were received on the proposed promulgation of the current table.

DUE PROCESS

The ASB's Policy on Due Process for the Adoption of Standards of Practice was followed in the promulgation of Current Mortality Table for Pension Commuted Values.

EFFECTIVE DATE

The new mortality table should be used for calculations on or after February 1, 2014. Early implementation is irrelevant as there is no change to the current table.

JC, CF