

INSTRUCTIONS FOR COMPLETING ACTUARIAL INFORMATION SUMMARY

General Instructions

Who Must File

Where a pension plan contains a defined benefit provision, the administrator (or its agent) must file an Actuarial Information Summary ("AIS") concurrently with the funding valuation report (the "Report") required to be filed under the regulations made under the *Income Tax Act* (Canada), R.S.C. 1985 (5th supp.), c.1, as amended (the "ITA") and the regulations made under the Ontario *Pension Benefits Act*, R.S.O. 1990, c.P.8, as amended (the "OPBA") or the *Pension Benefits Standards Act, 1985* (Canada), R.S.C. 1985 (2nd supp.), c.32, as amended (the "PBSA"). If a report is filed to reflect an amendment to a pension plan (e.g., a cost certificate) and the going concern actuarial basis used in the last filed funding valuation report is still used for the purpose of the report, an AIS must be filed but only Parts I, V and VI of the AIS need to be completed.

Certification by Actuary

Part VI must be signed by the actuary (must be a Fellow of the Canadian Institute of Actuaries) who signed the Report to which the AIS relates.

The AIS must accurately reflect the information set out in the Report. The Report may include additional comments related to the information provided in the AIS.

Specific Instructions for Part I

Section 1. - Name of Pension Plan

This should be the name of the registered pension plan, as it appears on the most recent plan documents filed with Canada Customs and Revenue Agency ("CCRA") and the applicable provincial or federal pension authority.

Section 2. - Registration Number

The Canada Customs and Revenue Agency number is the CCRA seven digit registration number. The "Other" number should be completed if the plan is registered with a provincial or federal pension authority which requires a registration number other than the CCRA number.

Section 3. - Designated Plan Status

Indicate whether or not this plan is a designated plan under Section 8515 of the regulations made under the ITA.

Section 4. - Valuation Date

Indicate the effective date of valuation (the "valuation date") in respect of the Report that is being filed.

Section 5. - End of Covered Period

Enter the end date of the period covered by the Report.

Section 6. - Purpose of the Report

Indicate why the Report is filed. If the Report is filed to replace a previously filed funding valuation report, check "Other".

Section 7. - Normal Cost and Special Payments

For the purposes of this section, normal cost and special payments (prior to the application of any credits and/or surplus) should be reported on the basis of the plan's fiscal year. However, if the valuation date does not coincide with the start date or end date of a plan's fiscal year, the first and last periods will be shorter than one year. For example, if the fiscal year of a plan ends on September 30 and the period covered by a funding valuation report (with a valuation date of December 31, 1996 or January 1, 1997) is from January 1, 1997 to December 31, 1999, then period 1 starts on January 1, 1997 and ends on September 30, 1997, whereas period 4 starts on October 1, 1999 and ends on December 31, 1999.

Enter the dollar amounts, for the indicated periods, of employer and member normal cost and the minimum special payments determined in accordance with the PBSA or OPBA and the regulations made thereunder, excluding additional voluntary contributions but including contributions required under defined contribution provisions of a plan, if any. Indicate, separately, the normal cost contributions required under the defined benefit and defined contribution provisions, respectively. The reported amounts, which include contributions required under the defined contribution provisions of a plan, are to be used by the provincial or federal pension authority for the purpose of assessing the required contributions made by the employer.

If the exact dollar amounts are not known at the valuation date, show the estimated amounts derived from the valuation results taking into account any assumed changes in membership and/or payroll, as applicable. The estimated amounts should also take account of any events such as partial wind ups, asset transfers etc. that are known to have occurred at the time the AIS is prepared, if those events would have a material impact on the required contributions to the plan. Any application of employer credits (e.g., prior year credit balance) and/or surplus, required or otherwise, should not be reflected.

For plans where the obligation of an employer to contribute to the plan is limited to a fixed amount set out in a collective agreement, statute or municipal by-law (e.g., multi-employer pension plans that prescribe a fixed employer cost), do not enter the amounts determined pursuant to the collective agreement, statute or municipal by-law. Instead, the normal cost and minimum special payments (prior to application of any credits and/or surplus) in accordance with the PBSA or OPBA and the regulations made thereunder, as applicable, should be entered.

For designated plans, enter only the amounts that qualify as eligible contributions under ss. 147.2(2) of the ITA.

Specific Instructions for Part II

Section 8. - Membership Information

All statistics must be reported as of the valuation date, even if the membership data is compiled as of a different date. Enter information pertaining only to those plan participants who are entitled to or are accruing a benefit under the defined benefit provisions of the plan. Complete "Average Pension" for active members only for flat benefit or career average earnings plans.

As set out in the Report:

"Active members" means members of the plan identified as active members.

"Retired members" means any beneficiaries receiving pension payments.

"Other participants" means all persons other than active members and retired members who are entitled to a benefit under the plan (e.g., deferred vested members).

If the plan covers several groups of participants (e.g., bargaining, non-bargaining etc.), enter the statistics for all groups combined.

Section 9. - Actuarial Basis for Going Concern Valuation

Going concern valuation is a valuation of assets and liabilities of a pension plan using methods and actuarial assumptions that are in accordance with accepted actuarial practice for the valuation of a continuing pension plan.

If different methods or actuarial assumptions are applicable to different groups of participants (e.g., bargaining, non-bargaining etc.), enter the methods and assumptions used for the group with the largest number of defined benefit participants.

a. - Asset Valuation Method

Check only the primary method used to determine the actuarial value of assets for the purpose of the going concern valuation. "Smoothed market" refers to a method which applies an averaging technique to stabilize short-term fluctuations in the market value of assets. If no method can be identified as the primary method, check "Other".

b. - Liability Valuation Method

Check only the primary actuarial cost method used to determine the going concern liabilities and normal cost. The projected unit credit method is included in the "Accrued benefit (unit credit)" category. If no method can be identified as the primary method, check "Other".

c. - Selected Actuarial Assumptions

(1) - Valuation Interest Rate

Enter the assumption as to the discount interest rate (i.e., expected investment return), before netting out any rate of indexation, used to determine the going concern liabilities and normal cost.

(2) - Rate of Indexation

If applicable, enter the assumed annual rate of increases to pension benefits after pension commencement. If no indexation is reflected in the calculation of going concern liabilities, enter 0% on this line. If the plan's indexing formula is based on increases in the Consumer Price Index, complete also line (6) below.

(3) - Rate of General Wage and Salary Increase Rate

If a separate promotional and merit scale based on age or service is used, enter only the annual rate of increases in the general level of wages and salaries (which should be reasonably related to the increase in the average wage index). Otherwise, enter the total salary growth rate used.

If the plan's benefit formula is not related to earnings, enter "N/A".

(4) - YMPE Escalation Rate

Enter the assumed annual rate of increases in the Years Maximum Pensionable Earnings ("YMPE") under the Canada/Quebec Pension Plan, if applicable.

(5) - CCRA's Maximum Pension Limit Escalation Rate

Enter the assumed annual rate of increases in the maximum pension limit as prescribed in the regulations made under the ITA, if applicable.

(6) - Rate of CPI Increase

Enter the assumed annual rate of increases in the Consumer Price Index, if applicable.

(7) - Year CCRA's Maximum Pension Limit Escalation Commences

Enter the year in which CCRA's maximum pension limit escalation is assumed to commence, if applicable.

(8) - Mortality Table

Check the assumption for post-retirement mortality used for healthy lives. If the valuation uses any other table or any modified version of the tables identified in boxes (a) to (f) inclusive (e.g., table used with a projection scale), check "Other" and describe the table used.

"1983 GAM (without margin)" is based on the 1983 Group Annuity Mortality Table as published in Volume XXXV of the Transactions of the Society of Actuaries, without including the 10 percent margin.

(9) - Allowance for Promotion, Seniority and Merit Increases

Check the appropriate box.

(10) - Hours of Work Per Member Per Plan Year

Applicable only to multi-employer pension plans where the employer required contributions are expressed as cents per hour worked by plan participants.

(11) - Withdrawal Scale

Check the appropriate box.

(12) - Retirement Assumptions

(a) Check the appropriate box

(b) If variable retirement rates are not used, indicate the age at which retirement is assumed to commence.

Section 10. - Actuarial Basis for Solvency Valuation

Where the Report does not contain a solvency valuation but only contains the actuary's certification as to the plan's solvency status, this section must still be completed.

For 10a, enter the assumption as to the discount interest rate, before netting out any rate of indexation, used to determine the solvency liabilities. For plans registered under the OPBA, do not enter the average interest rate that is used to determine the solvency liability adjustment.

If no indexation is reflected in the calculation of solvency liabilities, enter 0% under "Ultimate rate" and "N/A" under the other two column headings on line 10b.

If a level interest rate is used, enter the rate under "Ultimate rate" and "N/A" under "Initial rate" and "Select period". Likewise, if a level rate of indexation is assumed, enter the rate under "Ultimate rate" and "N/A" under the other two column headings.

For 10c, check the applicable mortality table used.

Section 11. - Balance Sheet Information

Enter the going concern valuation results and the solvency valuation results as at the valuation date, pertaining only to the defined benefit provisions of the plan. For example, if a plan contains a defined contribution provision, do not include the defined contribution balances in the values of assets and liabilities reported in this section. Additional voluntary contributions, if any, should also be excluded.

"Market value of assets" is the market value of investments held by a plan at the valuation date, with adjustments for any receivables and payables.

"Going concern assets" means the actuarial value of the assets of a pension plan, with adjustments for any receivables and payables at the valuation date, determined on the basis of a going concern valuation in accordance with accepted actuarial practice and, if applicable, any relevant provincial or federal Act or regulations. Do not include the actuarial present value of any future special payments.

"Going concern liabilities" means the accrued actuarial liabilities determined on the basis of a going concern valuation in accordance with accepted actuarial practice and, if applicable, any relevant provincial or federal Act or regulations.

"Solvency assets" means the value of assets used for solvency valuation in accordance with the applicable provincial or federal Act and regulations, with adjustments for any receivables and payables and any provision for wind-up expenses, but excluding the actuarial present value of any future special payments. For plans registered under the OPBA, do not include any non-zero value of solvency asset adjustment determined in accordance with the regulations made under the OPBA.

"Solvency liabilities" means the liabilities of a plan determined on the basis of a solvency valuation in accordance with the applicable provincial or federal Act and regulations. For plans registered under the OPBA, do not include any non-zero value of solvency liability adjustment determined in accordance with the regulations made under the OPBA.

"Net funded position" means the excess of going concern assets over going concern liabilities. Indicate a surplus as a positive amount and a deficit as a negative amount.

"Net solvency position" means the excess of solvency assets over solvency liabilities. Indicate a surplus as a positive amount and a deficit as a negative amount.

Where a reserve other than the liabilities for plan participants (e.g., reserve for data errors or changes in annuity purchase rates after the valuation date) is held for purposes of the valuation, enter the amount of reserve in 11b(2)(d) or 11c(2)(d), as applicable.

For 11d, check "N/A" if there are no such described benefit increases.

Section 12. - Actuarial gains and losses

If this is not an initial valuation of the plan, the Report should contain a reconciliation of the going concern valuation results to those results in the last filed funding valuation report by identifying the sources of actuarial gains and losses. If a loss item, enclose the amount in brackets. Any source item that has a material impact on the valuation results should be identified. If a particular source item is not applicable or, in the opinion of the actuary, does not have a material impact on the valuation results, enter "N/A".

Factors for deriving the expected funded position of the plan such as interest on surplus or unfunded liability, amortization payments etc. should not be entered into this section.

For 12b(5), enter the amount by which the actual returns of the plan fund for the period from the valuation date of the last filed funding valuation report to the valuation date of the current Report exceeded or fell short of the expected returns based on the valuation interest rates used in the last filed funding valuation report.

For 12b(7), identify any gains or losses, other than those already specified in 12b(1)-(6), that have a material impact on the valuation results. This would include any gain/loss from one or more of such items as "contribution holiday due to use of surplus and/or prior year credit balance", "mortality experience" etc. as identified in the Report.

Section 13. - Subsequent Events

There may be a need to adjust the valuation results in the Report if certain events (e.g., full or partial wind up) occur or are scheduled to occur after the valuation date but before the Report is filed (such events are commonly known as subsequent events). Please refer to section 6.04 of the Canadian Institute of Actuaries' Standard of Practice for Valuation of Pension Plans effective May 1, 1994 (the "CIA Standard"). According to the CIA Standard, the actuary should ensure that the valuation results reflect any Type 1 subsequent events.

Section 14. - Qualified Statements of Opinion

Check "Yes" if any of the actuary's statements of opinion provided in the Report is qualified. Refer to the CIA Standard.

Specific Instructions for Part III

Complete this part only if the plan is registered under the OPBA.

Section 15. - Additional Valuation Information

a. - Going Concern Valuation

"Escalated adjustment", as defined in ss. 1(2) of Regulation 909, R.R.O. 1990, as amended (the "OPBA Regulation"), refers to an indexed pension that is provided in a pension plan. If the plan does not provide such a benefit, check "N/A".

b. - Solvency Valuation

Subject to certain conditions/limitations, the following benefits, listed under the definition of solvency liabilities in ss. 1(2) of the OPBA Regulation, may be excluded from the calculation of solvency liabilities (referred to as "excludable benefits" in the AIS):

- (a) Escalated adjustments
- (b) Excluded plant closure benefits
- (c) Excluded permanent layoff benefits
- (d) Special allowances other than funded special allowances
- (e) Consent benefits other than funded consent benefits
- (f) Prospective benefit increases
- (g) Potential early retirement window benefit values
- (h) Benefits payable under a qualifying annuity contract

Check "Yes" if any of these benefits are provided in the plan and have been excluded from the solvency valuation. If none of these benefits are provided in the plan, check "N/A".

Section 16. - Miscellaneous**a. - Prior Year Credit Balance**

Enter the amount of the prior year credit balance at the valuation date, as determined in accordance with ss. 5(13) to (16) of the OPBA Regulation.

b. - Transfer Ratio

Enter the transfer ratio at the valuation date. Transfer ratio is defined in ss. 1(2) of the OPBA Regulation.

c. - Guarantee Fund Assessment

Enter the amounts of PBGF liabilities and PBGF assessment base, both defined in ss. 1(2) of the OPBA Regulation, if the PBGF assessment base is greater than zero. Otherwise, enter "N/A" for both entries.

Where a plan provides plant closure benefits or permanent layoff benefits and the employer had elected, pursuant to ss. 5(18) of the OPBA Regulation, to exclude all such benefits from the calculation of the solvency liabilities of the plan, enter the amount of additional liability as described in clause 37(4)(a)(ii)(A) of the OPBA Regulation if the ss. 5(18) election is in effect on the valuation date. Otherwise, enter "N/A".

The following categories of plans are exempted from the Guarantee Fund assessment prescribed under s. 37 of the OPBA Regulation:

- multi-employer plans and other plans described in ss. 6(1) of the OPBA Regulation;
- plans listed in ss. 47(1) of the OPBA Regulation;
- plans referred to in ss. 47.1 and 47.2 of the OPBA Regulation; and
- designated plans.

For these plans, enter "N/A" for all three entries.

Specific Instructions for Part IV

Complete this part only if the plan is registered under the PBSA.

Section 17. - Additional Solvency Valuation Information

Enter the solvency ratio at the valuation date. Solvency ratio is defined in ss. 2(1) of the Pension Benefits Standards Regulations, 1985, SOR/87-19, as amended.

Specific Instructions for Part V

Complete this part only if the employer is requesting approval for special contributions under ss.147.2(2) of the ITA.

Section 18. - Eligible Contributions under 147.2(2) of the ITA**a. - Unfunded Accrued Liability**

Enter the amount of unfunded accrued liability for which approval is requested.

b. - Solvency Deficiency

Enter the amount of solvency deficiency for which approval is requested.

c. - First Year Normal Cost for a DB Provision

Enter the amount of first year normal cost contribution for which approval is requested. Include only those amounts relating to the defined benefit provision.