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ACTUARIAL REPORT

on the

REGULAR FORCE DEATH BENEFIT ACCOUNT

as at 31 March 2005

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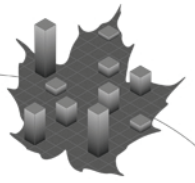
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ACTUARIAL REPORT

Death Benefit Account for the **REGULAR FORCE**
as at 31 March 2005



3 August 2006

The Honourable John Baird, P.C., M.P.
President of the Treasury Board
Ottawa, Canada
K1A 0R5

Dear Minister:

Pursuant to section 71 of the *Canadian Forces Superannuation Act*, I am pleased to submit the report on the actuarial review as at 31 March 2005 of the Regular Force Death Benefit Account established under Part II of this Act.

Yours sincerely,

Jean-Claude Ménard, F.C.I.A., F.S.A.
Chief Actuary

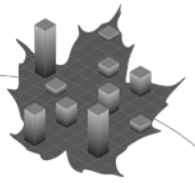
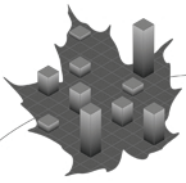


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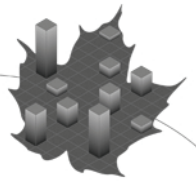
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I. Executive Summary

A. Purpose of this Actuarial Report

This actuarial report on the supplementary death benefit plan established under Part II of the *Canadian Forces Superannuation Act* (CFSA) was made as at 31 March 2005 pursuant to section 71 of the CFSA, which states that for valuation purposes the plan shall be treated as if it were a pension plan subject to the *Public Pensions Reporting Act* (PPRA). The previous review was made as at 31 March 2002. The scheduled date of the next periodic review pursuant to section 71 is 31 March 2008.

In accordance with accepted actuarial practice and with the PPRA to which section 71 refers, the main purpose of this actuarial report is to show realistic long-term projections of the assets, liabilities and financial position of the plan to assess the adequacy of the legislated contribution rates.

B. Scope of the Report

There were no modifications to the plan provisions since the previous report's date. This valuation report is based on the plan provisions shown in Appendix 1. During the intervaluation, the Department of National Defence introduced in May 2005 new terms of service for members of the Regular Forces. These new terms of services have a financial impact on the pension plan as defined under Part I of the CFSA. However, the financial effect is expected to be marginal under Part II covered by this valuation. The financial impact of the new terms of service will be reviewed in more details on the basis of the unfolding experience up to the next valuation report due date of 31 March 2008.

C. Main Findings

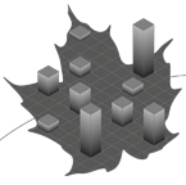
As at 31 March 2005, the plan had an actuarial excess of \$115.9 million resulting from the difference between the assets of \$196.1 million and the liabilities of \$80.2 million.

The current actuarial excess of \$115.9 million in the Regular Force Death Benefit Account is projected to gradually vanish and become a deficit during plan year¹ 2019 because projected basic² benefits exceed for each plan year the sum of legislated contributions and projected interest earnings.

For the same reason, the current assets of \$196.1 million in the Regular Force Death Benefit Account are projected to become exhausted during plan year 2025.

¹ Any reference to a given *plan year* in this report should be taken as the 12-month period ending 31 March of the given year.

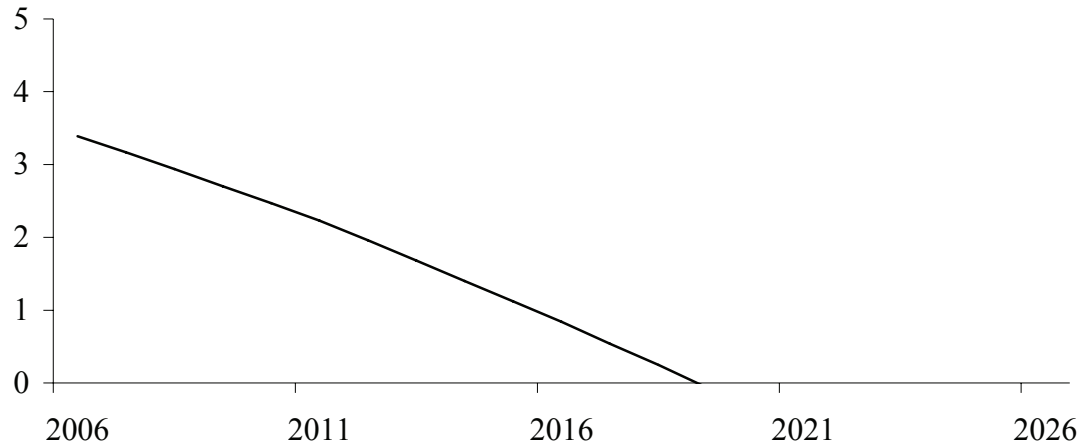
² The term *basic benefit* (i.e. the basic coverage [two times salary] less the 10% per year reduction applicable from age 61 with a minimum of \$5,000) refers to the total benefit paid on the death of a participant under Part II- Supplementary Death Benefits of the *Canadian Forces Superannuation Act*.



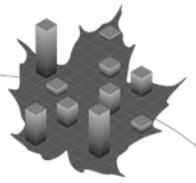
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Figure 1 Ratio of Projected Actuarial Excess at the End of the Plan Year to Annual Basic Benefit Payments Projected for the Following Plan Year



The ratio of the projected actuarial excess at the end of the plan year to the annual basic benefit payments projected for the following plan year shown in figure 1, is expected to decrease to zero by plan year 2019 due to the excess of the projected basic benefits over the combined projected contributions and interest earnings for all future plan years.



II. Financial Position of the Plan

A. Balance Sheet as at 31 March 2005

The following balance sheet was prepared using the assets described in Appendix 2, the data described in Appendix 3, the methodology described in Appendix 4, and the assumptions described in Appendices 5 and 6.

Table 1 Balance Sheet
(\$ millions)

Assets	196.1
Liabilities	
For paid-up ¹ death benefit on participants ages 65 and over	75.2
For incurred but unreported or pending claims	5.0
Total Liabilities	80.2
Actuarial Excess	115.9

B. Financial Position

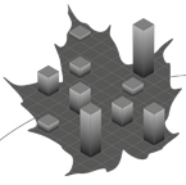
At 31 March 2005 the actuarial excess totalled \$115.9 million, being 3.6 times the total amount of basic benefits projected for plan year 2006. By comparison, the actuarial excess as at 31 March 2002 under the previous report was \$117.8 million, which was 3.8 times the amount of basic benefits paid during plan year 2003.

As shown in Appendix 2 and explained in section IV below, the projected contributions to the plan are less than the projected basic benefits for all future plan years. This projected annual shortfall is greater than the projected annual interest earnings on the Regular Force Death Benefit (RFDB) Account and accordingly entails a continuously decreasing actuarial excess. The actuarial excess is therefore projected to become an actuarial deficit during plan year 2019, while the RFDB Account is projected to become exhausted in plan year 2025.

C. Sensitivity of Valuation Results to Variations in Key Assumptions

The following supplementary estimates indicate the degree to which the valuation results depend on some of the key assumptions. These resulting differences can also serve as a basis for approximating the effect of other numerical variations in a key assumption, to the extent that such effects are indeed linear.

¹ The term *paid-up death benefit* refers to the \$5,000 portion of the basic benefit for which monthly contributions are no longer required from either the participants or the government.



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1. Projected Interest Yields

As a measure of sensitivity, an increment of one percentage point in the projected yields would change from 2025 to 2028 the plan year during which the RFDB Account is projected to become exhausted as well as change from 2019 to 2023 the plan year during which the actuarial excess is projected to become exhausted.

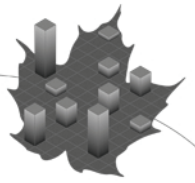
On the opposite side, a decrease of one percentage point in the projected yields would change from 2025 to 2023 the plan year during which the RFDB Account is projected to become exhausted as well as change from 2019 to 2017 the plan year during which the actuarial excess is projected to become exhausted.

2. Mortality

If the assumed improvements in longevity after the 2006 plan year were disregarded, then the monthly benefit cost rate¹ of 15 cents projected for 2030 would climb to 21.2 cents, an increase of 41%. The RFDB Account is projected to become exhausted by plan year 2020 instead of 2025.

However, if the assumed improvements in longevity after the 2006 plan year were kept at the level of plan year 2006, resulting in greater improvements in longevity than those assumed in Table 21, then the monthly benefit cost rate of 15 cents projected for 2030 would decline to 11.6 cents, a decrease of 23%. The RFDB Account is projected to become exhausted by plan year 2029 instead of 2025.

¹ The expression *monthly benefit cost rate* is defined as the ratio of the total expected monthly *death benefit* payments over the total amount of expected monthly death benefit coverage, where coverage is expressed per thousand dollars. In this report, *death benefit* means the basic benefit less the \$5,000 paid-up death benefit applicable from age 65.

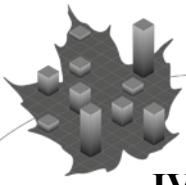


III. Reconciliation of Results with Previous Report

The following table indicates that the change in longevity improvement factors is the main reason for the decrease in the projected monthly benefit cost rate from 17.3 cents shown in the previous report to that of 15 cents of this report.

Table 2 Reconciliation of Results

Projections for Plan Year 2030	Monthly Cost per \$1,000 of Death Benefit (Cents)
As at 31 March 2002 (Projection for plan year 2027)	18.8
As at 31 March 2002 (Projection for plan year 2030)	17.3
Intervaluation economic experience and change in population	(0.3)
Change in economic assumptions	-
Change in assumed mortality rates for plan year 2006	(0.2)
Change in longevity improvement factors	(1.4)
Change in demographic assumptions other than mortality	(0.2)
Change in proportion of healthy pensioners opting for full coverage	(0.2)
As at 31 March 2005 (Projection for plan year 2030)	15.0



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IV. Legislated Contribution Rates

The aggregate amount of basic benefit payments projected for plan year 2006 is \$32.2 million, which is made up of \$26.1 million in respect of the death benefit and \$6.1 million in respect of the paid-up death benefit. In this report, *death benefit* means the basic benefit less the \$5,000 paid-up death benefit applicable from age 65.

A. Paid-Up Death Benefit

For plan year 2006, the estimated single premium at age 65 for each \$5,000 of paid-up death benefit is \$1,877 and \$1,586 for males and females, respectively. The corresponding legislated contribution rates for each \$5,000 of paid-up death benefit are \$310 and \$291, respectively. The legislated contributions are determined on the basis of the original \$500 of paid-up death benefit and were not readjusted when Bill C-55 increased the paid-up death benefit from \$500 to \$5,000.

The assumed improvements in longevity cause the projected single premium for the paid-up death benefit to decrease over time. However, the projected ultimate yield of 5.35% is lower than the yield of 7.83% projected for plan year 2006. This has the effect of gradually increasing the projected single premium over the years.

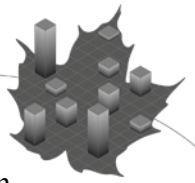
The net effect of longevity improvements and decreasing projected yields is to increase the projected single premiums at age 65 for each \$5,000 of paid-up death benefit. A male participant's projected single premium increases from \$1,877 for plan year 2006 to \$2,002 for plan year 2030; for a female participant the increase is from \$1,586 to \$1,718. The corresponding legislated contribution rates for each \$5,000 of paid-up death benefit are only \$310 and \$291, respectively.

B. Death Benefit

The total amount of death benefit payments projected to be payable during plan year 2006 is \$26.1 million. Given that the total amount of death benefit projected to be in force for plan year 2006 is \$11,161.6 million, the benefit cost rate projected for plan year 2006 is 19.5 cents per month per \$1,000 of death benefit.

Non-elective participants and elective participants in receipt of an immediate annuity are required to contribute monthly 20 cents per \$1,000 of salary or, 9.96¹ cents per \$1,000 of death benefit. As a minimum, the Government contributes monthly an amount equal

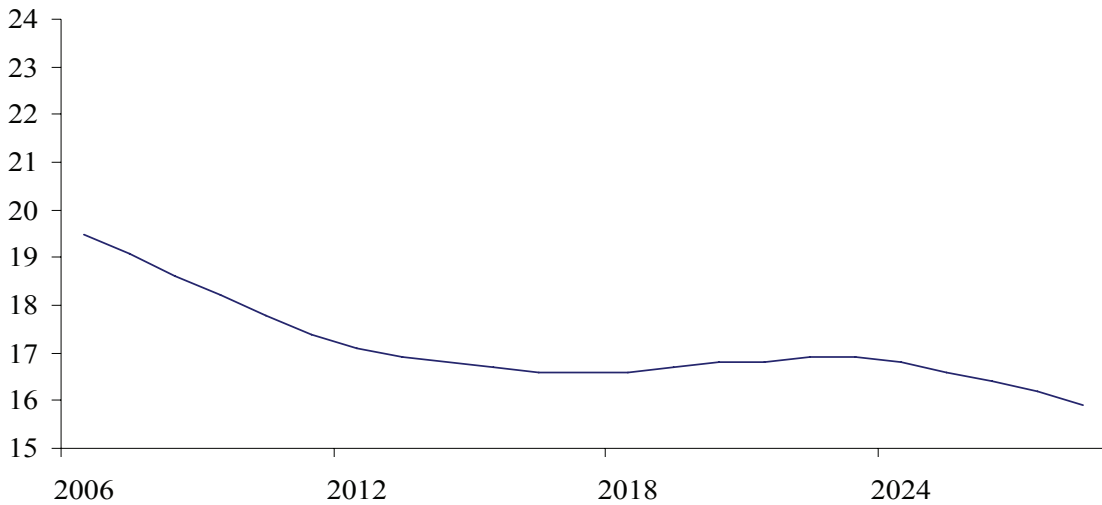
¹ If it were not for the rounding to the next lower multiple of \$250 of salary involved in the computation of contributions and the rounding to the next higher multiple of \$250 involved in the computation of the amount of death benefit, the legislated contribution rate would be \$0.10 (i.e. \$0.20 divided by two) instead of \$0.0996.



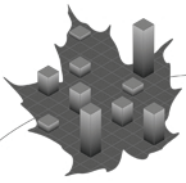
to one-twelfth of the actual death benefit proceeds payable during the month. For plan year 2006, the Government’s monthly contribution is estimated at 1.6 cents per \$1,000 of death benefit.

The total amount contributed by participants and the government is therefore 11.6 cents (9.96 cents plus 1.6 cents) per month per \$1,000 of death benefit, i.e. significantly less than the estimated monthly cost of 19.5 cents per \$1,000 of death benefit for plan year 2006.

Figure 2 Projected Monthly Cost (Cents Per \$1,000 of Death Benefit)



As shown in figure 2, the monthly cost per \$1,000 of death benefit is projected to decrease from 19.5 cents to 16.5 cents in the first 15 years. Thereafter the monthly cost is projected to approach 15 cents by plan year 2030. This 15 cents cost compares to the combined (Government and participants) legislated contribution rate of 11.2 cents (i.e. 9.96 cents for participants plus one-twelfth of 15 cents for Government) projected for plan year 2030.



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The following table illustrates the projected monthly costs per \$1,000 of death benefit for selected plan year and participant type.

Table 3 **Projected Monthly Cost**
(Cents Per \$1,000 of Death Benefit)

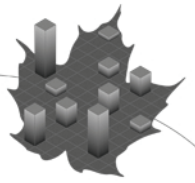
Participants	2006	2013	2020	2025	2030
Non-elective	7.9	7.2	6.5	6.3	6.5
Elective	38.8	33.8	36.5	39.0	36.3
All	19.5	16.9	16.6	16.4	15.0

For non-elective participants, the monthly cost projected for plan year 2030 is 82% of the monthly cost estimated for plan year 2006. This results mainly from the following two factors:

- There is a reduction in cost due to the assumed lower mortality for plan year 2030 in accordance with the longevity improvement factors shown in Table 21 applied to the current mortality rates shown in Table 20.
- The distribution of non-elective participants in the plan year 2030 is weighted more heavily at the older ages than currently. This has the effect of increasing costs. However, this increase is more than offset by the effect of the assumed mortality improvements.

In respect of elective participants in receipt of an immediate annuity, the monthly cost projected for plan year 2030 is 94% of the monthly cost projected for plan year 2006. This decrease is mostly the result of the assumed mortality improvements.

For all plan participants in aggregate, the monthly cost projected for plan year 2030 is 77% of the monthly cost projected for plan year 2006.



V. Actuarial Opinion

This report was prepared pursuant to the *Public Pensions Reporting Act* per section 71 of the *Canadian Forces Superannuation Act*. In our opinion,

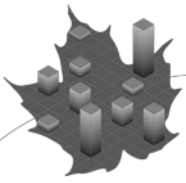
- the valuation data on which it is based are sufficient and reliable;
- the assumptions that have been used are, in aggregate, appropriate;
- the methodology employed is appropriate; and
- the value of assets exceeds the wind-up liabilities at the valuation date.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice, and particularly with the Recommendations of the Canadian Institute of Actuaries for Actuarial Advice given with respect to Self-Insured Employee Benefit Plans.

Daniel Hébert, F.C.I.A., F.S.A.
Principal Actuary
Public Sector Insurance and Pension Programs

Jean-Claude Ménard, F.C.I.A., F.S.A.
Chief Actuary
Office of the Chief Actuary

Ottawa, Canada
3 August 2006



APPENDICES

Appendix 1 Summary of Plan Provisions

Following is a summary description of the main provisions of the RFDB plan established for the members of the regular force under Part II - *Supplementary Death Benefits* of the *Canadian Forces Superannuation Act* (CFSA). This plan supplements the pension plan by providing a lump sum benefit upon the death of a plan participant.

A. Plan Participants

1. Non-Elective Participants

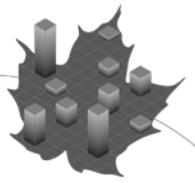
Non-elective participant means a member of the regular force, or a member of the reserve force who is, with the approval of the Chief of the Defence Staff, on full-time service in a position in a regular force establishment or as a supernumerary to a regular force establishment.

2. Elective Participants

Elective participant means all previously non-elective participants who have ceased to be employed in the Canadian Forces by reason of disability or retirement (i.e. when they become entitled to an immediate retirement or disability annuity) and elected to continue their basic benefit coverage under the RFDB plan. Such right is limited to members who, at the time they cease to be employed in the Canadian Forces, had completed at least five years of continuous service in the Canadian Forces or five years of membership in the RFDB plan.

Elective participants entitled to a deferred annuity under the CFSA upon cessation of employment may elect to continue their basic benefit coverage under the RFDB plan; otherwise their membership and coverage is discontinued. This election must be made within the 13-month period running from one year before to the 30th day following cessation of employment. The basic benefit is extended for 30 days after the date of cessation whether or not a participant exercises the right of election for continuous coverage.

An elective participant who becomes a participant in the Public Service Death Benefit (PSDB) plan automatically ceases to be a participant in the RFDB. Any such person, who subsequently ceases to be a participant in the PSDB plan, without entitlement to an immediate annuity under the *Public Service Superannuation Act*, is deemed thereupon to regain the status of elective participant in the RFDB.



B. Assets

The plan is financed through the RFDB Account, which forms part of the Accounts of Canada. The RFDB Account is credited with all contributions made by the participants and the Government, and charged with all benefit payments as they become due. The RFDB Account is also credited with interest earnings based on interest rates applying to the Canadian Forces Superannuation Account.

C. Contributions

1. Non-Elective Participants, and Elective Participants in Receipt of an Immediate Annuity

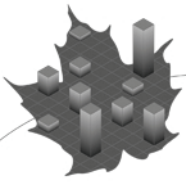
For non-elective participants as well as elective participants in receipt of an immediate annuity (disability or retirement) under Part I of the CFSA or the *Defence Services Pension Continuation Act*, the legislated contribution rate is 5 cents per month for each \$250 of salary (for this purpose the salary is in practice rounded to the next lower multiple of \$250 if not already equal to such a multiple). When these participants attain age 65, their contribution is reduced by 50 cents per month in recognition of the fact that \$5,000 of basic benefit becomes paid-up for the remaining lifetime of the participant.

2. Elective Participants Entitled to a Deferred Annuity

For elective participants entitled to a deferred annuity, the legislated contribution rate varies in accordance with the attained age of the participant, and the corresponding contributions become chargeable on the 30th day immediately following cessation of employment. The legislated rates for selected ages are shown in the following table:

Table 4 Contribution per \$2,000 of Death Benefit

<u>Age Last Birthday</u>	<u>Annual</u>	<u>Monthly</u>
25	\$9.70	\$0.82
30	11.42	0.97
35	13.58	1.15
40	16.29	1.39
45	19.72	1.67
50	24.11	2.05
55	29.80	2.53
60	37.65	3.20



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3. Government

The Government credits monthly to the RFDB Account an amount equal to one-twelfth of the total amount of death benefits paid in the month.

When a participant, other than one entitled to a deferred annuity, reaches age 65, the Government credits to the RFDB Account a single premium for the individual \$5,000 paid-up portion of basic benefit in respect of which contributions are no longer required from the participant.

The legislated amount of single premium for each such \$5,000 paid-up portion of basic benefit is shown in the following table and corresponds to one-tenth of \$5,000 times the single premium rate for each dollar of death benefit, computed on the basis of the Life Tables, Canada, 1950-1952 and interest at 4% per annum.

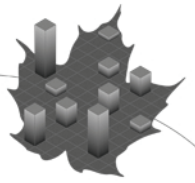
Table 5 Legislated Single Premium per \$5,000 of Basic Benefit

<u>Age Last Birthday</u>	<u>Male</u>	<u>Female</u>
65	\$310	\$291
66	316	298
67	323	306
68	329	313
69	336	320

Under the statutes, if for whatever reason the RFDB Account were to become exhausted, the Government would then have to make special contributions to the RFDB Account in an amount at least equal to the basic benefits then due but not paid by reason of such cash shortfall.

D. Amount of Basic Benefit

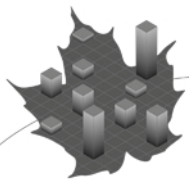
Subject to the applicable reductions described below, the lump sum benefit payable upon the death of a participant is equal to twice the participant's current salary, the result being rounded to the next higher multiple of \$250 if not already equal to such a multiple. For this purpose, the current salary of an elective participant is defined as the annual rate of pay at the time of cessation of employment in the Canadian Forces.



The amount of basic benefit described above is reduced by 10% a year starting at age 61 until it would normally vanish at age 70. However, the amount of basic benefit cannot at any time be reduced below a basic floor value of \$5,000 subject to the following exceptions:

- For those elective participants who had, upon cessation of employment prior to the enactment of Bill C-55, made an election to reduce their basic benefit to \$500 and further had made a second election, within one year following the introduction of Bill C-55, to keep their basic benefit at \$500, the floor value is \$500 instead of \$5,000. Such election is irrevocable.
- For elective participants entitled to a deferred annuity there is no coverage past age 70.

Upon ceasing to be employed in the Canadian Forces, elective participants in receipt of an immediate annuity under Part I of the CFSA or the *Defence Services Pension Continuation Act* may opt to reduce their amount of basic benefit to \$5,000.



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Appendix 2 Plan Assets

A. Regular Force Death Benefit Account

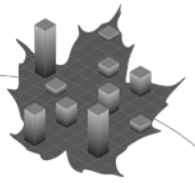
The plan is entirely financed through the RFDB Account, which forms part of the Accounts of Canada. The RFDB Account is:

- credited with all contributions made by participants and the Government;
- credited with interest earnings every three months on the basis of the actual average yield for the same period on the combined Superannuation Accounts of the Public Service, Canadian Forces and Royal Canadian Mounted Police pension plans. These accounts generate interest earnings as though net cash flows were invested quarterly in 20-year Government of Canada bonds issued at prescribed interest rates and held to maturity;
- charged with basic benefit payments when they become due.

Table 6 shows the reconciliation of assets in the RFDB Account from the last valuation date to the current valuation date. Since the last valuation, the Account balance has grown by \$4.3 million (i.e. a 2% increase) to reach \$196.1 million as at 31 March 2005. The net growth in the Account balance is the result of actual death benefit payments being less than the death benefit payments projected in the previous actuarial report.

Table 6 Regular Force Death Benefit Account
(\$ millions)

Plan Year	2003	2004	2005	2003-2005
Accounts of Canada opening balance	192.0	193.1	192.9	192.0
INCOME				
Employee contributions	12.4	12.8	13.1	38.3
Employer contributions				
- Death benefit	2.0	2.0	1.8	5.8
- Paid-up death benefit	0.6	0.7	0.6	1.9
Interest earnings	15.7	15.5	15.1	46.3
Subtotal	30.7	31.0	30.6	92.3
EXPENDITURES				
Basic benefit claims				
- Death benefit	24.6	25.1	22.0	71.7
- Paid-up death benefit	5.0	6.0	5.4	16.4
Subtotal	29.6	31.1	27.4	88.1
Accounts of Canada closing balance	193.1	192.9	196.1	196.1

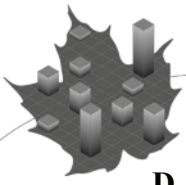
**B. Rates of Return**

The following rates of return on the RFDB Account by plan year were calculated using the foregoing entries.

Plan Year	Return
2003	8.47%
2004	8.38%
2005	8.10%

C. Sources of Asset Data

The Account entries shown previously were taken from the Accounts of Canada. In accordance with section 8 of the *Public Pensions Reporting Act*, the Office of the Comptroller General of Canada provided a certification of the assets of the plan as at 31 March 2005.



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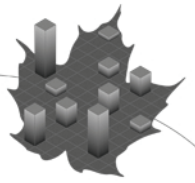
D. Account Projection

The following table shows a projection of the RFDB Account over 25 years commencing 1 April 2005.

Table 7 Account Projection
(\$ millions)

<u>Plan Year</u>	<u>Balance Sheet at the End of Plan Year</u>			<u>Ratio of Projected Actuarial Excess at the End of the Plan Year to Annual Basic Benefit Payments Projected for the Following Plan Year</u>
	<u>Account</u>	<u>Liabilities</u>	<u>Excess / Deficit</u>	
2005	196.1¹	80.2	115.9	3.6
2006	194.7	83.7	111.0	3.4
2007	192.6	86.8	105.8	3.2
2008	190.0	90.1	99.9	2.9
2009	186.6	92.9	93.7	2.7
2010	182.6	95.0	87.5	2.5
2011	177.8	96.9	80.9	2.2
2012	172.0	99.1	72.8	2.0
2013	165.3	101.2	64.1	1.7
2014	157.7	102.8	54.9	1.4
2015	149.0	103.9	45.1	1.1
2016	139.1	104.3	34.8	0.8
2017	128.0	104.7	23.3	0.5
2018	115.8	104.9	10.9	0.3
2019	102.3	105.2	(2.9)	-
2020	87.6	105.9	(18.2)	-
2021	71.7	107.0	(35.3)	-
2022	54.4	108.6	(54.1)	-
2023	36.0	110.8	(74.8)	-
2024	16.3	113.1	(96.8)	-
2025	0.0	115.9	(115.9)	-
2026	0.0	118.9	(118.9)	-
2027	0.0	122.7	(122.7)	-
2028	0.0	126.6	(126.6)	-
2029	0.0	130.5	(130.5)	-
2030	0.0	133.7	(133.7)	-

¹ Bold figures denote actual experience.

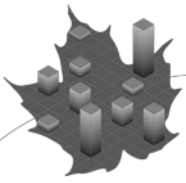


E. Income and Expenditure Projection

The following table shows a projection of the income and expenditure which served as the basis of the projection of the RFDB Account over 25 years commencing with plan year 2006.

Table 8 Income and Expenditure Projection
(\$ millions)

Plan Year	Contributions			Basic Benefit Payments			Interest Earnings	Net Cash Flow	
	Participants	Death	Paid-Up	Total	Death	Paid-Up			Total
2006	13.3	2.2	0.6	16.1	26.1	6.1	32.3	14.7	(1.4)
2007	13.8	2.2	0.6	16.6	26.4	6.4	32.8	14.1	(2.1)
2008	14.4	2.2	0.6	17.2	26.8	6.6	33.4	13.6	(2.6)
2009	14.9	2.3	0.6	17.7	27.2	6.8	34.0	12.9	(3.3)
2010	15.5	2.3	0.5	18.3	27.6	7.0	34.7	12.3	(4.1)
2011	16.2	2.4	0.5	19.0	28.2	7.2	35.4	11.6	(4.8)
2012	16.8	2.4	0.6	19.8	28.8	7.4	36.2	10.6	(5.8)
2013	17.5	2.5	0.6	20.5	29.5	7.6	37.1	9.9	(6.7)
2014	18.1	2.5	0.6	21.2	30.4	7.8	38.1	9.3	(7.6)
2015	18.8	2.6	0.5	21.9	31.3	7.9	39.2	8.6	(8.7)
2016	19.5	2.7	0.4	22.6	32.3	8.0	40.4	7.8	(9.9)
2017	20.2	2.8	0.5	23.5	33.4	8.1	41.6	7.0	(11.1)
2018	20.9	2.9	0.5	24.3	34.6	8.2	42.8	6.3	(12.3)
2019	21.6	3.0	0.5	25.2	35.9	8.3	44.2	5.6	(13.4)
2020	22.4	3.1	0.6	26.1	37.3	8.3	45.6	4.8	(14.7)
2021	23.1	3.2	0.7	27.0	38.6	8.4	47.0	4.0	(16.0)
2022	23.9	3.3	0.7	28.0	39.9	8.5	48.4	3.2	(17.2)
2023	24.7	3.4	0.8	28.9	41.1	8.5	49.6	2.3	(18.4)
2024	25.4	3.5	0.9	29.8	42.1	8.6	50.8	1.3	(19.7)
2025	26.2	8.0	0.9	35.1	43.0	8.7	51.7	0.3	(16.3)
2026	27.0	24.5	1.0	52.5	43.7	8.8	52.5	-	-
2027	27.7	24.4	1.1	53.2	44.3	8.9	53.2	-	-
2028	28.6	24.1	1.1	53.8	44.7	9.0	53.7	-	-
2029	29.4	23.8	1.1	54.3	45.1	9.1	54.2	-	-
2030	30.4	23.4	1.0	54.7	45.5	9.2	54.7	-	-



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Appendix 3 Participant Data

A. Source of Participant Data

The Department of National Defence provided the valuation data required in respect of all participants as at 31 March 2005. The Superannuation Directorate of the Department of Public Works and Government Services Canada maintains master computer files for elective participants.

The main valuation data file supplied by the Superannuation Directorate contained all the status information of elective participants during the period from 1 April 2002 to 31 March 2005. The results of this valuation were based on the elective participants data as at 31 March 2005.

B. Participant Data Summary

Tables 9 to 13 on the following pages show the detailed participant data upon which this valuation is based.

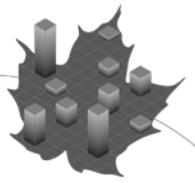
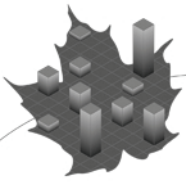


Table 9 Non-Elective Officers as at 31 March 2005

<u>Age¹</u>	<u>Number</u>			<u>Basic Benefits (\$ thousand)</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
15-19	316	98	414	10,029	3,098	13,127
20-24	1,070	351	1,421	60,959	20,407	81,366
25-29	1,573	411	1,984	178,690	48,358	227,048
30-34	1,740	380	2,120	249,456	53,539	302,995
35-39	2,048	302	2,350	334,689	48,723	383,412
40-44	2,586	300	2,886	452,744	50,655	503,399
45-49	1,690	154	1,844	317,874	28,392	346,266
50-54	976	66	1,042	190,065	12,647	202,712
55-59	<u>201</u>	<u>17</u>	<u>218</u>	<u>39,852</u>	<u>3,131</u>	<u>42,983</u>
Total	12,200	2,079	14,279	1,834,358	268,950	2,103,308

	<u>Average</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
As at 31 March 2002	Age ¹	36.7	32.1	36.1
	Service ¹	15.3	10.3	14.7
	Insured Benefit (\$)	137,929	115,502	134,842
As at 31 March 2005	Age ¹	37.1	32.7	36.5
	Service ¹	15.3	10.5	14.6
	Insured Benefit (\$)	150,357	129,366	147,301

¹ Expressed in completed years calculated at the beginning of the plan year.



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Table 10 Non-Elective Other Ranks as at 31 March 2005

<u>Age¹</u>	<u>Number</u>			<u>Basic Benefits (\$ thousand)</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
15-19	642	53	695	39,966	3,312	43,278
20-24	5,665	611	6,276	451,543	49,450	500,993
25-29	6,474	856	7,330	600,028	77,072	677,100
30-34	6,672	1,058	7,730	682,474	102,267	784,741
35-39	8,505	1,300	9,805	927,369	132,900	1,060,269
40-44	8,805	1,289	10,094	1,014,088	140,100	1,154,188
45-49	3,659	421	4,080	454,307	47,976	502,283
50-54	1,133	96	1,229	150,203	11,561	161,764
55-59	<u>83</u>	<u>2</u>	<u>85</u>	<u>11,305</u>	<u>251</u>	<u>11,556</u>
Total	41,638	5,686	47,324	4,331,283	564,889	4,896,172

	<u>Average</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
As at 31 March 2002	Age ¹	34.5	34.4	34.5
	Service ¹	13.4	11.5	13.1
	Insured Benefit (\$)	92,200	87,863	91,708
As at 31 March 2005	Age ¹	34.7	34.9	34.7
	Service ¹	13.0	11.0	12.8
	Insured Benefit (\$)	104,022	99,347	103,461

¹ Expressed in completed years calculated at the beginning of the plan year.

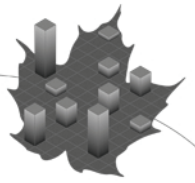
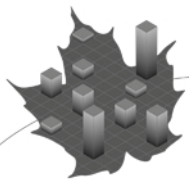


Table 11 Elective Disabled (3A) Participants as at 31 March 2005

<u>Age</u> ¹	<u>Number</u>			<u>Basic Benefits (\$ thousand)</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
30-34	3	2	5	274	177	451
35-39	14	7	21	1,284	611	1,895
40-44	73	26	99	6,718	2,195	8,913
45-49	72	18	90	6,277	1,569	7,846
50-54	41	16	57	3,345	1,387	4,732
55-59	118	8	126	5,936	696	6,632
60-64	265	3	268	4,675	233	4,908
65-69	447	1	448	2,651	17	2,668
70-74	641	1	642	3,196	5	3,201
75-79	460	2	462	2,287	10	2,297
80-84	240	2	242	1,200	10	1,210
85-89	71	0	71	283	0	283
90-94	4	0	4	7	0	7
95-99	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
Total	2,450	86	2,536	38,134	6,910	45,044

	<u>Average</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
As at 31 March 2002	Age ¹	67.9	48.0	67.3
	Insured benefit (\$)	15,525	74,144	17,226
As at 31 March 2005	Age ¹	69.5	48.8	68.8
	Insured benefit (\$)	15,564	80,346	17,761

¹ Expressed in completed years calculated at the beginning of the plan year.



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Table 12 Elective Retired and Disabled (3B) Participants as at 31 March 2005

<u>Age¹</u>	<u>Number</u>			<u>Basic Benefits (\$ thousand)</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
25-29	5	5	10	801	639	1,440
30-34	191	50	241	18,373	5,051	23,424
35-39	960	217	1,177	94,242	21,787	116,029
40-44	5,700	955	6,655	573,011	90,467	663,478
45-49	7,767	1,188	8,955	758,324	108,495	866,819
50-54	6,232	574	6,806	622,426	55,025	677,451
55-59	8,842	349	9,191	889,163	34,792	923,955
60-64	9,105	133	9,238	632,162	9,759	641,921
65-69	9,420	91	9,511	194,139	2,238	196,377
70-74	8,024	64	8,088	40,071	320	40,391
75-79	4,915	44	4,959	24,517	216	24,733
80-84	3,632	20	3,652	18,129	96	18,225
85-89	1,573	26	1,599	5,584	63	5,647
90-94	393	8	401	251	4	255
95-99	<u>30</u>	<u>5</u>	<u>35</u>	<u>20</u>	<u>3</u>	<u>23</u>
Total	66,789	3,729	70,518	3,871,213	328,955	4,200,168

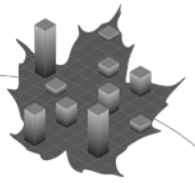
	<u>Average</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
As at 31 March 2002	Age ¹	60.8	47.7	60.2
	Insured benefit (\$)	55,023	81,479	56,189
As at 31 March 2005	Age ¹	61.4	49.0	60.7
	Insured benefit (\$)	57,962	88,215	59,562

Table 13 Elective Participants Entitled to a Deferred Annuity² as at 31 March 2005

<u>Number</u>	<u>Basic benefits (\$ thousand)</u>
16	1,482

¹ Expressed in completed years calculated at the beginning of the plan year.

² Due to their negligible effect on costs and liabilities, these participants were not taken into consideration for the purpose of this valuation.



Appendix 4 Methodology

A. Assets

The assets of the plan consist essentially of the recorded balance in the RFDB Account, which forms part of the Accounts of Canada. These assets are shown at the book value of the underlying notional bond portfolio described in Appendix 2.

The Account balance corresponds to the excess of past contributions and interest earnings over past basic benefit payments. Assets are accordingly projected to the end of a given plan year by adding to the Account at the beginning of that plan year the net income (i.e. the excess of contributions and interest earnings over benefits) projected as described below for that plan year. Administration expenses are ignored because they are not charged to the Account.

B. Contributions

Participants' annual contributions are projected for a given plan year by multiplying

- the legislated annual contribution rate of 60 cents per \$250 of salary (equivalent to the monthly rate of 5 cents per \$250 of salary) by
- the projected participants' rounded salaries for that plan year on an open-group basis, reduced by 10% a year from age 61 if applicable, (the legislation expresses the annual reduction of 10% a year on the total amount of coverage)

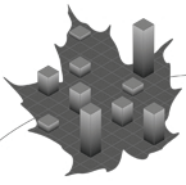
less

- \$6.00 annually corresponding to the \$5,000 paid-up coverage after age 65, if applicable (i.e. death benefit coverage of \$5,000 corresponds to an annual salary of \$2,500, hence an annual contribution of 60 cents per \$250 of salary would produce a reduction of \$6.00 annually).

Non-elective participants' salaries are projected for a given plan year using the assumed rates of increase described in Appendix 5 below. Elective participants' salaries are frozen at time of retirement or disability and are not subject to further increases.

The Government's annual contribution is projected for a given plan year as the sum of

- one-twelfth of the amount of death benefits projected to be paid during that plan year, and
- the legislated single premiums in respect of relevant participants 65 years of age.



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C. Interest Earnings

Annual interest earnings are projected for a given plan year as the product of the yield projected for that plan year (Appendix 5) and the projected average RFDB Account balance in that plan year.

D. Basic Benefit Payments

The total amount of basic benefit payments for a given plan year is projected as the total amount of basic benefit in force during that plan year multiplied by the mortality rates assumed to apply during that plan year. The amount of basic benefit in force depends on the salary projected to time of death. Elective participants' salaries are frozen at time of retirement or disability and are not subject to further increases. Salaries are projected for this purpose using the assumed rates of increase in salaries and the number of participants projected on an open-group basis as described in Appendix 6 below.

E. Liabilities

1. Paid-up Reserve

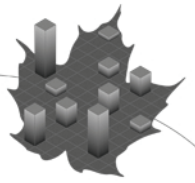
At the end of a given plan year, the liabilities associated with the individual \$5,000 paid-up death benefit in force correspond to the amount which, together with interest at the projected yields, is sufficient to pay for each individual \$5,000 paid-up death benefit projected payable on the basis of the assumed mortality rates.

2. IBNR and Pending Claims Reserves

On the basis of the plan's experience, the reserve at the end of a given plan year for claims incurred but not reported (IBNR), and for pending claims is set equal to one-sixth of the projected annual death benefits paid on average during the six previous plan years.

3. Extension of Coverage

Due to the negligible effect of the 30-day extension of the basic benefit upon termination of coverage and to the nature of basic benefit paid for on a monthly basis, no liability is deemed to exist in respect of that basic benefit provision.



Appendix 5 Economic Assumptions

The following economic assumptions are required for valuation purposes:

A. Increases in Average Earnings

The assumed increase in non-elective participants' annual salary would normally, for any year, be the same as the assumed increase in the Industrial Aggregate of Average Weekly Earnings.

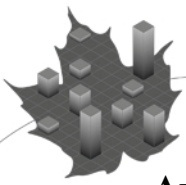
B. Projected Yields on Account

These yields are required for the estimates of the long-term projection of the assets, liabilities and actuarial excess or deficit. The methodology used to determine the projected yields on the Account is described in Appendix 4.

Table 14 Summary of Economic Assumptions
(percentage)

Plan Year	Average Salary Increase ¹ of Non-Elective Participants	Projected Yield	Plan Year	Average Salary Increase ¹ of Non-Elective Participants	Projected Yield
2006	2.40	7.83	2021	3.50	5.19
2007	2.30	7.59	2022	3.50	5.17
2008	2.50	7.36	2023	3.50	5.15
2009	2.70	7.11	2024	3.50	5.14
2010	2.90	6.90	2025	3.50	5.13
2011	3.10	6.68	2026	3.50	5.15
2012	3.30	6.26	2027	3.50	5.19
2013	3.50	6.07	2028	3.50	5.24
2014	3.50	5.92	2029	3.50	5.29
2015	3.50	5.77	2030	3.50	5.33
2016	3.50	5.57	2031	3.50	5.35
2017	3.50	5.41	2032	3.50	5.35
2018	3.50	5.30	2033	3.50	5.35
2019	3.50	5.26	2034	3.50	5.35
2020	3.50	5.24	2035+	3.50	5.35

¹ Exclusive of seniority and promotional increases.



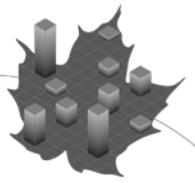
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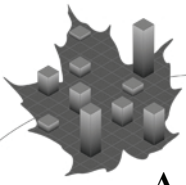
Appendix 6 Demographic and Other Assumptions

Except where otherwise noted, all demographic assumptions were determined from the plan's own experience as was done in the past. Where applicable, assumptions of the previous valuation were updated to reflect the available intervaluation experience of April 2002 to March 2005. Described below are the assumptions related to causes of termination (employment or participation):

Termination Cause	Rate Basis	Comments	
Terminations (withdrawals or retirement), other than for disability, with less than 20 years of service	Service, Rank, Sex	Giving partial credibility to the experience data of the 2003-2005 plan years, the rates were modified from the previous valuation as follows:	
		Male Officers	- 15% decrease
		Male Other Ranks	- 15% decrease
		Female Officers	- 19% decrease
		Female Other Ranks	- 25% decrease
Pensionable termination with 20 or more years of service	Service, Rank	Giving partial credibility to the experience data of the 2003-2005 plan years, the rates were modified from the previous valuation as follows:	
		Officers	- 6% decrease
		Other Ranks	- 11% increase
Disability	Occupation Age, Rank, Sex	Rates for disability releases 3A (any occupation) were not modified.	
		Disability releases 3B (own occupation). Giving partial credibility to the experience data of the 2003-2005 plan years, the rates were modified from the previous valuation as follows:	
		Male Officers	- 18% increase
		Male Other Ranks	- 42% increase
		Female	- 1% increase
Mortality	Age, Rank, Sex, Year	Giving partial credibility to the experience data of the 2003-2005 plan years, the rates were modified from the previous valuation as follows:	
		Male Officers	- 15% decrease (ages 30 to 60)
		Male Other Ranks	- 11% decrease (ages 30 to 60)
		Female	- 4% decrease (ages 30 to 60)
		The mortality improvement assumption from the actuarial report on the Canada Pension Plan as at 31 December 2003 was used for valuation purposes. The mortality improvements are lower than those used in the previous valuation. These ultimate rates of improvement were established by adjusting the results of a detailed study prepared by the Social Security Administration in the United States. The adjustments are to reflect, in part, historical differences between Canada and the United States. Rates of improvement for the period 2002 to 2006 are assumed to be equal to those experienced over the period 1991 to 2001 and then gradually reduce to their ultimate levels by 2026.	



Description	Basis	Comments		
Elective retired participants				
Mortality		Giving partial credibility to the experience data of the 2003-2005 plan years, the rates were modified from the previous valuation as follows:		
	Age, Rank, Sex, Year	Male Officers	- 12% decrease (ages 30 to 80)	Table 20
		Male Other Ranks	- 9% decrease (ages 30 to 80)	
		Female	- 4% decrease (ages 30 to 80)	
		Longevity improvements as non-elective mortality.	Table 21	
Proportion of elective participants with 10 to 19 years of service electing an immediate annuity	Service, Rank	Giving partial credibility to the experience data of the 2003-2005 plan years, the overall proportions of members electing an immediate annuity were increase substantially. There were fewer terminations at these durations (10 to 19) but terminating members opted generally in favor of the reduced annuity instead of the return of contributions.	Table 17	
Elective disabled participant				
Disabled life mortality (3A release)	Age, Rank, Sex, Year	On the basis of the experience data of the 2003-2005 plan years, the mortality rates were unchanged from the previous report for Male Officers and Female members. The mortality rates for Male Other Ranks were marginally increased (6% on average) between the ages of 55 to 90 to partially reflect the experience data of the 2003-2005 plan years.	Table 20	
		Longevity improvements as non-elective mortality.	Table 21	
Disabled life mortality (3B release)	Age, Rank, Sex, Year	These members have been released under cause 3B, and are unable to perform the duties of their own occupations. The mortality assumption for these pensioners is set equal to the mortality assumption of healthy pensioners.	Table 20	
		Longevity improvements as non-elective mortality.	Table 21	



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A. Other Assumptions

1. Option to Reduce Coverage to \$5,000

The valuation data indicates that the proportion of elective participants opting to reduce their death benefit to \$5,000 is negligible. Accordingly, no elective participants were assumed to make such an option.

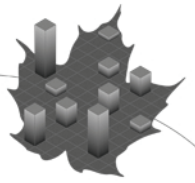
2. Electing Participants Opting to Continue Coverage After Employment Termination

There are a marginal number of new elective members who become participants in the Public Service Death Benefit (PSDB) plan and consequently their RFDB coverage is automatically suspended. In the previous valuation, a certain percentage of participants had suspended coverage and accordingly, were not included in the valuation. It was also assumed that 95% of projected future elective participants opted to continue their full coverage under the RFDB plan. The coverage of elective participants becoming suspended following their participation under the PSDB plan would remain suspended as these participants would eventually die while covered under the PSDB plan.

Further discussions have taken place with officials at the Department of National Defence which revealed that a greater percentage of elective members are not covered under the RFDB plan even though they have not requested the suspension of their coverage when they start being covered under the PSDB plan. Consequently, this valuation assumes that an additional 5% of new retirees will opt not to continue their full coverage under the RFDB plan which reduces the expected percentage of total new retiree opting to continue their coverage under the RFDB plan down to 90%.

3. Seniority and Promotional Salary Increases

The assumed rates of both Officers and Other Ranks were revised on the experience for plan years 2003 to 2005. The assumed rates for Officers were decreased by approximately 0.25% while the Other Ranks were increased by approximately 1.25%. The assumptions for seniority and promotional increases, broken down by years of service, are shown in Table 15.



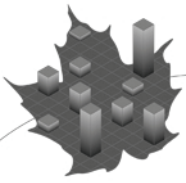
4. New Participants

It was assumed that the distribution of new members by age, sex and initial salary rate would be the same as that of members with less than one year of service at the valuation date. Initial salary is assumed to increase in future plan years in accordance with the increase in the average pensionable earnings. It was assumed that the number of new active members would be such that the total number of active plan members would increase as follows:

Plan Year	Increase in the Total Active Member Population
2005	1.78%
2006	2.39%
2007	1.71%
2008	1.68%
2009	1.66%
2010+	0.00%

5. Administrative Expenses

In the projection of the Account, no assumption was made regarding the expenses incurred for the administration of the plan. These expenses, which are not charged to the RFDB Account, are borne by the Government and are commingled with all other government expenses.



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Table 15 Assumed Seniority and Promotional Salary Increases
(percentage)

<u>Service</u> ¹	<u>Officers</u>	<u>Other Ranks</u>	<u>Service</u> ¹	<u>Officers</u>	<u>Other Ranks</u>
0	7.0	17.5	20	1.4	1.0
1	7.0	17.0	21	1.4	1.0
2	13.0	8.0	22	1.2	1.0
3	30.0	9.0	23	1.1	1.0
4	18.0	4.7	24	1.0	1.0
5	7.0	3.0	25	0.9	1.0
6	9.0	2.1	26	0.8	0.9
7	7.4	1.7	27	0.7	0.9
8	5.5	1.3	28	0.7	0.9
9	4.5	1.1	29	0.6	0.8
10	3.9	0.9	30	0.6	0.7
11	3.4	0.8	31	0.6	0.6
12	3.1	0.8	32	0.5	0.5
13	2.7	0.8	33	0.5	0.4
14	2.4	0.8	34	0.7	0.4
15	2.1	0.9	35	0.9	0.3
16	1.9	0.9	36	0.7	0.3
17	1.8	0.9	37	0.4	0.2
18	1.7	0.9	38	0.3	0.2
19	1.5	0.9	39	0.0	0.0

¹ Expressed in completed years calculated at the beginning of the plan year.

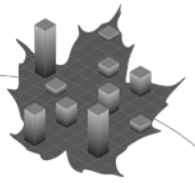
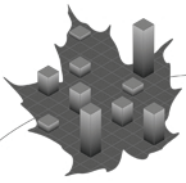


Table 16 Assumed Rates of Termination
Non-Elective Participants With Less Than 19 Years of Service
(per 1,000 individuals)

<u>Service</u> ¹	<u>Officers</u>		<u>Other Ranks</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
0	58	74	41	38
1	53	51	33	32
2	46	39	105	82
3	31	34	50	50
4	21	33	36	44
5	18	33	38	46
6	21	34	51	59
7	29	40	30	43
8	57	71	26	27
9	59	54	24	28
10	35	48	23	27
11	30	61	19	25
12	29	55	17	28
13	20	33	14	17
14	12	18	11	14
15	9	17	9	15
16	8	12	7	10
17	6	9	7	11
18	5	15	5	11

¹ Expressed in completed years calculated at the beginning of the plan year.



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Table 17 Assumed Proportions Continuing Coverage Upon Termination
Non-Elective Participants With 10 to 19 Years of Service
(per 1,000 individuals)

<u>Service</u> ¹	<u>Officers</u>	<u>Other Ranks</u>
9	35	22
10	50	25
11	60	61
12	74	65
13	119	69
14	165	96
15	235	180
16	236	216
17	332	314
18	506	389
19	1,000	1,000

¹ Expressed in completed years calculated at the beginning of the plan year.

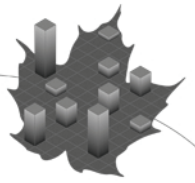
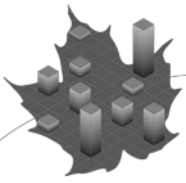


Table 18 Assumed Rates of Retirement
Non-Elective Participants With 19 or More Years of Service
(per 1,000 individuals)

<u>Service</u> ¹	<u>Officers</u>	<u>Other Ranks</u>
19	100	87
20	76	101
21	56	77
22	47	70
23	39	84
24	31	101
25	37	93
26	63	89
27	77	88
28	77	95
29	84	126
30	81	131
31	100	128
32	119	172
33	144	189
34	300	334
35	373	436
36	444	502
37	464	591
38	458	591

¹ Expressed in completed years calculated at the beginning of the plan year.



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Table 19 Assumed Rates of Termination due to Disability
(per 1,000 individuals)

<u>Age¹</u>	<u>Any Occupation (3A)</u>		<u>Own Occupation (3B)</u>		
	<u>Male</u>	<u>Female</u>	<u>Male Officers</u>	<u>Male Other Ranks</u>	<u>Female</u>
20	0.4	0.4	3.9	2.6	5.1
25	0.2	0.7	6.1	5.8	6.1
30	0.2	1.3	1.8	8.6	8.2
35	0.4	1.7	1.3	14.4	13.1
40	0.6	2.5	3.4	24.5	17.2
45	0.4	3.6	4.9	26.0	18.5
50	1.1	5.0	7.9	30.7	19.5
55	2.6	6.8	19.4	36.0	19.6
59	4.2	8.2	22.8	41.4	19.6

¹ Expressed in completed years calculated at the beginning of the plan year.

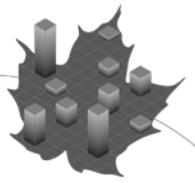
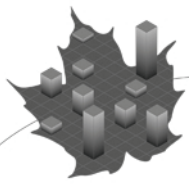


Table 20 Assumed Mortality Rates For Plan Year 2006
(per 1,000 individuals)

Age ¹	Elective and Non-Elective Participants			Elective Disabled (3A) Participants		
	Male		Female	Male		Female
	Officers	Other Ranks		Officers	Other Ranks	
20	0.6	0.6	0.3	0.7	1.0	0.4
25	0.5	0.6	0.3	0.7	1.0	0.4
30	0.6	0.6	0.4	0.7	2.5	0.6
35	0.6	0.6	0.5	1.0	4.4	0.8
40	0.6	1.0	0.7	1.2	6.1	1.1
45	0.9	1.8	0.9	3.0	7.2	1.8
50	1.6	3.1	1.2	7.5	8.2	2.9
55	3.0	6.0	2.1	12.5	11.4	4.8
60	5.5	10.3	4.2	17.5	19.6	7.7
65	9.6	16.8	8.3	23.6	28.8	12.0
70	17.4	27.7	13.0	32.7	44.7	19.3
75	33.2	44.9	21.5	49.3	66.5	32.1
80	61.0	72.2	38.1	72.6	88.4	50.7
85	99.1	109.2	66.6	108.0	119.2	82.0
90	149.2	150.7	117.9	147.0	154.7	131.0
95	222.3	230.0	192.6	220.7	228.2	192.6
100	315.2	321.7	287.5	312.9	319.3	287.5
105	495.7	495.7	415.2	495.7	495.7	415.2
110	500.0	500.0	492.4	500.0	500.0	492.4

¹ Expressed in completed years calculated at the beginning of the plan year.



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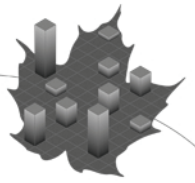
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Table 21 Assumed Longevity Improvement Factors

Age ²	Annual Percentage of Mortality Reduction ¹ (%)			
	Male		Female	
	2006	2027+	2006	2027+
20	2.80	0.80	1.50	0.70
25	3.40	0.80	1.95	0.70
30	3.70	0.80	1.80	0.70
35	3.35	0.80	1.35	0.70
40	2.65	0.80	0.95	0.70
45	2.10	0.71	1.35	0.61
50	2.30	0.65	1.60	0.55
55	2.65	0.65	1.65	0.55
60	2.75	0.65	1.75	0.55
65	2.60	0.56	1.45	0.52
70	2.20	0.50	1.10	0.50
75	1.85	0.50	1.15	0.50
80	1.30	0.50	0.95	0.50
85	0.55	0.44	0.30	0.44
90	0.10	0.40	0.00	0.40
95	0.00	0.40	0.00	0.40
100	0.00	0.31	0.00	0.31
105	0.00	0.25	0.00	0.25

¹ The mortality rate reduction applicable during any plan year within the 21-year select period is found by linear interpolation between the figures for plan years 2006 and 2027.

² Expressed in completed years calculated at the beginning of the plan year.



Appendix 7 Acknowledgements

The Office of the Comptroller General of the Treasury Board of Canada Secretariat provided a certification of the assets of the Regular Force Death Benefit Account as at 31 March 2005.

The Department of National Defence provided relevant valuation data on participants. Public Works and Government Services Canada also provided additional information in respect of elective participants.

The co-operation and able assistance received from the above-mentioned data providers deserve to be acknowledged.

Alexandre Chassé assisted in the preparation of this report.