

ACTUARIAL REPORT

as at 31 March 1995

Pension Plan
for the

MEMBERS of PARLIAMENT

Draft #14

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6 February 1997

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

Sir:

Pursuant to section 6 of the *Public Pensions Reporting Act* I am pleased to submit my report on the actuarial review, as at 31 March 1995, of the pension plan established under ~~the~~ *Members of Parliament Retiring Allowances Act*

Yours sincerely,

Bernard Dussault
Chief Actuary

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I- Introduction and Executive Summary

Pursuant to the *Public Pensions Reporting Act* (PPRA), I have made an actuarial review as at 31 March 1995 of the pension plan established under the *Members of Parliament Retiring Allowances Act* (MPRAA). The previous review had been made as at 31 December 1991. The date of the actuarial review has been changed from a calendar basis to a plan year basis to be consistent with the government's annual financial reports on the MPRAA. The ultimate date of the next periodic review contemplated by the PPRA is 31 March 1998.

A- Purpose of Report

As contemplated by accepted actuarial practice, the main purpose of this actuarial report is to show a reasonable and realistic estimate of:

- C the balance sheet of the underlying pension plan as at the valuation date, i.e. its assets, liabilities and surplus(deficit) as at that date;
- C the annual amount required to amortize over a period of years any surplus or deficit outstanding as at the valuation date, and
- C the projected cost of the plan for each of the next three plan years following the valuation date.

B- Main Findings

The main findings of this actuarial review are accordingly the following:

1. As at 31 March 1995, the plan had an overall surplus of \$21.1 million. It must be pointed out that the surplus of the plan is notional just like its assets because the government is in a debt position and has not borrowed money to fund the plan.
2. Statutes as they now exist do not allow government to use surplus whatsoever. However, if the emerging surplus of \$21.1 million were allowed to be amortized over 15 years, as would be the case for an emerging deficit, an annual level reduction of \$2.5 million in the total annual contributions would ensue for each of the next 15 years. This level reduction corresponds to 11.7% of the pensionable payroll for the plan year 1996.
3. The normal cost of the plan for the plan year 1996 is 46.08% of pensionable payroll or \$9.9 million, and is estimated to represent 45.18% and 47.21% of pensionable payroll respectively for the ensuing two plan years.

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.

C- Changes in Plan Provisions

This report is based on the plan provisions described in Appendix 1; they include those stemming from Bill C-85. Retirement allowances in respect of the Senators appointed before 1 June 1965 were not taken into account because they are payable from general revenues rather than from the Members of Parliament Retiring Allowances (MPRA) Account or the Retirement Compensation Arrangement (RCA) Account.

Among the developments having taken place since the previous review, those materially affecting this review are described below.

1. The salary freeze having applied from 1992 to 1994 is extended to 1995 and 1996.
2. Bill C-55, which received Royal Assent on 29 September 1992, amended many of the provisions of the MPRAA, and also enacted the *Pension Benefits Division Act* (PBDA). The effective date of the modifications to the MPRAA as a result of Bill C-55 was 1 January 1992 with the exception of the PBDA which became effective 30 September 1994. Except for the modifications described below, all other modifications encompassed by Bill C-55 were covered in the previous report.

(a) *Pension Benefits Division Act*

The purpose of the PBDA is to provide, under certain plans including the MPRAA, for a division, upon spousal (including common-law) union breakdown, of the retirement allowance accrued during spousal cohabitation. This provision is meant to be cost neutral.

(b) *Optional Survivor Benefit*

The revised legislation allows plan members to provide survivor benefits in respect of spouses, having got married after retirement, at a cost to be actuarially determined. This provision is designed to be cost neutral, the full cost being borne by the pensioner electing the option through an adjustment being made to his/her own pension. This provision was not yet in force as at the valuation date but is expected to come into force soon.

3. Bill C-85, which received Royal Assent on 13 July 1995, amended some provisions of the MPRAA. It was decided to include these amendments in this review even though the date of the Royal Assent is subsequent to the date of this review because these two dates are very close to each other and the amendments have a material effect on the cost certificate (item 3, page 27). The underlying modifications are described below.

(a) *Election to Continue the Coverage Under the MPRAA*

A Member of the House of Commons in the thirty-fifth Parliament or a person who becomes a member of the House of Commons during the thirty-fifth Parliament may, within 60 days after the day on which this section comes into force or within 60 days after that person becomes a Member if later, elect to contribute under the MPRAA.

This election is irrevocable and the MPRAA continues to apply for a Member who makes this election.

If the Member does not make this election, all accrued benefits earned in his/her respect after 25 October 1993 are waived and the Member's contributions made in this respect are refundable to the Member with interest at a rate specified in the regulations. Moreover, in respect of Members with less than six years of membership in the plan as at 25 October 1993, contributions made in respect of service prior to that date are also refundable.

(b) Reduced Contribution Rates

i) Member's Contributions in Respect of Sessional Indemnity²

The aggregate contribution rate, in respect of the sessional indemnity of Members (excluding Senators) is decreased by 2% from 11% to 9%. The rate in respect of Senators' sessional indemnity remains unchanged at 7%.

ii) Member's Contributions in Respect of Additional Allowance³

The aggregate contribution rate, in respect of Members of Parliament (including Senators) who elect to contribute in respect of additional allowance, is decreased by 2% from 11% to 9%.

(c) Reduced Pension Accrual Rates

i) Accrued Benefits in Respect of Sessional Indemnity

The aggregate rate of pension accruing in respect of Members' (excluding Senators) sessional indemnity earned after the amended legislation comes into force is decreased by 1% from 5% to 4%. The rate in respect of Senators remains unchanged at 3%.

ii) Accrued Benefits in Respect of Additional Allowance

The aggregate rate of pension accruing annually in respect of Members' additional allowance earned after the amended legislation came into force, is decreased by 1% from 5% to 4% for each relevant additional year of service.

² For a definition of sessional indemnity, see section A of Appendix 1.

³ For a definition of additional allowance, see section A of Appendix 1.

(d) Minimum Pensionable Age

The portion of retirement allowances payable to a Member in respect of pensionable service accruing on or after 13 July 1995 does not start to be payable before the day on which the Member reaches age 55 or becomes entitled to receive a disability pension under the *Canada Pension Plan* or a provincial pension plan similar thereto if earlier. For purposes of this report, no disabilities were assumed.

(e) Double-Dipping

Where a former Member in receipt of a pension under this plan also receives remuneration of at least \$5,000 in any one-year period as a federal government employee or pursuant to a federal service contract, the aggregate of all retirement allowances under the MPRAA to that former Member in that year shall be reduced by one dollar for each dollar of such remuneration received in that year.

The effect of double-dipping, which could reduce somewhat the normal cost and liabilities of the plan, was not taken into account in the present review.

(f) Extension of Survivor Benefits to Common-Law Spouses

The definition of spouse has been changed as any person of the opposite sex who establishes that person was cohabiting in a conjugal relationship with the Member or former Member for at least one year and in the case of a former Member, that the period of cohabitation commenced before the time when the former Member ceased to be a Member.

(g) Apportionment of Survivor Benefits

Survivor benefits may be apportioned between a previous spouse, still legally married but no longer cohabiting with the Member/pensioner immediately before his/her death, and a current spouse having cohabited with the deceased Member/pensioner for at least one year immediately before his/her death. In the case of a pensioner, cohabitation must have commenced while he/she was still an active Member.

II- Data

A- Overview

1. Members of Parliament

The main characteristics of the 295 Members of the House of Commons and the 102 Senators as at 31 March 1995 are summarized in the following Table:

Table 1
Members of Parliament

| | Number | Average | |
|--------------------------------------|--------|---------|---------|
| | | Age | Service |
| House of Commons | | | |
| MPRAA Participants | | | |
| Males | 192 | 50.0 | 5.1 |
| Females | 42 | 49.9 | 3.2 |
| Vacant seat | 0 | | |
| Did not elect to be covered | 61 | | |
| Senate | | | |
| MPRAA Participants | | | |
| Males | 83 | 63.3 | 13.9 |
| Females | 18 | 61.2 | 7.4 |
| Vacant seat | 0 | | |
| Senator appointed before 1 June 1965 | 1 | | |

The remuneration of Members of Parliament comes from two sources: sessional indemnity and additional allowance. Sessional indemnity is the regular remuneration received by every Member of Parliament. In 1995, the annual sessional indemnity was \$64,400. Additional allowance is the remuneration of a Member in his/her capacity as Minister, Speaker, Leader of Opposition, etc. As at the valuation date, 71 Members were receiving additional allowances averaging \$28,282 per concerned Member per annum.

Tables 27, 28 and 29 of Appendix 3 show detailed information for each group.

2. Pensioners and Eligible Survivors

As at 31 March 1995, the plan was paying annual allowances to pensioners and survivors as follows:

Table 2
Pensioners and Survivors

| Type of Beneficiary | Number | Rate of Total Annual Allowances (\$) | Average | |
|---------------------|--------|--------------------------------------|---------|-----------------------|
| | | | Age | Annual Allowance (\$) |
| Pensioners | 431 | 14,306,039 | 66.2 | 33,193 |
| Surviving spouses | 91 | 1,501,845 | 76.6 | 16,504 |
| Surviving children | 2 | 2,924 | 22.0 | 1,462 |
| Grand Total | 524 | 15,810,808 | | 30,173 |

Tables 30 to 37 of Appendix 3 show detailed information on the retirement allowances to pensioners and survivors. Annual retirement allowances shown in the above Table are, in respect of members under age 60, exclusive of deferred indexation at age 60.

B- Source of Valuation Data

The Accounting Division of the Administration and Personnel Branch of the Senate provided seriatim records comprising valuation data on Senators. Similar records for the Members of the House of Commons and for the Prime Minister were provided by the House of Commons Division of the Public Works and Government Services Canada Department. In accordance with section 8 of the PPRA, the Comptroller General of Canada provided a certification of the notional assets of the MPRA and RCA Accounts for purposes of this valuation.

C- Validation of Valuation Data

The main tests applied to the basic data can be separated into two categories: status and benefit.

1. Status Tests

The valuation data supplied by the Accounting Division of the Administration and Personnel Branch of the Senate and by the House of Commons Division of the Public Work and Government Services Canada Department contains status information for each Member during the intervaluation period of 1 January 1992 to 31 March 1995. The following status tests were made:

(a) a reconciliation was made between the status of Members and pensioners as at

1 January 1992 as per the current valuation data and the status of Members as at 31 December 1991 as per the previous valuation data;

- (b) a reconciliation was made between the status of Members and pensioners as at 31 March 1995 as per the current valuation data and the status of Members as shown in the 1995 Canadian Parliamentary Guide;
- (c) for active members, verifying that the age and pensionable service of Members of Parliament are reasonable in comparison with the information included in the historical actuarial valuation data and in the 1995 Canadian Parliamentary Guide;
- (d) for all pensioners, a comparison was made of Members valuation data as at 31 March 1995 with the membership shown in the data base maintained by the Chief Actuary for valuation purposes. The historical actuarial valuation data was developed on the basis of the historical data provided with the former actuarial reviews.

2. Benefit Tests

Consistency tests were conducted to ensure that all proper information was included in respect of pensioners and survivors in receipt of a retirement allowance:

- (a) for pensioners and survivors emerging between 1 January 1992 and 31 March 1995 verifying that the amount of the retirement allowance, including indexation up to 1 January 1995, is consistent with the expected retirement allowance estimated using the information included in the historical actuarial valuation data;
- (b) for pensioners and survivors entitled to a retirement allowance as at 1 January 1992, verifying that the amount of retirement allowance shown in the current valuation data agrees with that shown in the historical actuarial valuation data.

Based on the omissions and discrepancies identified by these and other tests, appropriate adjustments were made to the basic data after consulting with the data providers.

D- Acknowledgements

The co-operation and able assistance provided by the Accounting Division of the Administration and Personnel Branch of the Senate and by the House of Commons Division of Public Works and Government Services Canada Department deserve to be acknowledged.

III- Methods

A- Notional Assets

The plan's assets are deemed equal to the balances in the MPRA and the RCA Accounts and by Refundable Tax Account held by Revenue Canada. The MPRA and RCA Accounts consist of net assets, meaning that no debt instrument has been issued to the Accounts by the government in recognition of amounts therein. These assets are shown at their book value, as opposed to market value because they are exclusively constituted of notional government securities. The balances in the MPRA and RCA Accounts are recognized as part of the public debt.

B- Normal Costs

The projected accrued benefit, or projected unit credit, actuarial cost method was used to compute normal costs in respect of active contributors. Under this method, the normal cost in respect of a given year corresponds to the present value, computed using the projected fund yields described in section D below, of all future benefits accrued in respect of that year's pensionable service. Consistent with this cost method, sessional indemnity and additional allowances are projected to retirement in accordance with the assumed annual increases in average remuneration.

C- Liabilities

1. Members of Parliament

Consistent with the projected unit credit actuarial cost method employed to estimate normal costs, the plan's liabilities for Members of Parliament as at the valuation date correspond to the present value, computed using the projected fund yields described in section D below, of all future benefits having accrued as at that date in respect of all prior years' pensionable service.

2. Pensioners and Survivors

Consistent with actuarial practice and standards, the plan's liabilities as at the valuation date in respect of existing pensioners and survivors correspond to the present value, computed using the projected fund yields described in section D below, of all outstanding future benefits.

D- Projected Fund Yields

The current Members of Parliament Retiring Allowances Regulations stipulate that the amount of interest to be credited to the MPRA and the RCA Accounts in respect of each quarter of a plan year shall be equal to 2.5% of the balance to the credit of the Account on the last day of the preceding quarter.

For the purpose of projecting costs, it appears more appropriate to assume that should the general level of interest rates change, the Regulations that stipulate the interest to be credited to the Accounts may be amended. Therefore the valuation rates of interest (see section IV-E) assumed in computing the present value of benefits involved in the projection of the normal costs and liabilities mentioned in sections B and C above are the projected fund yields that would be used for the statutory actuarial valuation of the plans established under the *Public Service, Canadian Forces* and *Royal Canadian Mounted Police Superannuation Acts*. These three plans were deemed the most appropriate reference as to what an eventual arrangement could look like. The yields were determined using the open-group approach, meaning that expected future contributions are taken into account in projecting the annual yield on the combined Superannuation Accounts of the three plans. This approach is appropriate at this time because the current yield on the above three superannuation account is close to the prescribed quarterly rate of 2.5%. However, this approach might eventually be revised if the experience of the superannuation accounts would start to differ materially from the prescribed rates.

The open-group approach was adopted in accordance with the plan provision, common to the three above mentioned plans, stipulating that the average yield on the combined accounts is to be used in allocating aggregate investment earnings to each of the three accounts.

The projected fund yields were determined by an iterative process involving all investment components of the three accounts as at the valuation date, the assumed future new money interest rates (also shown in section IV-E), and all future contributions as well as all future expected benefits payable in respect of pension entitlements accruing both before and after the valuation date.

In previous reports, the projected yields were determined on a closed-group basis. The effect of replacing the closed-group approach by the open-group approach is shown in section V-D on the reconciliation of results with previous report.

IV- Assumptions

A- Basic Economic Assumptions

The following basic economic assumptions are required for valuation purposes in respect of each year following the valuation date:

- C average new money interest rate applicable to 20-year-and-over Government of Canada bonds purchased during the year;
- C increase in the Consumer Price Index (CPI);
- C increase in the Industrial Aggregate of average weekly earnings;
- C increase in Members' average annual salary.

To determine these assumptions, analyses were made of short (10-year), medium (25-year) and long term (50-year) experience and of the current state and outlook of the economy. Three main conclusions were reached as a result of these analyses:

1. High current real rates of return (i.e. the excess of new money nominal interest rates over annual increases in the CPI) on 20-year-and-over Government of Canada bonds are expected to return eventually to 3% per annum.
2. Low current annual increases in the CPI will rise gradually to reach eventually an ultimate level of 3%.
3. Low current real annual earnings increases in the Industrial Aggregate of average weekly earnings (i.e. the difference between annual increases in average earnings and annual increases in the CPI), will rise gradually to reach eventually an ultimate level of 1%. However, in accordance with the regulations governing Members' remuneration, the assumed annual increase in Members' average annual salary is for any year the lesser of the excess of the increase in the CPI over 1% and the excess of increase in the Industrial Aggregate of average weekly earnings over 1%. Nonetheless, it was adjusted in the short term to account for the remaining three years (1994 to 1996) of salary freeze imposed on government employees.

These conclusions are the same as those underlying the ultimate (i.e. after year 2000) values assumed for the previous valuation. The rationale is as follows:

1. The assumed ultimate real rate of return on 20-year-and-over Government of Canada bonds at 3% per annum appears a reasonable floor level relative to the average experience of the last 25 years and the expected impact on the Canadian economy of free trade, international competition, size of the public debt, and other factors.

2. The assumed ultimate level of inflation at 3% per annum, with the prospects of stable moderate inflation from now on, appears appropriate. Inflation was fairly stable at levels of 4% to 5% in the 1983-1991 period, but dropped below 2% in the period 1992 to 1995. Considering the normal fluctuations in the financial and labour markets, it is not expected that inflation will remain at these relatively low levels forever. The CPI increased annually by 6.03% and 4.63% on average over the past 25 and 50 years, respectively.
3. The assumed ultimate productivity rate was kept at 1% per annum, which lies between the average Canadian experience over the past 25 years (0.59% per annum) and 50 years (1.50% per annum).

B- Derived Economic Assumptions

The following assumptions were derived from the basic economic assumptions:

1. Yearly Fund Yields

Such yields are required for the computation of present values of benefits involved in the determination of the plan's liabilities and normal costs. The methodology used to determine the projected fund yields is described in section III-D.

2. Year's Increase in the Maximum Pensionable Salary (MPS)

The MPS is involved in the valuation process by virtue of the pensionable earnings limit derived from the *Income Tax Act*. The MPS was \$86,111 in 1995 and is deemed to remain constant until 2004 and to increase thereafter in accordance with the increase assumed in the Industrial Aggregate of average weekly earnings (section A above) over the two consecutive 12-month periods ending 30 June of the previous year.

3. Year's Increase in the Remuneration

The *Parliament of Canada Act* restricts annual increases in remuneration to one percentage point below the lesser of the increase in the Consumer Price Index (CPI) and the increase in the Industrial Aggregate of average weekly earnings. It was therefore assumed that the remuneration of the Members of the House of Commons and of the Senate will increase in line with this provision of the *Parliament of Canada Act*.

4. Year's Increase in the Pension Indexing Factor

The year's pension indexing factor is involved in the valuation process by virtue of its role in the pension inflation adjustments. It was derived by applying the Benefit Index formula, described in Appendix 1, which relates to assumed CPI increases over successive 12-month periods ending 30 September.

C- Margin Against Adverse Fluctuations

Actuarial valuations prepared for private employers' pension plans normally include safety

margins. This is done mainly to ensure that on plan wind-up there would be at that date, taking into account possible future fluctuations in economic and demographic factors, sufficient funds for the payment of all future benefits accrued as at the wind-up date. Such rationale does not appear to apply for the MPRAA because the plan sponsor is the Canadian government.

However, a secondary objective of a margin consists of ensuring as much as possible that any eventual difference between notional assets and liabilities will be positive rather than negative, and therefore that financing adjustments, if any, will be in respect of a surplus rather than a deficit. This objective is deemed to be met implicitly through the assumed ultimate real rate of return on investments which, at 3%, most likely errs on the safe side.

In previous reports, the explicit margin corresponded to a reduction of 1% in the yearly projected fund yield provided it would not fall below 6%. For this report, the explicit margin was removed.

As may be seen in section V-D, the removal of the margin entails, other things being equal, a material reduction in the liabilities and in the normal cost.

D- Administration Expenses

No provision was made regarding the expenses incurred for the administration of the plan in computing its liabilities and normal costs because the MPRAA is administered by the government with no related charge applied to the plan assets.

E- Summary of Basic and Derived Economic Assumptions**Table 3
Economic Assumptions**

| Plan Year | Interest | | Inflation | | Employment Earnings | | |
|-----------|------------------------|----------------------------------|------------------|----------------------|-----------------------------------|-------------------------------|---------------------------|
| | New Money Interest (%) | Projected Yield ⁴ (%) | CPI Increase (%) | Pension Indexing (%) | Industrial Aggregate Increase (%) | MPS ⁵ Increase (%) | Remuneration Increase (%) |
| 1996 | 8.8 | 10.3 | 1.6 | 1.6 | 2.6 | 0.0 | 0.0 |
| 1997 | 8.0 | 10.2 | 2.0 | 1.8 | 2.8 | 0.0 | 0.0 |
| 1998 | 7.0 | 9.9 | 2.0 | 2.0 | 3.1 | 0.0 | 1.0 |
| 1999 | 6.7 | 9.6 | 2.8 | 2.4 | 3.6 | 0.0 | 1.8 |
| 2000 | 6.4 | 9.4 | 3.0 | 2.9 | 4.0 | 0.0 | 2.0 |
| 2001 | 6.2 | 9.1 | 3.0 | 3.0 | 4.0 | 0.0 | 2.0 |
| 2002 | 6.0 | 8.7 | 3.0 | 3.0 | 4.0 | 0.0 | 2.0 |
| 2003 | 6.0 | 8.4 | 3.0 | 3.0 | 4.0 | 0.0 | 2.0 |
| 2004 | 6.0 | 8.1 | 3.0 | 3.0 | 4.0 | 0.0 | 2.0 |
| 2005 | 6.0 | 7.8 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2006 | 6.0 | 7.6 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2007 | 6.0 | 7.4 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2008 | 6.0 | 7.3 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2009 | 6.0 | 7.2 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2010 | 6.0 | 7.0 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2011 | 6.0 | 6.8 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2012 | 6.0 | 6.6 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2013 | 6.0 | 6.5 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2014 | 6.0 | 6.4 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2015 | 6.0 | 6.3 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2016 | 6.0 | 6.2 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2017 | 6.0 | 6.1 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2018 | 6.0 | 6.1 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |
| 2019 | 6.0 | 6.0 | 3.0 | 3.0 | 4.0 | 4.0 | 2.0 |

⁴ The rates shown are for the MPRA Account. Corresponding rates for the RCA Account are 50% of those for the MI Account.

⁵ MPS stands for Maximum Pensionable Salary (refer to section B-2 above).

F- Demographic Assumptions

For the previous valuation, the membership data and demographic assumptions were grouped by individual age determined on *last birthday* basis and by number of years of service determined on *nearest anniversary* basis. For this valuation, the *last anniversary* basis was used for both age and years of service, i.e. age and years of service were truncated to the next lower integer.

1. Members of Parliament

(a) New Members

To estimate the normal costs shown in the cost certificate (section V-B), assumptions are required regarding the number, age, and sex of future new members for plan years 1996, 1997 and 1998. New members include Members elected to the House of Commons and Members appointed to the Senate. Similar assumptions were made for Members who start receiving additional allowances.

The number of future entrants was determined so that, along with the assumed future terminations, the number of Members in the House of Commons and the Senate would remain constant in the future for both males and females.

For 1996 to 1998, the age distribution of the new Members in the House of Commons and of Members starting to receive additional allowances is based on the plan's 1982-1994 experience, whereas for 1995 to 1997 the age distribution of new Senators is based on the plan's 1960-1994 experience for this group, given its smaller size. Moreover, it was assumed that new entrants would start receiving additional allowances only after having completed at least three years in Parliament.

The distributions of these groups by age and by sex are shown in Table 23 of Appendix 2.

(b) Rates of Termination

i) Members of the House of Commons

The probability of ceasing to be a Member of the House of Commons was determined for any given year in relationship to the probability of a general election for that year. In this report, a particular set of termination rates is assumed to apply during a general election year and a distinct set to apply during a non-election year.

Disability incidence was not taken into account in this valuation. Therefore, the expected extra mortality of disabled pensioners as well as their benefits were not taken into account. The effect of this omission on valuation results is considered negligible but will continue to be examined in the next actuarial valuation through the gains and losses analysis.

C Rates of Termination during an Election Year

The rate of termination during a general election year corresponds to the probability of an election times the probability that the Member will terminate during such election year. Termination during an election year is defined as any termination other than death.

Analysis of the 1983-1994 experience as well as the 1963-1994 experience reveals a decreasing trend over the years in terminations other than deaths. Experience data for 1963 to 1994 were analyzed by age and service duration and suggest that the rates varying by age have a better correlation with the average experience than those varying by duration. Greater credibility was imputed to recent trends by applying a weight of 50% to the 1963-1994 experience data and a weight of 50% to the 1983-1994 experience data. The resulting probabilities are shown in Appendix 2, Table 19.

C Rates of Termination during a Non-Election Year

The rate of termination during a non-election year corresponds to the probability of not having a general election during a given year times the probability that the Member will terminate during a non-election year. Termination during a non-election year is defined as any termination other than death.

Using experience data for 1963 to 1994, probabilities of termination were computed by duration of service. In accordance with the trends observed for terminations other than deaths, a weight of 75% was applied to the 1963-1994 experience data and of 25% to the rates used in the 1991 Actuarial review. The resulting probabilities are shown in Appendix 2, Table 19.

ii) Senators

The probability of termination was assumed equal to zero for service less than 6 years and to 1% per annum for service at least equal to six years. This assumed termination rate of 1% is deemed to cover all types of terminations, i.e. voluntary terminations and disabilities. As Senators must leave the Senate by age 75, the termination rate for this age was set at unity.

(c) Probability of General Election

Experience data since Confederation reveal the following:

Table 4
Frequency of General Elections

| Duration of Parliament since last general election (to rounded nearest year) | Number of general elections in a given year since last general election, depending on status of existing Parliament | |
|---|---|----------|
| | Majority | Minority |
| 1 | 1 | 4 |
| 2 | - | 1 |
| 3 | 1 | 2 |
| 4 | 14 | 1 |
| 5 | 10 | - |
| TOTAL | 26 | 8 |

The most recent general election covered in Table 4 took place on 25 October 1993. Prior to 1917, all general elections gave rise to majority governments. The characteristics of the 1917 and subsequent Parliaments are as follows:

Table 5
Characteristics of Past Parliaments

| Status preceding general election | Probability of given status following general election | |
|--------------------------------------|---|----------|
| | Majority | Minority |
| Majority | 9/14 | 5/14 |
| Minority | 5/9 | 4/9 |

Based on these data, probabilities of a general election were developed for each plan year in the future. In developing these probabilities, account was taken of the majority government elected at the last election (1993) and that no general election occurred between October 1993 and March 1995. The probabilities shown in Table 20 of Appendix 2 tend toward a value of 0.297 in the long term, deeming that general elections are called every 3.4 years on average.

(d) Mortality Rates and Longevity Improvement Factors

Because of the relatively small size of the plan, the inter-valuation period does not provide enough data to reach credible conclusions about mortality. We used all the available membership data from the period 1963-1994. To account for mortality improvements, the mortality rates are assumed subject to the longevity improvement factors as under the GAR94 tables. It was decided to use the GAR94 tables with an adjustment factor of 94% to reflect the lower mortality experience under the plan. Distinct rates apply for males and females (Table 21, Appendix 2).

Mortality rates after the 1996 plan year were adjusted by assuming constant annual percentage decreases of such rates, varying by age. The longevity improvement factors were used in conjunction with the 1996 plan year mortality rates for Members of Parliament, former Members and surviving spouses. The longevity improvement factors used are those accompanying the GAR94 mortality tables. Sample projected longevity improvement factors are shown in Table 21, Appendix 2.

(e) Assumptions in Respect of Married Members of Parliament

i) Proportions of Members of Parliament Married at Death

Separate rates were assumed for males and females and were determined by developing a survival model from the 1982-1994 experience. The resulting proportions are lower than the corresponding proportions used in the previous valuation for all ages except between ages 60 and 75.

ii) Number and Average Age of Children at Death of Member

It was assumed that each married Member has, at time of death, three children being 28, 30 and 32 years younger than the Member, respectively.

iii) Average Age of Spouse at Death of Member

This average age is assumed to vary by sex in accordance with the plan's experience.

iv) Spousal Union Breakdown

Assumptions on spousal union breakdown would be required for the valuation of the *Pension Benefits Division Act* provisions but this was not taken into account in this report. It would have a negligible affect on the plan's financial results.

2. Assumptions in Respect of Former Members

(a) Mortality Rates

The mortality basis deemed to apply to Members of Parliament (see section 1 above) is also assumed to apply to retirement pensioners.

(b) Other Assumptions

In respect of former Members, the following assumptions used for Members of Parliament also apply:

- C longevity improvement factors;
- C proportions married at death;
- C average age of spouse at death of Member;
- C number and average age of children at death of Member.

3. Assumptions for Survivors

(a) Mortality Rates

The mortality basis deemed to apply to Members of Parliament (see section 1 above) is also assumed to apply to surviving spouses.

Mortality rates after plan year 1996 were adjusted using the longevity improvement factors used for Members of Parliament.

(b) Proportions of Students Still Eligible for Allowances

It was assumed that all children beneficiaries would remain eligible for benefits until age 23 irrespective of school attendance status. The effect of mortality was not taken into account in determining the value of pensions payable to eligible children given that the effect of child mortality on projections is negligible.

V- Valuation Results

A- Balance Sheet

The following balance sheet was prepared using the data described in section II, the valuation methods described in section III, and the assumptions described in section IV. It takes into account the plan amendments encompassed by Bill C-85 and the portion of Bill C-55 amendments not covered in the previous report.

Table 6
Balance Sheet

| | ACCOUNT (\$ millions) | | |
|--|--------------------------|-------------|--------------|
| | MPRA | RCA | TOTAL |
| Notional Assets | | | |
| Balance in Accounts | 235.1 | 22.0 | 257.1 |
| Actuarial present value of future contributions and government credits in respect of prior service | 0.7 | 0.1 | 0.8 |
| Refundable Tax Account | | 19.0 | 19.0 |
| Total assets as at 31 March 1995 | 235.8 | 41.1 | 276.9 |
| Liabilities | | | |
| House of Commons | | | |
| For benefits to and in respect of current Members | 23.1 | 19.3 | 42.4 |
| For benefits to and in respect of former Members | | | |
| C Retirement pensioners | 158.9 | 13.8 | 172.7 |
| C Surviving spouses and children | 9.4 | 0.0 | 9.4 |
| C Outstanding payments for Members who did not elect to be covered | 0.2 | 0.4 | 0.6 |
| Subtotal | 191.6 | 33.5 | 225.1 |
| Senate | | | |
| For benefits to and in respect of Senators | 13.9 | 2.0 | 15.9 |
| For benefits to and in respect of former Senators | | | |
| C Retirement pensioners | 9.4 | 0.2 | 9.6 |
| C Surviving spouses and children | 3.5 | 0.0 | 3.5 |
| Subtotal | 26.8 | 2.2 | 29.0 |
| Prime Minister | | | |
| For benefits to and in respect of Prime Minister | 0.0 | 0.2 | 0.2 |
| For benefits to and in respect of former Prime Ministers | | | |
| C Retirement pensioners | 0.0 | 1.5 | 1.5 |
| C Surviving spouses and children | 0.0 | 0.0 | 0.0 |
| Subtotal | 0.0 | 1.7 | 1.7 |
| Total liabilities as at 31 March 1995 | 218.4 | 37.4 | 255.8 |
| Surplus | | | |
| as at 31 March 1995 | 17.4 | 3.7 | 21.1 |

B- Cost Certificate

The normal costs, the notional assets and the liabilities of the plan were computed using the experience data summarized in section II, the valuation methods described in section III and the assumptions described in section IV. They were determined taking into account the plan amendments encompassed by Bill C-85 and the remainder of Bill C-55 amendments not covered in the previous report. Emerging experience, differing from the corresponding assumptions, will result in gains or losses which will be analysed in subsequent reports.

1. Normal Cost

The normal costs are expressed below as a percentage of the pensionable payroll which corresponds to the sessional indemnities for Members of the House of Commons and Senators having accrued less than 75% in pension credits as at the valuation date, and additional allowances for which voluntary contributions are being paid by Members of the House of Commons and Senators, as well as the additional allowance for the Prime Minister.

Table 7 represents the total normal costs which is the sum of the normal cost to be paid with respect to the MPRA Account and the normal costs to be paid with respect to the RCA Account. These MPRAA and RCA normal costs are shown separately in Tables 8 and 9, respectively.

Table 7
Total Normal Costs

| Plan Year | | Members' Portion | Government's Portion | Normal Cost |
|-----------|------------------|------------------|----------------------|-------------|
| 1996 | House of Commons | 9.67 | 44.16 | 53.83 |
| | Senate | 7.26 | 14.70 | 21.96 |
| | Prime Minister | 7.00 | 172.90 | 179.90 |
| | Total | 9.06 | 37.02 | 46.08 |
| 1997 | House of Commons | 9.07 | 42.74 | 51.81 |
| | Senate | 7.30 | 15.89 | 23.19 |
| | Prime Minister | 7.00 | 183.92 | 190.92 |
| | Total | 8.64 | 36.54 | 45.18 |
| 1998 | House of Commons | 9.05 | 44.97 | 54.02 |
| | Senate | 7.30 | 16.74 | 24.04 |
| | Prime Minister | 7.00 | 163.69 | 170.69 |
| | Total | 8.64 | 38.57 | 47.21 |

Table 8

Normal Costs with Respect to the MPRA Account

| Plan Year | | Members' Portion (%) | Government's Portion (%) | Normal Cost (%) |
|-----------|------------------|----------------------|--------------------------|-----------------|
| 1996 | House of Commons | 3.91 | 7.39 | 11.30 |
| | Senate | 3.53 | 4.59 | 8.12 |
| | Total | 3.81 | 6.66 | 10.47 |
| 1997 | House of Commons | 3.90 | 8.41 | 12.31 |
| | Senate | 3.44 | 4.75 | 8.19 |
| | Total | 3.78 | 7.48 | 11.26 |
| 1998 | House of Commons | 3.88 | 8.99 | 12.87 |
| | Senate | 3.44 | 5.14 | 8.58 |
| | Total | 3.77 | 8.05 | 11.82 |

Table 9
Normal Costs with Respect to the RCA Account

| Plan Year | | Members' Portion (%) | Government's Portion (%) | Normal Cost (%) |
|-----------|------------------|----------------------|--------------------------|-----------------|
| 1996 | House of Commons | 5.76 | 36.77 | 42.53 |
| | Senate | 3.73 | 10.11 | 13.84 |
| | Prime Minister | 7.00 | 172.90 | 179.90 |
| | Total | 5.25 | 30.36 | 35.61 |
| 1997 | House of Commons | 5.17 | 34.33 | 39.50 |
| | Senate | 3.86 | 11.14 | 15.00 |
| | Prime Minister | 7.00 | 183.92 | 190.92 |
| | Total | 4.86 | 29.06 | 33.92 |
| 1998 | House of Commons | 5.17 | 35.98 | 41.15 |
| | Senate | 3.86 | 11.60 | 15.46 |
| | Prime Minister | 7.00 | 163.69 | 170.69 |
| | Total | 4.87 | 30.52 | 35.39 |

The normal cost should normally gradually increase in the future due to the partial transition from the current to the ultimate economic assumptions and the greater probability to have a general election in those years. However, as shown in Table 9, the normal cost for the RCA Account for the plan year 1997 is lower than for the plan year 1996 because Members of Parliament were still accruing during the first few months of the 1996 plan year (i.e. up to 13 July 1995) benefits at the previous higher rates while the lower accrual rates encompassed by Bill C-85 applied for the remaining portion of plan year 1996 and in full for later years.

The cost figures in this report pertain to pensions accrued in respect of both sessional indemnities and additional allowances.

The estimate of the pensionable payroll for the 1996 plan year is shown in Table 10 below.

Table 10
Pensionable Payroll for 1996 Plan Year

| | Sessional Indemnities (\$ millions) | Additional Allowances (\$ millions) | Total (\$ millions) |
|------------------|---|---|------------------------|
| House of Commons | 13.9 | 1.9 | 15.8 |
| Senate | 5.5 | 0.1 | 5.6 |
| Total | 19.4 | 2.0 | 21.4 |

2. Balance Sheet

The total liabilities for the plan are estimated at \$255.8 million as at 31 March 1995. The notional assets of \$276.9 million as at the same date therefore exceed the liabilities, corresponding to a surplus of \$21.1 million. Statutes as they presently exist do not allow government to use surplus whatsoever. However, if the emerging surplus of \$21.1 million were allowed to be amortized over 15 years, as would be the case for an emerging deficit, an annual level reduction of \$2.5 million in the total annual contribution would ensue for each of the next 15 years. This level reduction corresponds to 11.7% of the pensionable payroll for the plan year 1996. This reduction was computed using the projected yields described in section III-D above.

C- Sensitivity of Results to Variations in the Economic Assumptions

This section examines the sensitivity of the valuation results to variations in the economic assumptions. Table 11 summarizes the effect of specific variations in the economic assumptions, followed by some comments.

Table 11
Sensitivity of the Total Normal Cost and the Actuarial Liability to Variations in the Economic Assumptions

| | Actuarial Liability (\$ millions) | | Total Normal Cost (% of pensionable payroll) | |
|--|--------------------------------------|------------|---|------------|
| | Amount | Difference | Amount | Difference |
| 1995 Valuation Assumptions | 255.8 | 0.0 | 46.08 | 0.00 |
| Variation in Interest Rates | | | | |
| In accordance with regulations | 206.8 | (49.0) | 33.45 | (12.63) |
| Increasing the investment yields by 1% | 229.4 | (26.4) | 40.64 | (5.44) |
| Variation in Remuneration Increase | | | | |
| Increasing by 0.5% | 256.5 | 0.7 | 46.82 | 0.74 |
| Following the IAF ⁶ | 258.4 | 2.6 | 48.86 | 2.78 |
| Variation in Pension Indexing | | | | |
| Increasing by 1% | 287.3 | 31.5 | 54.96 | 8.88 |
| Constant Ultimate Economic Assumptions | 338.5 | 82.7 | 57.95 | 11.87 |

The supplementary results shown above have been prepared to provide an indication of the degree to which the results shown in the Cost Certificate depend on some of its basic assumptions. The differences between the results below and those shown in the Cost Certificate above can also serve as the basis for deriving a reasonable approximation of the projected effect of changes in the value specified by one or more of the key assumptions. However, one must bear in mind that any such calculation does not take into account either the extent to which the effect of changing a given assumption may not be strictly proportional, or the interaction effect that may come into play when more than one assumption is changed.

⁶ Industrial Aggregate Increase: refer to second bullet in section C-2 below.

1. Constant, as Opposed to Streamed, Economic Assumptions

- C If the currently prescribed interest rate of 2.5% per quarter was assumed to apply from now and to continue unchanged forever, then the actuarial liability would decrease to \$206.8 million, and the combined normal cost would be reduced from 46.08% to 33.45% of the pensionable payroll.
- C The 1996 total normal cost of 46.08% of pensionable payroll takes into account, among other things, the fact that the projected fund yields until 2018 are higher than the ultimate level of 6% assumed thereafter. If the projected fund yields and other economic factors were deemed constant at their otherwise assumed ultimate value (i.e. 6% for interest, 2% for annual increase in remuneration, and 3% for inflation) from the valuation date onward, the resulting normal cost for 1996 would be for the combined MPRA and RCA Accounts 57.95% instead of 46.08% of pensionable payroll while the actuarial liability would increase to \$338.5 million.

2. Productivity (Real Rate of Increase in Average Remunerations)

- C If the assumed productivity gains were increased from 1% to 1.5% from 2001 onward, then the 1996 total normal cost would increase by 0.74% of pensionable payroll from 46.08% to 46.82% and the actuarial liability would increase by \$0.7 million to \$256.5 million.
- C If the payroll rate increases were assumed to follow the Industrial Aggregate Increase (IAI), then the actuarial liability would increase to \$258.4 million, and the normal cost would be increased from 46.08% to 48.86% of pensionable payroll.

3. Interest Rate

The normal cost for the plan year 1996 of 46.08% of the pensionable payroll is based on a deemed investment policy of buying and holding 20-year-and-over government bonds. If the investment policy were changed in favour of a diversified portfolio including a significant proportion of equities, it would then be appropriate to assume higher real rates of return. As a measure of sensitivity, an increment of one percentage point in the projected fund yields would decrease the 1996 plan year normal cost by 5.44% of pensionable payroll from 46.08% to 40.64%. At the same time the actuarial liability would be reduced to \$229.4 million.

4. Inflation Rate

This valuation is based on an ultimate assumption of increases in the Consumer Price Index (CPI) of 3.0% per annum, from which pensions are indexed. If the CPI were assumed to increase at 4% instead of 3%, then the actuarial liability would be increased by \$31.5 million and the normal cost would be increased by 8.88% of pensionable payroll.

It must be noted that the increase in the CPI has an effect not only on the pension indexing but also on the remuneration increase as described in section IV, paragraph B-3.

D- Reconciliation of Results with Previous Report

This section describes the various factors reconciling the surplus (deficit) and the normal cost in this valuation with the results of the previous valuation.

The previous actuarial report showed a deficit of \$12.2 million which has now decreased by \$33.3 million, resulting in a surplus of \$21.1 million.

The previous report showed a total normal cost of 69.1% of pensionable payroll for 1992. The expected normal cost for 1995 (not shown in that report) was 77.05% of pensionable payroll. The current estimate of the 1996 plan year total normal cost of 46.01% of pensionable payroll (section V-B) is lower than the previously anticipated 1995 normal cost. The main two reasons for this sizeable decrease are Bill C-85, which generally reduces new pension accruals from 5% to 4% and defers to age 55 the earliest date of commencement of retirement allowances, and the abnormally high number of new entrants in the House of Commons during the intervaluation period.

Chart 1 shows the most important elements of the gains and losses while the various factors reconciling the changes in the unfunded liability and in the total normal cost between the previous valuation and this one are shown in Table 12. Figures in brackets indicate negative amounts. The main items of this Table are explained on the following pages.

Chart 1
Reconciliation of Results
(in \$ millions and as percentages of gains or losses)

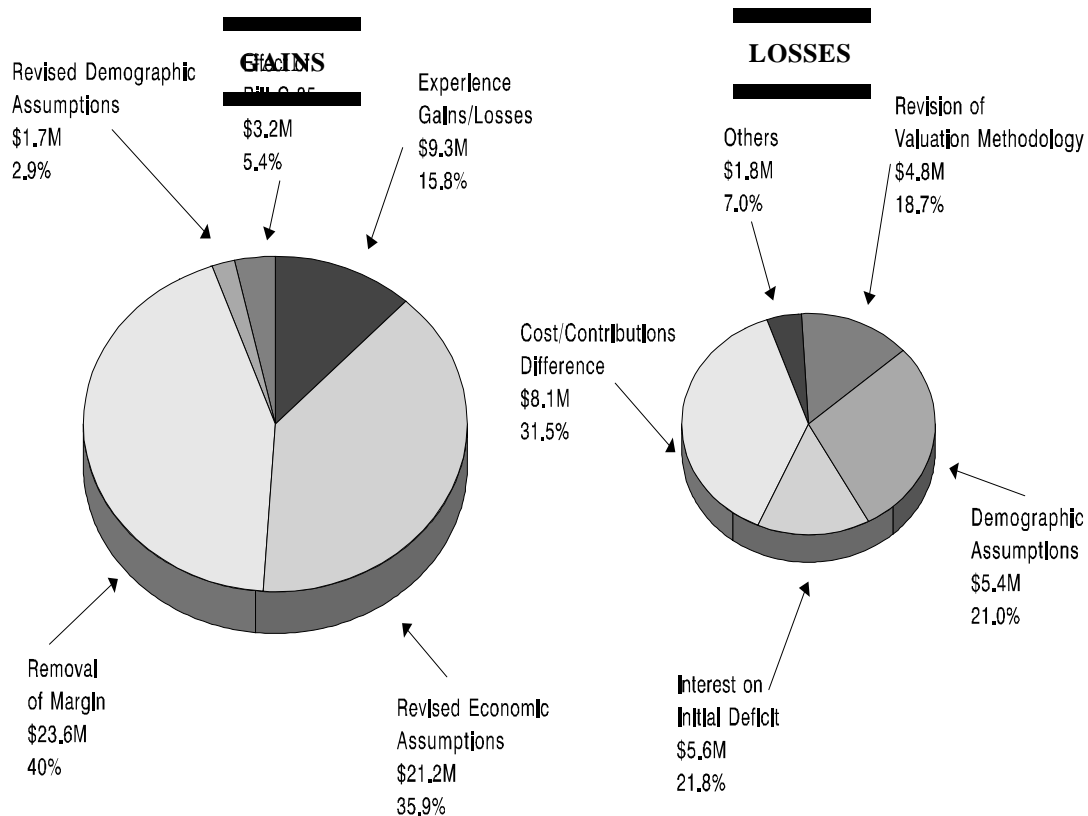


Table 12
Reconciliation of Results with Previous Report

| | Surplus(Deficit) (\$ millions) | | Normal Cost (asa % of pensionable payroll) | |
|--|-----------------------------------|--------------|---|---------------|
| | MPRA | RCA | MPRA | RCA |
| At 31 December 1991 | (10.9) | (1.3) | 13.40 | 55.66 |
| Interest on initial surplus(deficit) | (5.2) | (0.4) | | |
| Interest not earned on the tax account | | (1.2) | | |
| Expected normal cost change | | | 1.44 | 6.55 |
| Data corrections | (0.6) | 0.0 | | |
| Effect of Bill C-85 | 0.6 | 2.6 | 0.23 | (9.79) |
| Cost/Contributions difference | (1.1) | (7.0) | | |
| Experience gains and losses | | | | |
| Pension indexation | 4.2 | 0.3 | | |
| Economic salary increases | 1.1 | 0.8 | | |
| Interest earnings | 0.7 | 2.2 | | |
| Termination to Parliament | (7.5) | (0.9) | | |
| Mortality | 0.3 | (0.1) | | |
| Return to Parliament | 2.2 | 0.1 | | |
| Effect of PBDA | 0.0 | 0.0 | | |
| Miscellaneous | (0.2) | 0.7 | 0.01 | (0.01) |
| New entrants | (1.6) | 1.6 | (1.53) | (7.04) |
| Subtotal | (0.8) | 4.7 | (1.52) | (7.05) |
| Removal of margin | 21.2 | 2.4 | (1.42) | (2.38) |
| Revision of valuation assumptions | | | | |
| Interest rates | 8.1 | 1.0 | (0.59) | (1.04) |
| Pension indexation | 5.4 | 0.4 | (0.02) | (0.05) |
| General salary increases | 3.6 | 2.7 | (1.49) | (4.54) |
| Widow(er) age | (1.8) | (0.4) | 0.08 | 0.44 |
| Proportion married at death | 1.1 | 0.2 | (0.04) | (0.21) |
| Probability of general election | 1.1 | 0.3 | 0.01 | (0.33) |
| Mortality | 1.0 | 0.5 | (0.16) | (0.70) |
| Termination | (0.3) | 0.0 | (0.10) | (0.31) |
| Subtotal | 18.2 | 4.7 | (2.31) | (6.74) |
| Revision of valuation methodology | | | | |
| Adoption of open-group approach | (4.2) | (0.5) | 0.30 | 0.52 |
| Refinements of valuation procedures | 0.2 | (0.3) | 0.35 | (1.16) |
| Subtotal | (4.0) | (0.8) | 0.65 | (0.64) |
| At 31 March 1995 | 17.4 | 3.7 | 10.47 | 35.61 |

Explanations of the Above Reconciliation in Respect of the Intervaluation Period

1. Anticipated Increase to 1995

The deficit increased by \$5.6 million on account of interest accruing on it, compounded using the interest rates assumed in the 1991 report.

2. Expected Normal Cost Change

The anticipated increase in the total normal cost (7.99% of pensionable payroll) is entirely due to a partial transition to ultimate economic assumptions.

3. Effect of Bill C-85

Sixty-one Members did not elect to continue their coverage under the MPRAA. The liability in their respect as at 31 March 1995 corresponds to their contributions accumulated with interest instead of the present value of their accrued benefits, which generates a gain of \$3.2 million. For the RCA Account the reduction in pension accruals from 5% to 4% and in the deferment to age 55 of the earliest date at which retirement allowances commence result in a decrease in the normal cost of 9.79% for the 1996 plan year. Bill C-85 does not affect/reduce per se the portion of benefits financed through the MPRA Account but Members who did not elect to continue their coverage changed the age distribution of the remaining group resulting in an increase in the normal cost of 0.23% for the 1996 plan year.

4. Cost/Contributions Difference

As required by the Act, the government determines its contributions to the Accounts as that amount which, when combined with the Member contributions in respect of current service, is sufficient to cover the cost, as estimated by the President of the Treasury Board, of all future benefits that have accrued in respect of a specific year. The Government's contribution is estimated every year on the basis of the economic assumptions used to estimate the Government's obligation for accounting purposes which are normally different from the economic assumptions used in the triennial actuarial review. The difference between the normal cost estimated in the preceding review and the contributions credited in the Accounts produced an increase in the deficit of \$8.1 million.

5. Interest not Earned on Tax Account

The amount of money transferred from the RCA Account to the Revenue Canada Refundable Tax Account does not earn interest. Therefore a loss of \$1.2 million emerged during the intervaluation period.

6. Experience Gains and Losses

During the intervaluation period, the increases of the CPI and of the Members' remuneration were lower than expected. The difference in the increase accounted for an increase in surplus of \$6.4 million. On the other hand, the number of terminations was greater than expected which produced a loss of \$8.4 million.

7. Removal of Margin

Removal of the one percentage point margin from the relevant fund yield decreased the deficit by \$23.6 million and the normal cost by 3.80% of pensionable payroll.

8. Remuneration Increases

The assumed remuneration increases for the rest of the decade are lower than in the previous valuation. In fact, salaries are now assumed to be frozen until 1 January 1997 and it was assumed that remuneration would follow the regulations. The revision of the remuneration increase assumption caused the deficit to fall by \$6.3 million and the normal cost to fall by 6.03% of pensionable payroll.

9. Interest Rates

For the plan years 1997 to 2014 inclusive, the closed-group projected fund yields are materially greater (0.4% per annum on average) than the corresponding closed-group projected fund yields of the previous valuation. As a result, the deficit decreases by \$9.1 million and the normal cost decreases by 1.63% of pensionable payroll.

10. Mortality

The revised mortality rates for the 1996 plan year are, in general, slightly higher than the rates assumed for that year in the previous valuation. Consequently the surplus rose by \$1.5 million and the normal cost decreased by 0.86% of pensionable payroll.

11. Pension Indexation

The revised pension indexation assumption for the five years following the valuation date is noticeably lower than was assumed in the previous valuation. As a result the deficit decreased by \$5.8 million and the normal cost decreased by 0.07% of pensionable payroll.

12. Revision of Valuation Methodology

- (a) For the projection of average fund yields, the change from a closed-group to an open-group basis produces lower values for the interest rates (yields) upon which the present values of benefits are calculated. Accordingly the deficit rose by \$4.7 million and the normal cost rose by 0.82% of pensionable payroll.
- (b) In the previous report, the valuation methodology included certain approximations in respect of Members receiving additional allowances and of surviving spouses. Replacement of these approximations by more explicit methods increased the deficit by \$0.1 million and decreased the normal cost by 0.81% of pensionable payroll.

VI- Conclusions

A- Surplus

In comparison with the previous report, the financial results of this report rest, among other things, on the removal of the explicit margin against adverse fluctuations. This entails a material reduction in the total liabilities of the plan which now finds itself as at 31 March 1995 with a surplus. Given that

- C the liabilities computed in respect of all benefits accrued by 31 March 1995 include a reasonable implicit margin against adverse fluctuations through an assumed ultimate real rate of interest deemed conservative, and
- C the normal costs computed for the plan years 1996, 1997 and 1998 make appropriate provision for the full funding of benefits projected to accrue during those years,

it would be appropriate to amortize the plan's surplus over a number of years. However, statutes as they presently exist do not allow government to use surplus whatsoever.

B- Actuarial Standards

In my opinion, considering that this report was prepared pursuant to the *Public Pensions Reporting Act*,

- C the valuation data on which it is based are sufficient and reliable;
- C the assumptions that have been used are, in aggregate, appropriate;
- C the methods employed are appropriate;
- C the value of the plan's notional assets would be greater than the liabilities if the plan were to be wound up at the valuation date;
- C this report has been prepared, and my opinion given, in accordance with accepted actuarial practice, and particularly with the Canadian Institute of Actuaries standard of practice for valuation of pension plans.

Bernard Dussault, Bsc., F.S.A., F.C.I.A.
Chief Actuary

Ottawa, Canada
6 February 1997

APPENDIX 1

**Summary of Plan Provisions,
including Bill C-85 which became effective 13 July 1995,
of the pension plan established under the
*Members of Parliament Retiring Allowances Act***

The following summary description of the plan provisions takes into account the provisions of Bill C-55 which was in force as at 31 March 1995 and also plan provisions of Bill C-85 that came in force as at 13 July 1995. In case of discrepancy between the provision of the Act and this summary, the Act prevails.

A- Definitions

1. Sessional Indemnity

Corresponds to the remuneration of a Member provided pursuant to sections 55 to 58 of the *Parliament of Canada Act*

2. Additional Allowance

Corresponds to the remuneration of a Member in his/her capacity as Prime Minister, Speaker, Minister, Leader of the Opposition, Parliamentary Secretary, etc.

3. Basic Retirement Allowance

(a) In the Case of a Pensioner

The aggregate of all the retirement allowances and additional retirement allowances that the pensioner was receiving from the MPRA Account at the time of death or would have been entitled to receive if the pensioner had reached 60 years of age immediately before death.

(b) In the Case of a Member

The aggregate of all the retirement allowances and additional retirement allowances that the Member would have been entitled to receive from the MPRA Account if the Member had ceased to be a Member and had reached 60 years of age immediately before death.

4. Retirement Compensation Arrangement

It is a vehicle for providing the portion of retirement allowances not allowed to be paid under registered pension plans (RPP). Nonetheless, member's contributions to the Retirement Compensation Arrangement (RCA) Account are tax deductible. However, the plan sponsor (the government) pays a refundable tax on all credits to the RCA Account. Accordingly, fifty percent of all amounts credited to the RCA Account each year (contributions and interest) are accordingly transferred to Revenue Canada as an eventual refundable tax under the *Income Tax Act* (ITA), and refunded at a rate equal to 50% of all RCA benefits paid out of the RCA Account to or on behalf of Members.

5. Earnings Limit

In relation to a Member in respect of one or more sessions in any calendar year, means the maximum pensionable salary (sessional indemnity and additional allowances) in respect of which benefits may be accrued during that calendar year for the purposes of a registered pension plan within the meaning of the ITA. That amount was \$86,111 in 1995 and will be indexed after 2004 in accordance with the Industrial Composite of average weekly earnings.

6. Compensation Allowance

It is an allowance paid in accordance with the provisions of the Members of Parliament Retirement Compensation Arrangements (Part II of the MPRAA).

7. Basic Compensation Allowance

(a) In the Case of a Pensioner

The aggregate of all the compensation allowances and additional compensation allowances that the pensioner was receiving from the Members of Parliament Retirement Compensation Arrangements Account at the time of death, calculated as if the pensioner had reached 60 years of age immediately before death.

(b) In the Case of a Member

The aggregate of all the compensation allowances and additional compensation allowances that the Member would have been entitled to receive from the Members of Parliament Retirement Compensation Arrangements Account if the Member had ceased to be a Member and had reached 60 years of age immediately before death.

B- Membership

1. Senators

Membership in the plan is compulsory for all Senators nominated after 21 June 1965.

2. Members of the House of Commons

A Member of the House of Commons in the thirty-fifth Parliament has 60 days, after the later of the day on which Bill C-85 comes into force or the first day that he/she becomes a Member, to elect to contribute under the plan.

C- Financing Scheme

1. Contributions

(a) Members

C Sessional Indemnity

Members of the House of Commons who elect to participate to the plan and Senators are required to contribute a percentage of their sessional indemnity to the Accounts at the rates shown in Table 14.

C Additional Allowance

Members receiving additional allowances may contribute at rates up to those shown in Table 13, unless they elect to not participate in the plan.

C Prime Minister

The Prime Minister must also contribute 7% of the additional salary as Prime Minister to the RCA Account.

C Prior Service Contributions

When a person ceases to be a Member and subsequently becomes a Member again, that person may elect to contribute to the MPRA and RCA Accounts in respect of any previous session during which that person was a Member. The rate of contribution required from the Member depends on the time the election is made, as shown in the Table 15. In addition, the Member must pay interest on arrears contributions, calculated at a rate and in the manner prescribed by the regulations made under the Act.

A Member may amortize the debt arising from an election with respect to prior service, including a reimbursement of withdrawal benefits, if any, by making a series of payments determined in accordance with a prescribed interest rate (currently 8% per annum) and mortality table (currently CLT 41).

(b) Credits by Government

The government credits the Accounts as follows in respect of its contributions for current and prior pensionable service:

i) Current Service

The government determines its normal monthly credit to the Accounts as that amount, which when combined with the Member contributions in respect of current service, is sufficient to cover the cost, as estimated by the President of the Treasury Board, of all future benefits that have accrued in respect of that month.

ii) Prior Service

The government credits to the Accounts in respect of elected prior service are analogous to those described in respect of current service.

iii) Special Credits

If an unfunded actuarial liability is identified through a statutory triennial actuarial report, the MPRA and RCA Accounts are to be credited with such annual amounts that in the opinion of the President of the Treasury Board will fully amortize this deficit over a period not exceeding 15 years.

2. Income Tax Payments or Refunds

The RCA Account is charged or credited in each calendar year with an amount equal to the net amount of tax, if any, determined at the end of the year to be payable under subsection 207.7(1) or refundable under subsection 207.7(2) of the ITA.

3. Investment Earnings

The interest rate applying to net cash flows (contributions minus benefits, as well as Income tax payments or refunds) to the MPRA and RCA Accounts is set by regulation currently at 2.5% per quarter. Interest is credited at the end of the quarter on the balance at the beginning of the quarter.

4. Payment of Benefits

All benefit payments pursuant to the plan are charged to the MPRA or RCA Accounts.

Appendix 1 -Table 13

Member's Contributions in Respect of Additional Allowances

| | Sessional Indemnity Plus Additional Allowances | |
|---|--|---------------------------------|
| | Up to the earnings limit | Greater than the earnings limit |
| Member is less than 71 years of age | | |
| MPRA Account | 4% | 0% |
| RCA Account | | |
| Contributions made on or after 13 July 1995 | 5% | 9% |
| Contributions made before 13 July 1995 | 7% | 11% |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | | |
| Contributions made on or after 13 July 1995 | 9% | 9% |
| Contributions made before 13 July 1995 | 11% | 11% |

Appendix 1 -Table 14
Member's Contributions in Respect of Sessional Indemnity

| Group | Sessional Indemnity | |
|--|---|---|
| | Up to the earnings limit | Greater than the earnings limit |
| Members of the House of Commons | | |
| Member is less than 71 years of age | | |
| MPRA Account | 4% per year until Member accrues 75% benefits; 1% thereafter | 0% |
| RCA Account | | |
| Contributions made on or after 13 July 1995 | 5% per year until Member accrues 75% benefits; 0% thereafter | 9% per year until Member accrues 75% benefits; 1% thereafter |
| Contributions made before 13 July 1995 | 7% per year until Member accrues 75% benefits; 0% thereafter | 11% per year until Member accrues 75% benefits; 1% thereafter |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | | |
| Contributions made on or after 13 July 1995 | 9% per year until Member accrues 75% benefits; 1% thereafter | 9% per year until Member accrues 75% benefits; 1% thereafter |
| Contributions made before 13 July 1995 | 11% per year until Member accrues 75% benefits; 1% thereafter | 11% per year until Member accrues 75% benefits; 1% thereafter |
| Senators | | |
| Member is less than 71 years of age | | |
| MPRA Account | 4% per year until Member accrues 75% benefits; 1% thereafter | 0% |
| RCA Account | 3% per year until Member accrues 75% benefits; 0% thereafter | 7% per year until Member accrues 75% benefits; 1% thereafter |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | 7% per year until Member accrues 75% benefits; 1% thereafter | 7% per year until Member accrues 75% benefits; 1% thereafter |

Appendix 1 - Table 15
Member's Contributions in Respect of Prior Service

| Time of Election to Contribute | Sessional Indemnity Plus Additional Allowances | |
|---|--|---------------------------------|
| | Up to the earnings limit | Greater than the earnings limit |
| Members of the House of Commons | | |
| Election on or after 13 July 1995 | | |
| Member is less than 71 years of age | | |
| MPRA Account | 4% | 0% |
| RCA Account | 5% | 9% |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | 9% | 9% |
| Election between 1 January 1992 and 13 July 1995 | | |
| Member is less than 71 years of age | | |
| MPRA Account | 4% | 0% |
| RCA Account | 7% | 11% |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | 11% | 11% |
| Election before 1 January 1992 | | |
| MPRA Account | 10% | 10% |
| RCA Account | 0% | 0% |
| Senators | | |
| Election on or after 1 January 1992 | | |
| Member is less than 71 years of age | | |
| MPRA Account | 4% | 0% |
| RCA Account | 3% | 7% |
| Member has reached 71 years of age | | |
| MPRA Account | 0% | 0% |
| RCA Account | 7% | 7% |
| Election before 1 January 1992 | | |
| MPRA Account | 6% | 6% |
| RCA Account | 0% | 0% |

D- Summary Description of Benefits

1. Retirement Allowance and Compensation Allowance

(a) Members of Parliament Covered by the Plan

A Member is eligible to receive an annual allowance upon termination of membership after having contributed for at least six years. The portion of the annual allowance paid by the MPRA Account is called the retirement allowance while the portion of the annual allowance paid by the RCA Account is called the compensation allowance. The annual amount of retirement allowance and of compensation allowance payable to a Member is determined by multiplying the highest average of the Member's sessional indemnity over any period of six consecutive years by the fraction corresponding to the sum of (i) plus (ii), where

(i) is the sum, subject to a maximum of 0.75, of:

- C the total annual accrual rates as shown in Table 16 for the retirement and compensation allowances accrued by a Member of the House of Commons for contributions with respect to sessional indemnity, and
- C the total annual accrual rates as shown in Table 17 for the retirement and compensation allowances accrued by a Senator for contributions with respect to sessional indemnity.

(ii) is the total annual accrual rates shown in Table 18 adjusted each year by the ratios of the Member's rate of contribution to the MPRA and RCA Accounts in respect of additional allowances payable to the Member in a calendar year to the rate of contribution to the MPRA and RCA Accounts in respect of sessional indemnity in that calendar year (also shown in Table 18).

(b) Prime Minister

The Prime Minister is eligible to receive a compensation allowance in respect of the Prime Minister's salary upon termination of membership after having contributed for at least four years as Prime Minister. The annual amount of compensation allowance, payable from the day on which that person ceases to be a Member or reaches 65 years of age, whichever is the later, is equal to two-thirds of the annual salary payable to the Prime Minister in that capacity on that day.

2. Members Who did not Elect to be Covered by the Plan

Following Bill C-85, if a Member did not elect to be covered by the plan, that choice applies in respect of service on and after 25 October 1993 as well as, in respect of Members with less than six years of membership as at that date, to pensionable service before that date. In such a case, the Member's contributions made in respect of such service are refundable to the Member with interest at a rate specified in the regulations.

3. Survivor Benefits

The following survivor allowances are payable on the death of a Member or pensioner who has satisfied the eligibility requirements for a retirement or compensation allowance:

(a) Members of Parliament or Pensioners

- Ⓒ to an eligible surviving spouse, three-fifths of the sum of the basic retirement allowance plus the basic compensation allowance of the Member or the pensioner;
- Ⓒ if there is an eligible surviving spouse, in respect of each child under age 18 (or child between 18 and 25, if a full-time student), one-tenth of the sum of the basic retirement allowance plus the basic compensation allowance of the Member or the pensioner, subject to a maximum of three-tenths, or
- Ⓒ if there is no eligible surviving spouse, in respect of each child under age 18 (or child between 18 and 25, if a full-time student), two-tenths of the sum of the basic retirement allowance plus the basic compensation allowance of the Member or the pensioner, subject to a maximum of eight-tenths.

(b) Prime Minister

A survivor allowance is payable to a surviving spouse if the surviving spouse was the spouse at the time when that person held the office of Prime Minister and if that person has satisfied the eligibility requirements for a compensation allowance as Prime Minister. The survivor allowance equals one half of the compensation allowance that the person was receiving as former Prime Minister at the time of death or would have been eligible to receive if, immediately before the time of death, that person had ceased to hold the office of Prime Minister and had reached 65 years of age.

In the case of a pensioner, the allowance described above is payable only if the marriage existed while the deceased spouse was a Member of Parliament.

4. Withdrawal Benefit

If a Member ceases to be a Member before satisfying the eligibility requirements for a retirement allowance or a compensation allowance, or if the Member is disqualified from the Senate or is expelled from the House of Commons, the Member is entitled to a return of his/her contributions with interest at a rate specified in the regulations.

5. Minimum Benefit

If a Member or pensioner dies leaving no eligible survivor, or if the survivor dies, the amount by which the Member's contributions exceed any annuity payments made to the Member to his or her survivors is payable to the Member's estate.

6. Indexation

Benefit adjustments corresponding to increases in the Consumer Price Index (CPI) are provided in respect of the allowances payable from both the MPRA and RCA Accounts to pensioners and survivors.

The adjusted benefit, with adjustment applicable at the beginning of each calendar year, is calculated by applying to the benefit the ratio of the average of the CPI for the 12-month period ending on 30 September of the preceding year to the average for the corresponding period one year earlier.

Although survivor benefits and disability pensions are indexed immediately when they commence to be paid, retirement or compensation allowances are not indexed until age 60. However, the increase at that age reflects the cumulative increase since the Member ceased to hold parliamentary office.

The benefit adjustment is equal to the initial amount of annual allowance to which the beneficiary is entitled multiplied by the excess, over one, of the ratio of the Benefit Index for the year of payment to the Benefit Index for the deemed date on which the person to whom or in respect of whose service the pension is payable ceased to hold parliamentary office. If the actual date of termination is after 21 June 1982, then the deemed date is the first day of the next calendar month; otherwise, it is the first day of January immediately preceding the actual date of termination.

7. Suspension of Allowance

An allowance payable to a pensioner is suspended for the whole month during any part of which such person is a Member of the Senate or the House of Commons.

8. Rate of Interest for Lump Sum Calculations

The rate of interest used in calculating withdrawal benefits and lump sum repayments of withdrawal benefits and prior service contributions is prescribed by regulation (currently 4% per annum).

Appendix 1 - Table 16**Annual Accrual Rate and Type of Allowance in Respect of Sessional Indemnity for a Member of the House of Com**

| Period of Pensionable Service | Annual Accrual Rate | Type of Allowance |
|---|---------------------|--|
| Accruing from 13 July 1995 | | |
| Sessional Indemnity up to the earnings limit | | |
| Service accrued when Member is less than 71 years old | | |
| MPRA Account | 2% | Deferred allowance to age 60 |
| RCA Account | 2% and 4% | Deferred allowance to age 60 Temporary allowance from age 55 up to age 60 |
| Service accrued after Member has reached 71 years old | | |
| MPRA Account | 0% | |
| RCA Account | 4% | Immediate allowance |
| Sessional Indemnity greater than the earnings limit | | |
| MPRA Account | 0% | |
| RCA Account | 4% | Deferred allowance to age 55 |
| Accruing between 1 January 1992 and 13 July 1995 | | |
| Sessional Indemnity up to the earnings limit | | |
| Service accrued when Member is less than 71 years old | | |
| MPRA Account | 2% | Deferred allowance to age 60 |
| RCA Account | 3% and 5% | Deferred allowance to age 60 Temporary allowance up to age 60 |
| Service accrued after Member has reached 71 years old | | |
| MPRA Account | 0% | |
| RCA Account | 5% | Immediate allowance |
| Sessional Indemnity greater than the earnings limit | | |
| MPRA Account | 0% | |
| RCA Account | 5% | Immediate allowance |
| Accruing before 1 January 1992 | | |
| MPRA Account | 5% | Immediate allowance |
| RCA Account | 0% | |

Appendix 1 - Table 17**Annual Accrual Rate and Type of Allowance in Respect of Sessional Indemnity for a Senator**

| Period of Pensionable Service | Annual Accrual Rate | Type of Allowance |
|---|---------------------|--|
| Accruing from 13 July 1995 | | |
| Sessional Indemnity up to the earnings limit | | |
| Service accrued when Member is less than 71 years old | | |
| MPRA Account | 2% | Deferred allowance to age 60 |
| RCA Account | 1% and 3% | Deferred allowance to age 60 Temporary allowance from age 55 up to age 60 |
| Service accrued after Member has reached 71 years old | | |
| MPRA Account | 0% | |
| RCA Account | 3% | Immediate allowance |
| Sessional Indemnity greater than the earnings limit | | |
| MPRA Account | 0% | |
| RCA Account | 3% | Deferred allowance to age 55 |
| Accruing between 1 January 1992 and 13 July 1995 | | |
| Sessional Indemnity up to the earnings limit | | |
| Service accrued when Member is less than 71 years old | | |
| MPRA Account | 2% | Deferred allowance to age 60 |
| RCA Account | 1% and 3% | Deferred allowance to age 60 Temporary allowance up to age 60 |
| Service accrued after Member has reached 71 years old | | |
| MPRA Account | 0% | |
| RCA Account | 3% | Immediate allowance |
| Sessional Indemnity greater than the earnings limit | | |
| MPRA Account | 0% | |
| RCA Account | 3% | Immediate allowance |
| Accruing before 1 January 1992 | | |
| MPRA Account | 3% | Immediate allowance |
| RCA Account | 0% | |

Appendix 1 - Table 18**Annual Accrual Rate and Type of Allowance in Respect of Additional Allowances**

| Period of Pensionable Service | Annual Accrual Rate | Sessional Indemnity Rate of Contribution | Type of Allowance |
|--|---------------------------|---|--|
| Credited from 13 July 1995 | | | |
| Additional allowances plus sessional indemnity is less than or equal to the earnings limit | | | |
| Service accrued when Member is less than 71 years old | | | |
| MPRA Account | 2% | 4% | Deferred allowance to age 60 |
| RCA Account | 2% and 4% | 5% 5% | Deferred allowance to age 60 Temporary allowance from age 55 up to age 60 |
| Service accrued after Member has reached 71 years of age | | | |
| MPRA Account | 0% | | |
| RCA Account | 4% | 9% | Immediate allowance |
| Additional allowances plus sessional indemnity is greater than the earnings limit | | | |
| MPRA Account | 0% | | |
| RCA Account | 4% | 9% | Deferred allowance to age 55 |
| Credited between 1 January 1992 and 13 July 1995 | | | |
| Additional allowances plus sessional indemnity is less than or equal to the earnings limit | | | |
| Service accrued when Member is less than 71 years old | | | |
| MPRA Account | 2% | 4% | Deferred allowance to age 60 |
| RCA Account | 3% and 5% | 7% 7% | Deferred allowance to age 60 Temporary allowance up to age 60 |
| Service accrued after Member has reached 71 years old | | | |
| MPRA Account | 0% | | |
| RCA Account | 5% | 11% | Immediate allowance |
| Additional allowances plus sessional indemnity is greater than the earnings limit | | | |
| MPRA Account | 0% | | |
| RCA Account | 5% | 11% | Immediate allowance |
| Credited before 1 January 1992 | | | |
| MPRA Account | 5% | 10% | Immediate allowance |
| RCA Account | 0% | | |

APPENDIX 2

Samples of Demographic Assumptions

Appendix 2 - Table 19
House of Commons: Sample of Assumed Rates of Termination

| Completed Years of Service | During a Non-Election Year | Age Last Birthday | During an Election Year |
|-------------------------------------|----------------------------------|-------------------------|-------------------------------|
| 0 | 0.001 | 25 | 0.2405 |
| 1 | 0.003 | 30 | 0.2405 |
| 2 | 0.005 | 35 | 0.3505 |
| 3 | 0.006 | 40 | 0.3880 |
| 4 | 0.007 | 45 | 0.3910 |
| 5 | 0.007 | 50 | 0.4160 |
| 6 | 0.007 | 55 | 0.4935 |
| 7 | 0.009 | 60 | 0.5370 |
| 8 | 0.011 | 65 | 0.5595 |
| 9 | 0.013 | 70 | 0.6580 |
| 10 | 0.015 | 74 | 0.6580 |
| 11 | 0.018 | | |
| 12 | 0.020 | | |
| 13 | 0.023 | | |
| 14 and after | 0.024 | | |

Appendix 2 - Table 20
House of Commons: Assumed Rates of Election

| Plan Year | Probability of a General Election |
|-----------|-----------------------------------|
| 1996 | 0.000 |
| 1997 | 0.040 |
| 1998 | 0.568 |
| 1999 | 0.518 |
| 2000 | 0.139 |
| 2001 | 0.138 |
| 2002 | 0.333 |
| 2003 | 0.436 |
| 2004 | 0.301 |
| 2005 | 0.207 |
| 2006 | 0.270 |
| 2007 | 0.352 |
| 2008 | 0.333 |
| 2009 | 0.269 |
| 2010 | 0.267 |
| 2011 | 0.309 |
| 2012 | 0.322 |
| 2013 | 0.297 |
| 2014 | 0.281 |
| 2015 | 0.294 |
| 2016 | 0.309 |
| 2017 | 0.304 |
| 2018 | 0.292 |
| 2019 | 0.292 |
| 2020 | 0.300 |
| 2021 | 0.302 |
| 2022 | 0.297 |
| 2023 | 0.295 |
| 2024 | 0.297 |

Appendix 2 - Table 21
Sample Rates of Mortality for Members, Pensioners and Survivors

| Age Last Birthday | 1996 Rates of Mortality | | Annual % Reduction in 1996 Assumed Mortality Rates | |
|-------------------------|-------------------------|----------|---|---------|
| | Males | Females | Males | Females |
| 25 | 0.000690 | 0.000269 | 1.0 | 1.4 |
| 30 | 0.000841 | 0.000326 | 0.5 | 1.0 |
| 35 | 0.000894 | 0.000443 | 0.5 | 1.1 |
| 40 | 0.001122 | 0.000654 | 0.8 | 1.5 |
| 45 | 0.001641 | 0.000896 | 1.3 | 1.6 |
| 50 | 0.002665 | 0.001314 | 1.8 | 1.7 |
| 55 | 0.004566 | 0.002135 | 1.9 | 0.8 |
| 60 | 0.008262 | 0.004147 | 1.6 | 0.5 |
| 65 | 0.015095 | 0.008067 | 1.4 | 0.5 |
| 70 | 0.024613 | 0.012826 | 1.5 | 0.5 |
| 75 | 0.038645 | 0.021112 | 1.4 | 0.8 |
| 80 | 0.064744 | 0.036708 | 1.0 | 0.7 |
| 85 | 0.101884 | 0.063197 | 0.7 | 0.6 |
| 90 | 0.160840 | 0.108879 | 0.4 | 0.3 |
| 95 | 0.246613 | 0.174821 | 0.1 | 0.1 |
| 100 | 0.335321 | 0.259841 | 0.0 | 0.0 |
| 105 | 0.430436 | 0.360581 | 0.0 | 0.0 |
| 110 | 0.514489 | 0.453386 | 0.0 | 0.0 |
| 115 | 1.000000 | 1.000000 | 0.0 | 0.0 |

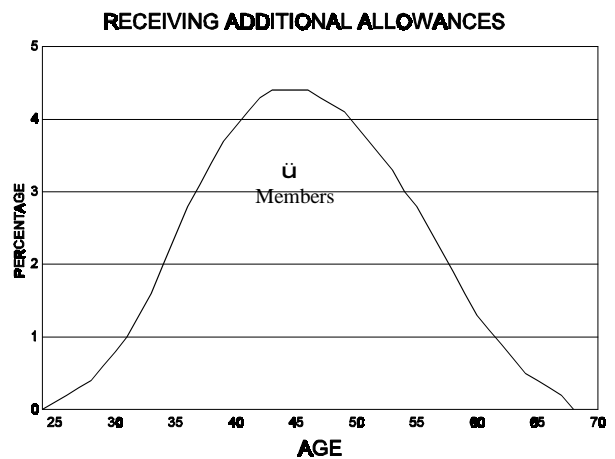
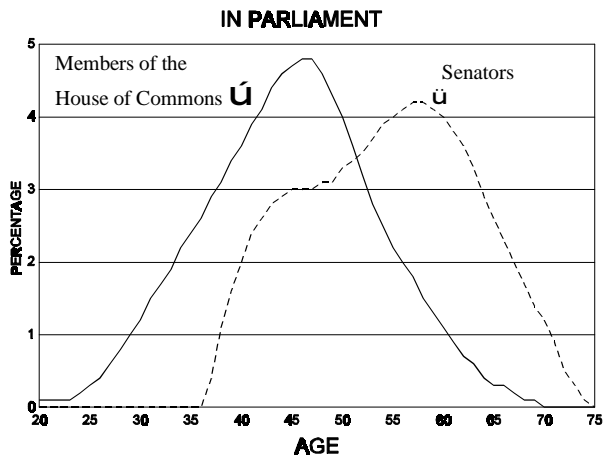
Appendix 2 - Table 22**Proportions of Members and Pensioners Married at Death and Age Difference Between Surviving Spouse and Deceased Pensioner**

| Age Last Birthday at Death | Proportion Married at Death | | Spousal Age | |
|-------------------------------|-----------------------------|---------|-------------|-------|
| | Males | Females | Females | Males |
| 25 | 0.241 | 0.313 | 22 | 28 |
| 30 | 0.489 | 0.330 | 27 | 33 |
| 35 | 0.754 | 0.357 | 32 | 38 |
| 40 | 0.764 | 0.399 | 37 | 43 |
| 45 | 0.788 | 0.460 | 42 | 48 |
| 50 | 0.825 | 0.527 | 47 | 53 |
| 55 | 0.860 | 0.596 | 52 | 58 |
| 60 | 0.872 | 0.649 | 57 | 63 |
| 65 | 0.850 | 0.626 | 62 | 68 |
| 70 | 0.815 | 0.549 | 67 | 73 |
| 75 | 0.760 | 0.446 | 71 | 77 |
| 80 | 0.679 | 0.321 | 76 | 82 |
| 85 | 0.566 | 0.194 | 80 | 86 |
| 90 | 0.428 | 0.092 | 84 | 90 |
| 95 | 0.282 | 0.031 | 88 | 94 |
| 100 | 0.156 | 0.007 | 91 | 98 |
| 105 | 0.070 | 0.001 | 94 | 101 |
| 110 | 0.024 | 0.000 | 97 | 104 |
| 115 | 0.006 | 0.000 | 100 | 108 |

Appendix 2 - Table 23
New Entrants Distribution

| Age Last Birthday | House of Commons | Senate | Receiving Additional Allowances |
|-------------------|------------------|--------|---------------------------------|
| 20 - 24 | 0.006 | 0.000 | 0.000 |
| 25 - 29 | 0.031 | 0.000 | 0.016 |
| 30 - 34 | 0.085 | 0.000 | 0.067 |
| 35 - 39 | 0.144 | 0.031 | 0.154 |
| 40 - 44 | 0.206 | 0.127 | 0.211 |
| 45 - 49 | 0.232 | 0.152 | 0.214 |
| 50 - 54 | 0.161 | 0.178 | 0.174 |
| 55 - 59 | 0.088 | 0.206 | 0.110 |
| 60 - 64 | 0.037 | 0.176 | 0.045 |
| 65 - 69 | 0.010 | 0.100 | 0.009 |
| 70 - 74 | 0.000 | 0.030 | 0.000 |

Appendix 2 - Chart 2
New Entrants Distribution



APPENDIX 3

Summaries of Data

Reconciliation of Membership

The following tables, derived from the basic data, show relevant statistics concerning Members of Parliament, pensioners, and survivors during the period from January 1992 to March 1995 inclusive.

Appendix 3 - Table 24
Reconciliation of Members of Parliament

| | House of Commons | | | Senate | | |
|---|------------------|--------|-------------------|--------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| As at 31 December 1991 | 254 | 41 | 295 | 84 | 15 | 99 |
| New Entrants | 172 | 36 | 208 | 17 | 6 | 23 |
| Terminations from 1992 to 1995 | | | | | | |
| Retirement Allowances | | | | | | |
| Terminations | (122) | (15) | (137) | (12) | (1) | (13) |
| Deaths | (1) | 0 | (1) | (2) | 0 | (2) |
| Subtotal | (123) | (15) | (138) | (14) | (1) | (15) |
| Lump Sum Benefit | | | | | | |
| Members who did not elect to be covered | (53) | (8) | (61) ⁷ | | | |
| Terminations | (54) | (12) | (66) | (4) | (1) | (5) |
| Deaths | (1) | 0 | (1) | 0 | (1) | (1) |
| Subtotal | (108) | (20) | (128) | (4) | (2) | (6) |
| Appointment to Senate | (3) | 0 | (3) | | | |
| As at 31 March 1995 | 192 | 42 | 234 | 83 | 18 | 101 |

⁷ This number includes one Member of the House of Commons who has accrued MPRA pension.

Appendix 3 - Table 25
Reconciliation of Pensioners

| | Former Members House of Commons | | | Former Senators | | |
|--------------------------------|------------------------------------|--------|-------|--------------------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| Entitled 31 December 1991 | 279 | 11 | 290 | 24 | 3 | 27 |
| New Entitlements 1992 to 1995 | 122 | 15 | 137 | 12 | 1 | 13 |
| Terminations from 1992 to 1995 | | | | | | |
| Deaths | (24) | (3) | (27) | (7) | 0 | (7) |
| Return to Parliament | (2) | 0 | (2) | 0 | 0 | 0 |
| Subtotal | (26) | (3) | (29) | (7) | 0 | (7) |
| Entitled 31 March 1995 | 375 | 23 | 398 | 29 | 4 | 33 |

Appendix 3 - Table 26
Reconciliation of Survivors

| | Former Members House of Commons | | | Former Senators | | |
|-------------------------------|------------------------------------|---------|-------|--------------------|---------|-------|
| | Widow | Widower | Total | Widow | Widower | Total |
| Entitled 31 December 1991 | 61 | 0 | 61 | 17 | 1 | 18 |
| Data Corrections | (1) | 0 | (1) | 0 | 0 | 0 |
| New Entitlements 1992 to 1995 | 17 | 1 | 18 | 7 | 0 | 7 |
| Deaths | (9) | 0 | (9) | (3) | 0 | (3) |
| Entitled 31 March 1995 | 68 | 1 | 69 | 21 | 1 | 22 |

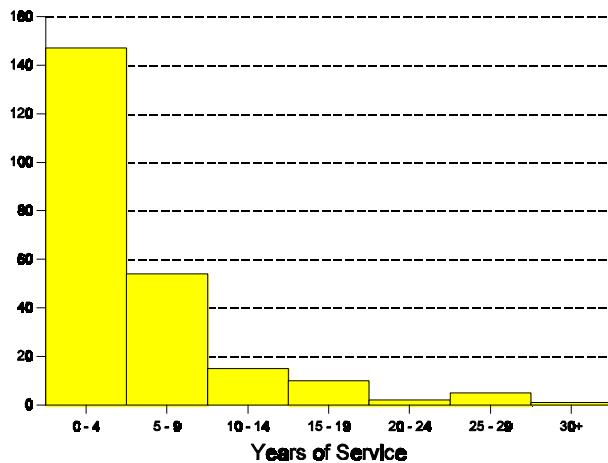
Appendix 3 - Table 27

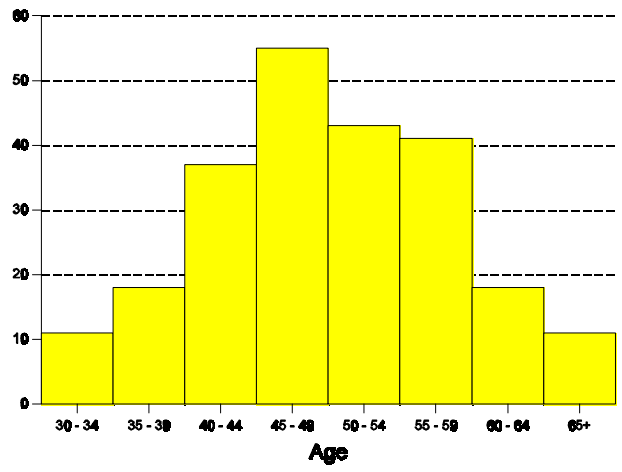
**Members of the House of Commons Contributing to the MPRA and RCA Accounts as at 31 March 1995
(Excluding Members who did not Elect to Continue to be Covered)**

| Age Last Birthday | Completed Years of Service | | | | | | | | All Durations |
|-------------------------|----------------------------|-----|-------|-----|---------|-----|-------|-----|------------------|
| | Males | | | | Females | | | | |
| | 0-5 | 6-9 | 10-14 | 15+ | 0-5 | 6-9 | 10-14 | 15+ | |
| 30 - 34 | 10 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 11 |
| 35 - 39 | 9 | 4 | 2 | 0 | 3 | 0 | 0 | 0 | 18 |
| 40 - 44 | 16 | 6 | 1 | 4 | 7 | 2 | 1 | 0 | 37 |
| 45 - 49 | 32 | 13 | 2 | 0 | 6 | 2 | 0 | 0 | 55 |
| 50 - 54 | 22 | 7 | 4 | 3 | 5 | 2 | 0 | 0 | 43 |
| 55 - 59 | 17 | 8 | 1 | 6 | 6 | 3 | 0 | 0 | 41 |
| 60 - 64 | 4 | 4 | 3 | 5 | 1 | 1 | 0 | 0 | 18 |
| 65 - 69 | 7 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 10 |
| 70 - 74 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| All Ages | 118 | 43 | 13 | 18 | 29 | 11 | 2 | 0 | 234 |

Appendix 3 - Chart 3

**Members of the House of Commons Contributing to the MPRA and RCA Accounts as at 31 March 1995
(Excluding Members who did not Elect to Continue to be Covered)**

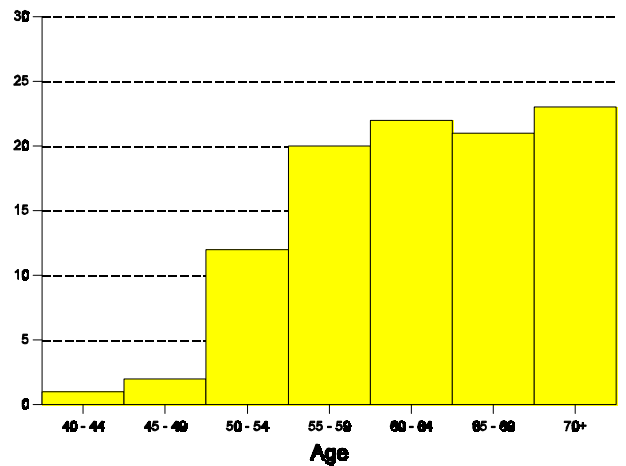
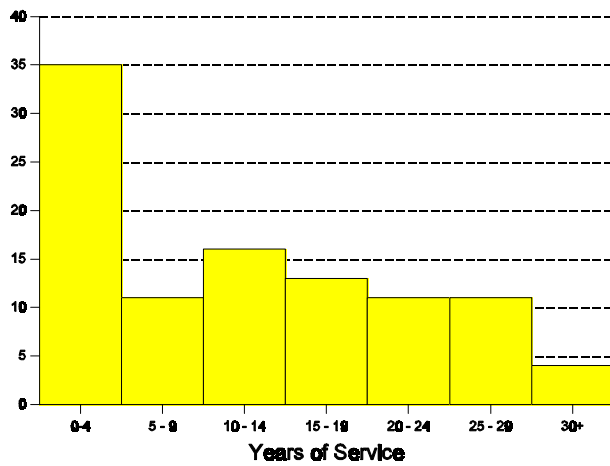




Appendix 3 - Table 28
Senators as at 31 March 1995

| Age Last Birthday | Completed Years of Service | | | | | | | | All Durations |
|-------------------|----------------------------|-----|-------|-----|---------|-----|-------|-----|---------------|
| | Males | | | | Females | | | | |
| | 0-5 | 6-9 | 10-14 | 15+ | 0-5 | 6-9 | 10-14 | 15+ | |
| 40 - 44 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 45 - 49 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| 50 - 54 | 6 | 0 | 3 | 0 | 2 | 0 | 1 | 0 | 12 |
| 55 - 59 | 9 | 2 | 2 | 3 | 1 | 1 | 2 | 0 | 20 |
| 60 - 64 | 4 | 4 | 1 | 10 | 2 | 1 | 0 | 0 | 22 |
| 65 - 69 | 1 | 2 | 2 | 11 | 3 | 1 | 1 | 0 | 21 |
| 70 - 74 | 4 | 0 | 4 | 13 | 0 | 0 | 0 | 2 | 23 |
| All Ages | 26 | 8 | 12 | 37 | 9 | 3 | 4 | 2 | 101 |

Appendix 3 - Chart 4
Senators as at 31 March 1995



Appendix 3 - Table 29
Number of Members of Parliament Receiving Additional Allowance as at 31 March 1995 and their Average Additional Allowance

| Age Last Birthday | Completed Years of Service | | | | | | | | All Durations |
|-------------------|----------------------------|----------------|---------------|----------------|---------------|---------------|---------------|----------|----------------|
| | Males | | | | Females | | | | |
| | 0-5 | 6-9 | 10-14 | 15+ | 0-5 | 6-9 | 10-14 | 15+ | |
| 30 - 34 | 1 \$10,500 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$10,500 | 0 \$0 | 0 \$0 | 0 \$0 | 2 \$10,500 |
| 35 - 39 | 0 \$0 | 0 \$0 | 1 \$46,645 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$46,645 |
| 40 - 44 | 1 \$34,984 | 2 \$10,500 | 0 \$0 | 2 \$46,645 | 1 \$46,645 | 2 \$22,742 | 1 \$46,645 | 0 \$0 | 9 \$32,005 |
| 45 - 49 | 5 \$33,054 | 8 \$22,597 | 2 \$29,923 | 0 \$0 | 1 \$46,645 | 1 \$10,500 | 0 \$0 | 0 \$0 | 17 \$27,237 |
| 50 - 54 | 4 \$28,298 | 4 \$19,536 | 1 \$34,984 | 0 \$0 | 1 \$10,500 | 2 \$40,814 | 0 \$0 | 0 \$0 | 12 \$26,537 |
| 55 - 59 | 4 \$26,398 | 5 \$30,346 | 0 \$0 | 4 \$38,222 | 2 \$9,000 | 1 \$7,500 | 1 \$46,645 | 0 \$0 | 17 \$28,374 |
| 60 - 64 | 1 \$23,800 | 0 \$0 | 2 \$28,573 | 2 \$58,283 | 0 \$0 | 1 \$10,500 | 0 \$0 | 0 \$0 | 6 \$34,668 |
| 65 - 69 | 3 \$30,709 | 0 \$0 | 0 \$0 | 2 \$22,950 | 0 \$0 | 0 \$0 | 1 \$34,984 | 0 \$0 | 6 \$28,835 |
| 70 - 74 | 0 \$0 | 0 \$0 | 1 \$7,500 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 1 \$7,500 |
| All Ages | 19 \$28,709 | 19 \$22,718 | 7 \$29,446 | 10 \$40,864 | 6 \$22,048 | 7 \$22,230 | 3 \$42,758 | 0 \$0 | 71 \$28,282 |

Average age last birthday: 52.0 years

Average last anniversary of service: 7.3 years

⁸ Out of 71 Members receiving additional allowances, 7 Members were Senators.

Appendix 3 - Table 30
Pensioners' Annual Allowances in Pay as at 31 March 1995 (Including Both Members of the House of Commons and Ser

| Age Last Birthday | Number | | | Annual Allowances Payable From | | |
|----------------------|--------|--------|-------|--------------------------------|---------------------|------------------|
| | Male | Female | Total | MPRA Account (\$) | RCA Account (\$) | Combined (\$) |
| 30 - 34 | 0 | 1 | 1 | 22,729 | 5,634 | 28,363 |
| 35 - 39 | 3 | 0 | 3 | 91,049 | 16,404 | 107,453 |
| 40 - 44 | 8 | 1 | 9 | 277,624 | 48,918 | 326,542 |
| 45 - 49 | 18 | 1 | 19 | 584,828 | 77,957 | 662,785 |
| 50 - 54 | 43 | 5 | 48 | 1,507,804 | 176,383 | 1,684,187 |
| 55 - 59 | 56 | 8 | 64 | 2,202,140 | 222,034 | 2,424,174 |
| 60 - 64 | 50 | 1 | 51 | 1,813,869 | 84,429 | 1,898,298 |
| 65 - 69 | 67 | 4 | 71 | 2,369,892 | 32,296 | 2,402,188 |
| 70 - 74 | 52 | 2 | 54 | 1,676,484 | 16,760 | 1,693,244 |
| 75 - 79 | 50 | 2 | 52 | 1,531,866 | 68,048 | 1,599,914 |
| 80 - 84 | 36 | 1 | 37 | 949,938 | 0 | 949,938 |
| 85 - 89 | 16 | 0 | 16 | 361,564 | 0 | 361,564 |
| 90 - 94 | 5 | 1 | 6 | 167,389 | 0 | 167,389 |
| Total | 404 | 27 | 431 | 13,557,176 | 748,863 | 14,306,039 |

Appendix 3 - Table 31
Former Members of the House of Commons as at 31 March 1995 (Excluding Former Senators)
Entitled to Annual Allowances Payable from the MPRA Account

| Age Last Birthday | Number | | | Immediate Allowances | | | Deferred Allowances to Age 60 | | |
|-------------------|------------|-----------|------------|----------------------|------------------|-------------------|-------------------------------|---------------|----------------|
| | Male | Female | Total | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) |
| 30 - 34 | 0 | 1 | 1 | 22,729 | 208 | 22,937 | 2,252 | 20 | 2,272 |
| 35 - 39 | 3 | 0 | 3 | 91,049 | 1,824 | 92,873 | 6,170 | 74 | 6,244 |
| 40 - 44 | 8 | 1 | 9 | 277,624 | 12,255 | 289,879 | 18,514 | 169 | 18,683 |
| 45 - 49 | 18 | 1 | 19 | 584,828 | 47,595 | 632,423 | 29,557 | 241 | 29,798 |
| 50 - 54 | 43 | 4 | 47 | 1,493,371 | 181,492 | 1,674,863 | 65,631 | 616 | 66,247 |
| 55 - 59 | 56 | 8 | 64 | 2,202,140 | 304,892 | 2,507,032 | 74,960 | 687 | 75,647 |
| 60 - 64 | 49 | 1 | 50 | 1,483,280 | 306,249 | 1,789,529 | 0 | 0 | 0 |
| 65 - 69 | 64 | 4 | 68 | 1,585,487 | 638,183 | 2,223,670 | 0 | 0 | 0 |
| 70 - 74 | 48 | 2 | 50 | 909,672 | 619,891 | 1,529,563 | 0 | 0 | 0 |
| 75 - 79 | 38 | 0 | 38 | 635,752 | 453,261 | 1,089,013 | 0 | 0 | 0 |
| 80 - 84 | 30 | 0 | 30 | 326,698 | 362,381 | 689,079 | 0 | 0 | 0 |
| 85 - 89 | 14 | 0 | 14 | 107,936 | 213,731 | 321,667 | 0 | 0 | 0 |
| 90 - 94 | 4 | 1 | 5 | 30,278 | 97,283 | 127,561 | 0 | 0 | 0 |
| Total | 375 | 23 | 398 | 9,750,844 | 3,239,245 | 12,990,089 | 197,084 | 1,807 | 198,891 |

Appendix 3 - Table 32
Former Senators as at 31 March 1995
Entitled to Annual Allowances Payable from the MPRA Account

| Age Last Birthday | Number | | | Immediate Allowances | | | Deferred Allowances to Age 60 | | |
|-------------------|--------|--------|-------|----------------------|---------------|------------|-------------------------------|---------------|------------|
| | Male | Female | Total | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) |
| 50 - 54 | 0 | 1 | 1 | 14,433 | 466 | 14,899 | 788 | 25 | 813 |
| 55 - 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 - 64 | 1 | 0 | 1 | 23,818 | 522 | 24,340 | 0 | 0 | 0 |
| 65 - 69 | 3 | 0 | 3 | 127,386 | 18,836 | 146,222 | 0 | 0 | 0 |
| 70 - 74 | 4 | 0 | 4 | 127,638 | 19,283 | 146,921 | 0 | 0 | 0 |
| 75 - 79 | 12 | 2 | 14 | 421,373 | 21,480 | 442,853 | 0 | 0 | 0 |
| 80 - 84 | 6 | 1 | 7 | 183,520 | 77,339 | 260,859 | 0 | 0 | 0 |
| 85 - 89 | 2 | 0 | 2 | 25,789 | 14,108 | 39,897 | 0 | 0 | 0 |
| 90 - 94 | 1 | 0 | 1 | 16,241 | 23,587 | 39,828 | 0 | 0 | 0 |
| Total | 29 | 4 | 33 | 940,198 | 175,621 | 1,115,819 | 788 | 25 | 813 |

Appendix 3 - Table 33
Former Members of the House of Commons as at 31 March 1995
Entitled to Annual Allowances Payable from the RCA Account

| Age Last Birthday | Number | | | Immediate Allowances | | | Deferred Allowances | | | Temporary Allowances |
|----------------------|--------|--------|-------|----------------------|------------------|---------------|---------------------|------------------|---------------|-------------------------|
| | Male | Female | Total | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) | (\$) |
| 30 - 34 | 0 | 1 | 1 | 0 | 0 | 0 | 3,382 | 31 | 3,413 | 5,634 |
| 35 - 39 | 3 | 0 | 3 | 972 | 8 | 980 | 9,263 | 113 | 9,376 | 15,432 |
| 40 - 44 | 8 | 1 | 9 | 2,614 | 23 | 2,637 | 27,791 | 258 | 28,049 | 46,304 |
| 45 - 49 | 18 | 1 | 19 | 4,026 | 39 | 4,065 | 44,374 | 370 | 44,744 | 73,931 |
| 50 - 54 | 43 | 4 | 47 | 11,019 | 117 | 11,136 | 98,525 | 939 | 99,464 | 164,151 |
| 55 - 59 | 56 | 8 | 64 | 34,583 | 327 | 34,910 | 159,716 | 1,045 | 160,761 | 187,451 |
| 60 - 64 | 49 | 1 | 50 | 82,989 | 752 | 83,741 | 0 | 0 | 0 | 0 |
| 65 - 69 | 64 | 4 | 68 | 31,257 | 285 | 31,542 | 0 | 0 | 0 | 0 |
| 70 - 74 | 48 | 2 | 50 | 13,670 | 124 | 13,794 | 0 | 0 | 0 | 0 |
| 75 - 79 | 38 | 0 | 38 | 40,200 | 17,826 | 58,026 | 0 | 0 | 0 | 0 |
| 80 - 84 | 30 | 0 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 - 89 | 14 | 0 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 - 94 | 4 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 375 | 23 | 398 | 221,330 | 19,501 | 240,831 | 343,051 | 2,756 | 345,807 | 492,903 |

Appendix 3 - Table 34
Former Senators as at 31 March 1995
Entitled to Annual Allowances Payable from the RCA Account

| Age Last Birthday | Number | | | Immediate Allowances | | | Deferred Allowances to Age 60 | | | Temporary Allowances to Age 60 |
|----------------------|--------|--------|-------|----------------------|------------------|---------------|----------------------------------|------------------|---------------|--------------------------------------|
| | Male | Female | Total | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) | (\$) |
| 50 - 54 | 0 | 1 | 1 | 0 | 0 | 0 | 424 | 13 | 437 | 1,213 |
| 55 - 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 - 64 | 1 | 0 | 1 | 674 | 14 | 688 | 0 | 0 | 0 | 0 |
| 65 - 69 | 3 | 0 | 3 | 754 | 0 | 754 | 0 | 0 | 0 | 0 |
| 70 - 74 | 4 | 0 | 4 | 2,961 | 5 | 2,966 | 0 | 0 | 0 | 0 |
| 75 - 79 | 12 | 2 | 14 | 9,919 | 103 | 10,022 | 0 | 0 | 0 | 0 |
| 80 - 84 | 6 | 1 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 85 - 89 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 90 - 94 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 29 | 4 | 33 | 14,308 | 122 | 14,430 | 424 | 13 | 437 | 1,213 |

Appendix 3 - Table 35
Surviving Spouses of Former Members of House of Commons
Entitled to Immediate Annual Allowances as at 31 March 1995

| Age Last Birthday | Number | Allowances Payable from MPRA Account | | | Allowances Payable from RCA Account | | |
|-------------------|-----------|--------------------------------------|----------------|------------------|-------------------------------------|---------------|--------------|
| | | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) |
| 45 - 49 | 1 | 8,878 | 5,783 | 14,661 | 0 | 0 | 0 |
| 50 - 54 | 1 | 3,985 | 6,139 | 10,124 | 0 | 0 | 0 |
| 55 - 59 | 3 | 46,149 | 12,262 | 58,411 | 0 | 0 | 0 |
| 60 - 64 | 4 | 36,326 | 24,532 | 60,858 | 0 | 0 | 0 |
| 65 - 69 | 10 | 120,137 | 67,676 | 187,813 | 1,603 | 30 | 1,633 |
| 70 - 74 | 11 | 103,901 | 90,816 | 194,717 | 0 | 0 | 0 |
| 75 - 79 | 14 | 61,856 | 129,276 | 191,132 | 0 | 0 | 0 |
| 80 - 84 | 9 | 48,671 | 75,354 | 124,025 | 0 | 0 | 0 |
| 85 - 89 | 13 | 61,689 | 129,352 | 191,041 | 0 | 0 | 0 |
| 90 - 94 | 3 | 4,674 | 16,355 | 21,029 | 0 | 0 | 0 |
| Total | 69 | 496,266 | 557,545 | 1,053,811 | 1,603 | 30 | 1,633 |

Appendix 3 - Table 36
Surviving Spouses of Former Senators
Entitled to Immediate Annual Allowances as at 31 March 1995

| Age Last Birthday | Number | Allowances Payable from MPRA Account | | | Allowances Payable from RCA Account | | |
|----------------------|--------|--------------------------------------|------------------|---------------|-------------------------------------|------------------|---------------|
| | | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) |
| 65 - 69 | 3 | 59,744 | 12,079 | 71,823 | 159 | 5 | 164 |
| 70 - 74 | 3 | 60,114 | 8,637 | 68,751 | 0 | 0 | 0 |
| 75 - 79 | 7 | 92,360 | 46,200 | 138,560 | 0 | 0 | 0 |
| 80 - 84 | 6 | 72,468 | 54,690 | 127,158 | 0 | 0 | 0 |
| 85 - 89 | 3 | 25,667 | 14,278 | 39,945 | 0 | 0 | 0 |
| Total | 22 | 310,353 | 135,884 | 446,237 | 159 | 5 | 164 |

Appendix 3 - Table 37
Surviving Children
Entitled to Immediate Annual Allowances as at 31 March 1995

| Age Last Birthday | Number | Allowances Payable from MPRA Account | | | Allowances Payable from RCA Account | | |
|----------------------|--------|--------------------------------------|------------------|---------------|-------------------------------------|------------------|---------------|
| | | Basic (\$) | Indexing (\$) | Total (\$) | Basic (\$) | Indexing (\$) | Total (\$) |
| 0 - 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 - 24 | 2 | 1,213 | 1,711 | 2,924 | 0 | 0 | 0 |
| Total | 2 | 1,213 | 1,711 | 2,924 | 0 | 0 | 0 |