



External Peer Review of the 23rd Actuarial Report on the Canada Pension Plan as at 31 December 2006

The Office of the Chief actuary (OCA) is required by law to produce an actuarial report on the Canada Pension Plan (CPP) every three years. The report is one of the items to be considered by the federal and provincial finance ministers when reviewing and making recommendations with respect to the CPP. The federal and provincial finance ministers also endorsed plans to establish regular peer reviews of actuarial reports on the CPP. It is of utmost importance that the credibility of the information presented in such reports be indisputable.

As part of its policy of ensuring that it is providing sound and relevant actuarial advice to Members of Parliament and to the Canadian population, the Office of the Chief Actuary is commissioning an external peer review of its 23rd Actuarial Report on the Canada Pension Plan as at 31 December 2006 (23rd Report). To further increase the credibility of the peer review of the 23rd Report, the United Kingdom Government Actuary's Department (GAD) will provide an opinion of the review. The GAD is internationally well known for its work and research in the field of social security.

The GAD will perform the following tasks:

1. select the independent Canadian actuaries who will perform the peer review, and
2. provide an opinion on the work done by the reviewers once the peer review is completed.

For this purpose, it is proposed that a team of independent Canadian actuaries carry out the review. The OCA will cooperate fully with the peer review and strongly believes that the qualified persons performing the peer review should meet the highest standards of practice, including any existing international standards.

The process involves the selection of independent Canadian actuaries by GAD and will occur during the period of May to September 2007. Next, starting at the end of December 2007 (once the 23rd Report is tabled in the House of Commons) the peer reviewers will have three months to perform the review. Finally, once the review is completed, the GAD will have one month (April 2008) to provide its opinion on the work of the reviewers. The review will then be made public, as was done for the previous 17th, 18th and 21st triennial CPP actuarial reports. Previous CPP Actuarial Reports and independent reviews are available at: http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?DetailID=499 and http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?DetailID=377, respectively.

The participation of Fellows of the Canadian Institute of Actuaries will contribute to enhancing the credibility of the peer review of the 23rd Report. For planning purposes, the attached Peer Reviewer Application form should be completed and sent to the addresses given on the form before 13 July 2007. A document describing the Terms of Reference is also attached, which lists items of consideration for the reviewers.



If further information is required on this matter, please do not hesitate to contact the Chief Actuary at:

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