

Financial Statements of

**MEMBERS' RETIRING ALLOWANCES PLAN**  
**MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN**

Year ended March 31, 2019

# **MEMBERS' RETIRING ALLOWANCES PLAN**

## **MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN**

Financial Statements

Year ended March 31, 2019

### Financial Statements

Statements of Financial Position	1
Statements of Changes in Net Assets Available for Benefits	2
Statements of Changes in Pension Obligations	3
Notes to the Financial Statements	4

# Independent auditor's report

---

**Grant Thornton LLP**  
Nova Centre, North Tower  
Suite 1000, 1675 Grafton St.  
Halifax, NS  
B3J 0E9  
T +1 902 421 1734  
F +1 902 420 1068

**To the Minister of Finance and Treasury Board,  
Province of Nova Scotia**

## Opinion

We have audited the financial statements of Members' Retiring Allowances Plan and Members' Supplementary Retiring Allowances Plan (the "Plans"), which comprise the statements of financial position as at March 31, 2019, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Members' Retiring Allowances Plan and Members' Supplementary Retiring Allowances Plan as at March 31, 2019 and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plans in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for the Plans' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plans or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plans' financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plans' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plans to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Halifax, Canada  
June 25, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**MEMBERS' RETIRING ALLOWANCES PLAN**  
**MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN**

Statements of Financial Position

As at March 31, 2019, with comparative information for 2018

**Members' Retiring Allowances Plan**

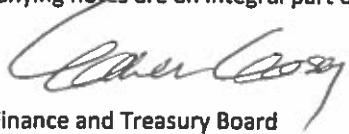
	2019	2018
<b>Net assets available for benefits</b>		
<b>Assets</b>		
Members' Retiring Allowances Account (note 1)	\$ 42,406,990	\$ 40,684,012
Contributions receivable:		
Employer	18,931	20,492
Employee	18,931	20,492
<b>Total assets</b>	<b>42,444,852</b>	<b>40,724,996</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,252	2,196
<b>Total liabilities</b>	<b>2,252</b>	<b>2,196</b>
<b>Net assets available for benefits</b>	<b>\$ 42,442,600</b>	<b>\$ 40,722,800</b>
<b>Accrued pension obligation and surplus (deficit)</b>		
Accrued pension obligation (note 6)	\$ 42,442,600	\$ 40,722,800
Surplus (deficit)	-	-
<b>Accrued pension obligation and surplus (deficit)</b>	<b>\$ 42,442,600</b>	<b>\$ 40,722,800</b>

**Members' Supplementary Retiring Allowances Plan**

	2019	2018
<b>Net assets available for benefits</b>		
<b>Assets</b>		
Members' Supplementary Retiring Allowances Account (note 1)	\$ 72,557,548	\$ 71,409,204
<b>Total assets</b>	<b>72,557,548</b>	<b>71,409,204</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,948	3,804
<b>Total liabilities</b>	<b>3,948</b>	<b>3,804</b>
<b>Net assets available for benefits</b>	<b>\$ 72,553,600</b>	<b>\$ 71,405,400</b>
<b>Accrued pension obligation and surplus (deficit)</b>		
Accrued pension obligation (note 6)	\$ 72,553,600	\$ 71,405,400
Surplus (deficit)	-	-
<b>Accrued pension obligation and surplus (deficit)</b>	<b>\$ 72,553,600</b>	<b>\$ 71,405,400</b>

The accompanying notes are an integral part of these financial statements.

Approved:



Minister of Finance and Treasury Board

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Statements of Changes in Net Assets Available for Benefits

Year ended March 31, 2019, with comparative information for 2018

### Members' Retiring Allowances Plan

	2019	2018
<b>Increase in assets</b>		
Interest	\$ 1,333,088	\$ 3,396,838
Contributions (note 4)	1,604,500	1,828,000
Actuarial adjustment to Members' Retiring Allowances Account (note 6)	793,549	-
<b>Total increase in assets</b>	<b>3,731,137</b>	5,224,838
<b>Decrease in assets</b>		
Benefits paid (note 7)	1,962,386	1,954,248
Administrative expenses (note 8)	48,951	52,349
Actuarial adjustment to Members' Retiring Allowances Account (note 6)	-	2,547,541
<b>Total decrease in assets</b>	<b>2,011,337</b>	4,554,138
<b>Increase in net assets available for benefits</b>	<b>1,719,800</b>	670,700
<b>Net assets available for benefits, beginning of year</b>	<b>40,722,800</b>	40,052,100
<b>Net assets available for benefits, end of year</b>	<b>\$ 42,442,600</b>	\$ 40,722,800

### Members' Supplementary Retiring Allowances Plan

	2019	2018
<b>Increase in assets</b>		
Interest	\$ 2,308,751	\$ 5,798,842
Contributions (note 4)	1,584,600	1,705,500
Actuarial adjustment to Members' Supplementary Retiring Allowances Account (note 6)	1,300,665	-
<b>Total increase in assets</b>	<b>5,194,016</b>	7,504,342
<b>Decrease in assets</b>		
Benefits paid (note 7)	3,959,983	3,893,092
Administrative expenses (note 8)	85,833	90,658
Actuarial adjustment to Members' Supplementary Retiring Allowances Account (note 6)	-	1,475,992
<b>Total decrease in assets</b>	<b>4,045,816</b>	5,459,742
<b>Increase in net assets available for benefits</b>	<b>1,148,200</b>	2,044,600
<b>Net assets available for benefits, beginning of year</b>	<b>71,405,400</b>	69,360,800
<b>Net assets available for benefits, end of year</b>	<b>\$ 72,553,600</b>	\$ 71,405,400

The accompanying notes are an integral part of these financial statements.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Statements of Changes in Pension Obligations

Year ended March 31, 2019, with comparative information for 2018

### Members' Retiring Allowances Plan

	2019	2018
Accrued pension obligation, beginning of year	\$ 40,722,800	\$ 40,052,100
<b>Increase in accrued pension benefits:</b>		
Interest on accrued pension obligation	1,357,600	1,399,300
Benefits accrued (current service cost)	1,604,500	1,828,000
Changes in actuarial assumptions	717,900	925,300
	<b>3,680,000</b>	4,152,600
<b>Decrease in accrued pension benefits:</b>		
Benefits paid (note 7)	1,962,386	1,954,248
Difference in estimated benefits used in actuarial valuation versus actual benefits paid	(2,186)	852
Net experience gains	-	1,526,800
	<b>1,960,200</b>	3,481,900
Net increase in accrued pension benefits	<b>1,719,800</b>	670,700
<b>Accrued pension obligation, end of year</b>	<b>\$ 42,442,600</b>	<b>\$ 40,722,800</b>

### Members' Supplementary Retiring Allowances Plan

	2019	2018
Accrued pension obligation, beginning of year	\$ 71,405,400	\$ 69,360,800
<b>Increase in accrued pension benefits:</b>		
Interest on accrued pension obligation	2,348,600	2,384,900
Benefits accrued (current service cost)	1,584,600	1,705,500
Changes in actuarial assumptions	1,165,400	1,469,900
Net experience losses	-	379,100
	<b>5,098,600</b>	5,939,400
<b>Decrease in accrued pension benefits:</b>		
Benefits paid (note 7)	3,959,983	3,893,092
Difference in estimated benefits used in actuarial valuation versus actual benefits paid	(9,583)	1,708
	<b>3,950,400</b>	3,894,800
Net increase in accrued pension benefits	<b>1,148,200</b>	2,044,600
<b>Accrued pension obligation, end of year</b>	<b>\$ 72,553,600</b>	<b>\$ 71,405,400</b>

The accompanying notes are an integral part of these financial statements.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### 1. Authority and Description of Plans:

The following description of the Members' Retiring Allowances Plan and the Members' Supplementary Retiring Allowances Plan (the "Plans") is a summary only. For more complete information, reference should be made to the Plans legislative documents and agreements.

General:

The Plans are governed by the Members' Retiring Allowances Act (the "Act") as part of the Acts of Nova Scotia. The Act established both the Members' Retiring Allowances Plan, a registered pension plan under the Income Tax Act, and the Members' Supplementary Retiring Allowances Plan. The Act established a Members' Retiring Allowance Account and a Members' Supplementary Retiring Allowance Account (the "Accounts" or the "Plan") in the General Revenue Fund of the Province of Nova Scotia (the "Province") for the purpose of crediting government and employee contributions and meeting the Plan's obligations. The Nova Scotia Minister of Finance and Treasury Board (the "Minister") is the Trustee of the Plan. If at any time the balances of the Accounts are insufficient to make required payments, an amount will be credited to the Accounts from the General Revenue Fund.

The detailed provisions of the Plan, including pension eligibility criteria and benefit formulas, are contained in the Act and in the Regulations made under the Act.

Funding:

Plan benefits are funded by contributions and an amount representing interest calculated. Contributions are made by active Members of the Legislative Assembly ("members") and are matched by the Province. In accordance with the Act the Province makes additional contributions to the Accounts equal to the current service cost (annual cost of benefits accrued) less members' contributions and the Province's matching contributions.

The Province also contributes an amount representing interest to the Accounts in each fiscal year. As set out in the Rates of Interest Regulations made under the Act effective April 1, 2018, the interest rate is equal to the discount rate for the current fiscal year. Effective April 1, 1995 to March 31, 2018, the interest rate was 8.5% per annum compounded annually.

In accordance with the Act, members contribute 10% of base indemnity plus 10% of any additional salary received as Premier, a member of the Executive Council, Leader of the Opposition, Leader of a Recognized Party, Speaker, or Deputy Speaker. Members are required to make contributions until they reach the maximum total accrual of 70% (75% for members first elected prior to October 8, 2013). Members contribute for a maximum of 20 years.

Maximum pensionable service if first elected prior to October 8, 2013 is 15 years, and maximum pensionable service if first elected on or after October 8, 2013 is 20 years. Pensionable service begins the first day of the month in which the member was elected, regardless of the day of the month the election is held. Pensionable service ends the last day of the month in which the member ceases to be a Member of the Legislative Assembly.



# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### Authority and Description of Plans (continued):

The determination of the value of the benefits and required contributions is made on the basis of periodic actuarial valuations (note 6).

#### Retirement Benefits:

For service prior to October 8, 2013 the basic pension formula is 5% times years of indemnity service times three-year highest average annual indemnity plus 5% times years of salary service times three-year highest average annual salary. For service after October 8, 2013 the basic pension formula is 3.5% times years of indemnity service times three-year highest annual indemnity plus 3.5% times years of additional indemnity times three-year highest average annual salary.

Vesting occurs after two years for members who were a Member of the Legislative Assembly on or after November 1, 2014. For members of the Plan who were not a Member of the Legislative Assembly on or after November 1, 2014 vesting occurred after five years of service and being elected twice.

A member qualifies for pension benefits on ceasing to be a Member of the Legislative Assembly and upon reaching any of the following criteria:

- age 55 and two years of service
- age 50 and two years of service (reduced pension)
- becomes totally and permanently disabled

#### Indexing:

Indexing (or cost of living adjustment) in a given year for pensions is equal to the indexing in a given year for pensions paid under the Public Service Superannuation Act and is set by the Trustee for five-year periods. In 2015, indexing was 1.25%. For the five-year period beginning January 2016, indexing is 0.85% annually.

After January 1, 2011 a vested member who has deferred their pension until they satisfy one of the above eligibility criteria will not be credited with any cost of living adjustment for the period the pension is deferred. When the member begins receiving pension payments indexing will be applied as described above.

#### Death Benefits:

Upon the death of a vested member first elected prior to April 6, 2010:

##### Member with surviving spouse and/or children

- Surviving spouse is entitled to 66 2/3% of member's pension benefit for life
- Surviving children are entitled to 10% of member's pension benefit up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution
- If there are more than three surviving children, 33 1/3% of member's pension benefit is divided equally among the children.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### Authority and Description of Plans (continued):

Member with surviving children only, or on the death of surviving spouse

- Children up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution, are entitled to an equal share of 66 2/3% survivor pension. The division of the 66 2/3% survivor pension replaces the children's benefit of 10% each

Member without surviving spouse or children

- Surviving dependents of the member (other than a spouse or children) are entitled to 50% of the member's pension benefit. If there is more than one surviving dependent the benefit is split equally between them

Upon the death of a vested member first elected after April 6, 2010:

Member with surviving spouse and/or children

- Surviving spouse is entitled to 60% of member's pension benefit for life
- Surviving children are entitled to 10% of member's pension benefit up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution
- If there are more than four surviving children, 40% of member's pension benefit is divided equally among the children.

Member with surviving children only, or on the death of surviving spouse

- Children up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution, are entitled to an equal share of 60% survivor pension. The division of the 60% survivor pension replaces the children's benefit of 10% each

Member without surviving spouse or children

- Surviving dependants of the member (other than a spouse or children) are entitled to 50% of the Member's pension benefit. If there is more than one surviving dependant the benefit is split equally between them

Upon the death of a non-vested member the spouse, children or dependants are entitled to either:

- Pension benefits listed above if contributions equal to the contributions the member would have paid into the Plan are deducted from the pension paid from the death of the member until the period in which the member would have been vested.
- A refund of the contributions paid by the member

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### **Authority and Description of Plans (continued):**

#### Disability Benefits:

Vested members who become totally and permanently disabled are entitled to apply for a disability pension from the plan. Non-vested members who become totally and permanently disabled are entitled to apply for a disability pension from the plan provided an amount equal to the contributions the member would have paid into the Plan are deducted from the pension paid from the period the member ceased to be a Member of the Legislative Assembly until the period in which the Member would have become vested. Non-vested members who become totally and permanently disabled may choose to receive a refund of the contributions paid by the member.

#### Termination Benefits:

When a member ceases to be a Member of the Legislative Assembly through electoral defeat or voluntary resignation, a vested member may choose to defer their pension until they satisfy one of the above eligibility criteria, or they may remove their contributions plus interest from the plan.

#### Refunds:

The benefit payable when a non-vested member ceases to be a Member of the Legislative Assembly through electoral defeat, voluntary resignation, or death is a lump sum payment of the member's contributions with interest.

When a member ceases to be a Member of the Legislative Assembly through expulsion from the House, the benefit payable is a lump sum payment of the member's contributions with interest less all court ordered sums payable to the Province.

When a member is convicted of an indictable offence that is punishable by imprisonment for a maximum of more than five years, and the offence occurred in whole or in part when the person was a member of the House, the benefit payable is a lump sum payment of the member's contributions with interest less any pension benefits received by the member under the Act and all court ordered sums payable to the Province.

#### Deduction from Payment:

The Minister may deduct from any benefit payable under the Act sums necessary to make good any debts due to the Province by a Member, or former Member, of the Legislative Assembly.

## **2. Basis of preparation:**

### a) Basis of presentation:

These financial statements are prepared in Canadian dollars, which is the Plans' functional currency in accordance with the accounting standards for pension plans in Part IV of the Chartered Professional Accountants ("CPA") Canada Handbook ("Section 4600 – Pension Plans"). Section 4600 – Pension Plans provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, the Plans must consistently comply with either International Financial Reporting Standards ("IFRS") in Part I or accounting standards for private enterprises in Part II of the CPA Canada Handbook. The Plans have elected to

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### **Basis of preparation (continued):**

comply on a consistent basis with IFRS in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

These financial statements are prepared on a going concern basis and present the aggregate financial position of the Plans as separate reporting entities.

These financial statements were authorized for issue by the Minister of Finance and Treasury Board on June 30, 2019.

#### b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Plans' functional currency.

#### c) Use of estimates and judgments:

The preparation of the financial statements in conformity with Section 4600 and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of financial position, the reported amounts of changes in net assets available for benefits and accrued pension benefits during the year. Actual results may differ from those estimates. Significant estimates included in the financial statements relate to the determination of the accrued pension obligation.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

### **3. Significant accounting policies:**

#### a) Financial instruments:

IFRS 9 replaces IAS 39 – Financial Instruments: Recognition and Measurement and includes changes to the previous guidance for financial assets and introduces an “expected credit loss” model for the impairment of financial assets. When adopting IFRS 9, the Plans determined that there was no material impact.

All financial instruments are initially measured in the statement of financial position at fair value, where fair value is defined as the amount for which an asset could be exchanged or a liability could be settled between knowledgeable, willing parties in an arm's length transaction on the measurement date. All financial instruments are classified into one of five categories: fair value through profit and loss, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. The Plans' financial assets include receivables (classified as loans and receivables). Financial liabilities are payables and accruals (classified as other financial liabilities). Subsequent measurement of these assets and liabilities are measured at amortized cost.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### Significant accounting policies (continued):

Financial instruments risk:

Unless otherwise noted, it is management's opinion that the Plans are not exposed to significant credit risk, liquidity risk, and market risk arising from its financial instruments.

b) Non-investment assets and liabilities:

The fair value of non-investment assets and liabilities are equal to their amortized cost value and are adjusted for foreign exchange where applicable.

c) Accrued pension obligation:

The value of the accrued pension obligation of the Plans is based on a going concern method actuarial valuation prepared by an independent firm of actuaries using the projected unit credit method. The accrued pension obligation is measured in accordance with accepted actuarial methods using actuarial assumptions and methods adopted by the Plans for the purpose of establishing the long-term funding requirements of the Plans. The actuarial valuation included in the financial statements is consistent with the valuation for funding purposes.

d) Contributions:

Members contribute 10% of indemnities and salaries to the Members' Retiring Allowance Account. The Province contributes an equal amount. The Province makes additional contributions to the Accounts equal to the current service cost (annual cost of benefits accrued) less members' contributions and the Province's matching contributions.

e) Benefits:

Benefit payments to retired members and refunds of contributions to former members are recorded in the period in which they are paid. Accrued benefits are recorded as part of accrued actuarial liabilities.

f) Administrative expenses:

Plan administration expenses represent expenses incurred to provide direct services to the Plans' members and are recorded on an accrual basis.

g) Income taxes:

The Accounts are the funding vehicle for a registered pension plan, as defined by the Income Tax Act (Canada) and, accordingly are not subject to income taxes.

h) Future changes to accounting standards:

There have been no announced, or implemented, changes to accounting standards that are expected to have a material impact on the Plans.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### 4. Contributions:

<b>Members' Retiring Allowances Plan</b>		
	<b>2019</b>	<b>2018</b>
Employer:		
Matched current service	\$ 506,850	\$ 546,785
Unmatched current service	590,800	681,339
	<b>1,097,650</b>	1,228,124
Employee:		
Matched current service	506,850	546,785
Unmatched current service	-	53,091
	<b>506,850</b>	599,876
	<b>\$ 1,604,500</b>	\$ 1,828,000

<b>Members' Supplementary Retiring Allowances Plan</b>		
	<b>2019</b>	<b>2018</b>
Employer:		
Unmatched current service	\$ 1,584,600	\$ 1,705,500
	<b>\$ 1,584,600</b>	\$ 1,705,500

### 5. Investments:

There are no invested assets.

### 6. Accrued pension obligation:

Actuarial valuations provide an estimate of the Plans' accrued pension obligations and are calculated using various economic and demographic assumptions, based on membership data as at the valuation date. The Plans' consulting actuary, Eckler Ltd., performed actuarial valuations for funding purposes as at September 30, 2017 and issued their report in February 2018. The results of the valuations were extrapolated to March 31, 2019 and 2018.

The results of the extrapolations with comparative figures are summarised as follows:

<b>Extrapolations as at March 31:</b>		
	<b>2019</b>	<b>2018</b>
Members' Retiring Allowances Plan	\$ 42,442,600	\$ 40,722,800
Members' Supplementary Retiring Allowances Plan	\$ 72,553,600	\$ 71,405,400

The actuarial present values of the accrued pension obligations are estimates of the values of the pension obligations of the Plans in respect of benefits accrued to date for all active and inactive members including pensioners and survivors. The actuarial assumptions used to calculate the present values of the accrued pension obligations involve both economic and demographic assumptions. Economic assumptions include

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### Accrued pension obligation (continued):

the discount rate, the inflation rate, the pensionable earnings escalation rate, and the indexing rate. Demographic assumptions include considerations such as mortality and retirement rates.

The Minister of Finance and Treasury Board records its liability to the Plans on the Province's Consolidated Statement of Financial Position in accordance with Public Sector Accounting Standards. The major economic and demographic assumptions used for the two most recent extrapolations of the last actuarial valuations for funding purposes are as follows:

	Extrapolation as at March 31, 2019	Extrapolation as at March 31, 2018
Discount rate	<b>3.29% per annum</b>	3.42% per annum
Inflation	<b>2.00% per annum</b>	2.00% per annum
Indexing	<b>0.85% to January 1, 2020, 50% of CPI thereafter</b>	0.85% to January 1, 2020, 50% of CPI thereafter
Retirement age	<b>100% at the latest of:</b> - age 55, - 4 years since last election, and - earliest of: i. 8 years after last election, ii. 12 years of service, and iii. Age 65 with 5 years of service.	100% at the latest of: - age 55, - 4 years since last election, and - earliest of: i. 8 years after last election, ii. 12 years of service, and iii. Age 65 with 5 years of service.
Mortality	<b>120% of 2014 Public Sector Mortality Table projected generationally with CPM improvement Scale B</b>	120% of 2014 Public Sector Mortality Table projected generationally with CPM improvement Scale B

The projected unit credit method was adopted for the actuarial valuations to determine the current costs and actuarial liabilities. The September 31, 2017 valuations' results were adjusted for any changes in economic assumptions, and extrapolations to March 31, 2019 and 2018 were performed. Actuarial adjustments were recorded to the Members' Retiring Allowances Accounts to adjust net assets to the revised estimates as of March 31, 2019 and 2018.

# MEMBERS' RETIRING ALLOWANCES PLAN

## MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2019

### 7. Benefits:

<b>Members' Retiring Allowances Plan</b>		
	<b>2019</b>	<b>2018</b>
Pension benefits paid	\$ 1,776,455	\$ 1,736,420
Survivor benefits paid	185,931	199,076
Refunds paid to terminated members	-	18,752
	<b>\$ 1,962,386</b>	<b>\$ 1,954,248</b>

<b>Members' Supplementary Retiring Allowances Plan</b>		
	<b>2019</b>	<b>2018</b>
Employer:		
Pension benefits paid	\$ 3,626,523	\$ 3,542,609
Survivor benefits paid	333,460	350,483
	<b>\$ 3,959,983</b>	<b>\$ 3,893,092</b>

### 8. Administrative expenses:

The Plans are charged by their service providers for professional and administrative services. The following is a summary of these administrative expenses.

<b>Total administrative expenses:</b>		
	<b>2019</b>	<b>2018</b>
Office and administration services	\$ 122,416	\$ 120,007
Audit services	6,200	6,000
Actuarial services	6,168	17,000
	<b>\$ 134,784</b>	<b>\$ 143,007</b>

Total administrative expenses are allocated to the Plans based on their proportionate beginning net assets. The following administrative expenses were allocated to the Plans during the year:

<b>Allocation of administration expenses:</b>		
	<b>2019</b>	<b>2018</b>
Members' Retiring Allowances Plan	\$ 48,951	\$ 52,349
Members' Supplementary Retiring Allowances Plan	85,833	90,658
	<b>\$ 134,784</b>	<b>\$ 143,007</b>



## **MEMBERS' RETIRING ALLOWANCES PLAN**

## **MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN**

Notes to Financial Statements

Year ended March 31, 2019

### **9. Capital Management:**

The Minister of Finance and Treasury Board manages the administration of the Plans as required by the Members' Retiring Allowances Act (note 1). The Plans exercise due diligence and have established written policies, procedures, and approval processes. Operating budgets, audited financial statements, actuarial valuations and reports, and as required, the retention of supplementary professional, technical and other advisors, are part of the Plans' governance structure.

### **10. Comparative information:**

Certain 2018 comparative information have been reclassified to conform to the financial statement presentation adopted for the current year.