



Chief Actuary releases findings of external peer review panel on the 25th Actuarial Report on the Canada Pension Plan

OTTAWA – May 5, 2011 – The Office of the Chief Actuary (OCA) of Canada has released the findings of an external peer review panel commissioned to review the 25th Actuarial Report on the Canada Pension Plan (CPP).

The external panel's findings confirm that the work performed by the OCA on the Report meets all professional standards of practice and statutory requirements. The panel states that the assumptions, both individually and in the aggregate, are within a reasonable range, in accordance with the Canadian Institute of Actuaries' standard, and that the methods used are also reasonable.

To further increase the transparency and independence of the process, an external party was responsible for the oversight of the peer review. The United Kingdom Government Actuary's Department (GAD) selected the peer review panel members and provided an opinion that affirms the adequacy and reasonableness of the reviewers' work. The GAD is renowned for its expertise in the field of social security.

"I would like to thank the panel composed of Dr. Rob Brown, Dr. Doug Andrews, and Mr. Warren McGillivray, all actuaries enrolled with the Canadian Institute of Actuaries and Fellows of the Society of Actuaries, for its careful examination, thoughtful analysis, and valuable recommendations," said Canada's Chief Actuary, Jean-Claude Ménard. "The panel's findings are positive and accurately reflect the high level of competence, commitment, and professionalism demonstrated by the staff of the Office of the Chief Actuary. These aspects, together with the actuary's duty to the public, form the basis of sound actuarial work, and I am pleased to see the peer review findings reflect these elements in our reporting."

The reviewers provided their opinions on all important aspects of the valuation and provided 15 recommendations. The recommendations deal with various aspects of the reporting, including data, methodology, assumptions, communication of results, and other actuarial issues. As well, the reviewers provided an opinion and recommendations on the 24th CPP Actuarial Report that provided the cost estimates of recent amendments to the *Canada Pension Plan*. The opinions and recommendations are all constructive in assisting the OCA with its tradition of continual improvements to the reporting process. "As was done with previous reviews, our Office will give due consideration to the panel's recommendations and take appropriate action for future reports," said Mr. Ménard.

Produced every three years, the Actuarial Report on the CPP is considered by the federal and provincial finance ministers when reviewing and making recommendations regarding the Plan. The external peer review process was first introduced in January 1999.

CPP Actuarial Reports and independent reviews are available at:
http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?ArticleID=497

The Office of the Chief Actuary operates independently within the Office of the Superintendent of Financial Institutions Canada (OSFI) and provides actuarial services for various key government plans and programs such as the Canada Pension Plan, Old Age Security, the Canada Student Loans Program, and pension and benefit plans that cover public servants, Members of Parliament, and the Royal Canadian Mounted Police, among other groups.

- 30 -

Media Contact:

Rod Giles

OSFI Communications and Public Affairs

(613) 993-1678

rod.giles@osfi-bsif.gc.ca



OSFI
BSIF

Canada