

Chief Actuary of Canada releases findings of external peer review panel on the 21st Actuarial Report on the Canada Pension Plan

OTTAWA -- May 09, 2005 –The Office of the Chief Actuary (OCA) has released the findings of an external peer panel commissioned to review the 21st Actuarial Report on the Canada Pension Plan (CPP).

The findings indicate that the work done by the OCA on the 21st Actuarial Report on the CPP was competently prepared, the assumptions used in the Actuarial Report are reasonable and as a result, the conclusions of the Chief Actuary that the CPP is financially stable are well supported.

To further the independence of the process, an external party was chosen to oversee the entire peer review. The United Kingdom Government Actuary's Department (GAD) selected the peer review panel and will be providing an opinion on the work done by the panel. GAD is recognized for its expertise in the field of social security.

In thanking the peer review panel for their work, Canada's Chief Actuary Jean-Claude Ménard noted that, "The results of the peer review confirm that the processes we have used in the 21st Actuarial Report on the CPP were both effective and credible. Independence, accuracy, and credibility are absolutely essential to effective actuarial work and I am extremely pleased to see the peer review document reflect those elements in our reporting."

The review also resulted in 12 recommendations dealing with various aspects of the 21st Actuarial Report including data, methodology, communication of results, and other actuarial issues. The recommendations ask the Chief Actuary to maintain the tradition of continual improvements to the actuarial methods used by his office, and to develop more consistent sensitivity tests for key assumptions.

"Many of the recommendations of the peer review panel are reasonable," said Mr. Ménard. "As we have done in the past we will study the panel's recommendations and give them due consideration for future implementation."

Produced every three years, the actuarial report on the Canada Pension Plan (CPP) is considered by the federal and provincial finance ministers when reviewing and making recommendations to the CPP. The external peer review process of the CPP 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?DetailID=499

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