



External peer review supports findings of the 27th Actuarial Report on the Canada Pension Plan

OTTAWA – April 20, 2017 – Office of the Chief Actuary (OCA)

The Office of the Chief Actuary (OCA) has released the findings of an external panel commissioned to review the 27th *Actuarial Report on the Canada Pension Plan (CPP)*.

The external peer review panel's findings confirm that the methods and assumptions in the 27th CPP Actuarial Report were reasonable. Since 1999, the Office of the Chief Actuary (OCA) has requested external peer reviews as part of its efforts toward continual improvements in actuarial reporting on the CPP. The panel's report includes eleven recommendations dealing with various aspects of the valuation, reporting, and peer review processes.

"We are thankful for the panel's work and recommendations which will be given thoughtful consideration by the OCA to further strengthen the valuations of the CPP and improve the communication of the results. These and previous panel's recommendations have been of great benefit to the OCA in delivering high quality reports on the CPP to the Canadian public. Further, as projected in the 27th CPP Actuarial Report, the panel's findings confirmed that the assumptions supporting the calculation of the minimum contribution rate of 9.79% were all reasonable except the expected rate of return that was felt somewhat low within the reasonable range. Therefore the legislated contribution rate of 9.9%, which was put in place twenty years ago by the 1997 reforms, is expected to remain sufficient, along with projected investment income, to financially sustain the CPP over the long term and thus pay benefits for generations to come." said Canada's Chief Actuary, Jean-Claude Ménard.

The panel also concludes that the work performed by the OCA on the 27th CPP Actuarial Report meets all statutory requirements. The OCA also met all professional standards of practice, except for the actuarial study on the methodology used to calculate the Actuarial Adjustment Factors (AAFs), specified in the report, which should have been published at the same time as the CPP Report. The AAFs methodology study will be published shortly.

To increase further the transparency and independence of the review process, the United Kingdom Government Actuary's Department (GAD) – renowned for its expertise in social security – selected the external peer review panel members and provided an opinion that affirms the reviewers carried out a sufficiently thorough review and that the work was adequate and reasonable. The external peer review panel was composed of Robert L. Brown, FCIA, Mark W. Campbell, FCIA, and Pierre Plamondon, FCIA.

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.

CPP Actuarial Reports and independent reviews are available [here](#).

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 including the Canada Pension Plan, Old Age Security Program, and pension and benefit plans that cover public servants, Members of Parliament, and the Royal Canadian Mounted Police, among other groups.

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