Office of the Superintendent of Financial Institutions Canada
Office of the Chief Actuary

Bureau du surintendant des institutions financières Canada
Bureau de l'actuaire en chef

Actuarial Report on the Government Annuities

As at 31 March 2026
Office of the Chief Actuary

OSFI BSIF

Canada

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1 Executive summary

1.1 Purpose of report

In accordance with section 15 of the *Government Annuities Improvement Act* ("the Improvement Act") an actuarial valuation was conducted as at 31 March 2026 for purposes of determining the actuarial liabilities and financial position of the Government Annuities Account ("the Account"). Section 15 of the Improvement Act also states that any surplus or deficit emerging as a result of the actuarial valuation shall be reported and, in the case of a surplus, credited to the Federal Government's Consolidated Revenue Fund (CRF) and charged to the Account or, in the case of a deficit, charged to the Federal Government's CRF and credited to the Account.

The document is intended solely for the above purposes. It was prepared to meet those specific objectives and may not be suitable for any other purposes prior to obtaining approval from the OCA.

Please contact us for any questions regarding the proper use of this document.

1.2 Data, method and assumptions

Data on current retirees, beneficiaries, deferred members, premiums and benefit payments were provided by Employment and Social Development Canada (ESDC) and Service Canada. The Government Annuities Branch located in Bathurst administers the annuities. The data are from a reliable source. We have performed summary tests on the data, and have found that they are accurate, reliable and sufficient for the purposes of the valuation. A description of contract types and a summary of the data are shown in Appendix A and Appendix B of this report. The actuarial liabilities are the present value of expected future benefits, determined in accordance with accepted actuarial practice and statutory valuation assumptions. Subsection 3(4) of the Government Annuities Regulations ("the Regulations") states that the actuarial liability is to be determined using an interest rate of 7% per annum and the mortality rates of the Annuity Table for 1983, as modified by Projection Scale G.

1.3 Results

Tables 1 and 2 below summarize the results of the actuarial valuation as at 31 March 2026.

Table 1 Financial results as at 31 March 2026 ($)	
Assets	40,336,640
Liabilities	39,430,774
Surplus (deficit)	905,866

Table 2 Membership as at 31 March 2026

	Count	Average annual pension ($)
Vested members	10,018	722
Deferred members	7	1,540
Total	10,025	723

1.4 Conclusion

The surplus of $905,866 is credited to the Federal Government's CRF and charged to the Account. The next valuation will be performed as at 31 March 2027.

2 Introduction

The Canadian *Government Annuities Act* of 1908 was one of the earliest significant pieces of social legislation in Canada. Its purpose was to encourage Canadians to prepare financially for their retirement. Government Annuities were purchased either by individuals or by employers as pension plans for their employees.

By the 1960's, other social benefit plans, such as Old Age Security (OAS) and the Canada Pension Plan were introduced and began gaining importance in providing Canadians with basic retirement income. The government's recognition that retired Canadians could now be served by other social security programs as well as the private sector brought about the decision to disband the Annuities sales force. In 1975, an Act of Parliament formally ended the sale of Government Annuities. Employers, however, could register new employees under group contracts until 1979. The Government Annuities are not sponsored by the Government – meaning the Government has no fiduciary liability. Its responsibilities are limited to provide and secure benefits in accordance with each contract's provisions.

The Annuities Branch continues to administer contracts under payment and those due to become payable, on behalf of clients from across Canada and around the world. The Account is not subject to any federal or provincial pension legislation; it is only subject to the *Government Annuities Act,* the Improvement Act and the Regulations. The assets and liabilities are shown in the Public Accounts of Canada. The assets are notional and are not subject to any investment policy or performance goals and objectives.

The Office of the Chief Actuary (OCA), Office of the Superintendent of Financial Institutions Canada (OSFI), has the mandate of performing the annual actuarial valuation of the Account as of 31 March 2026. The purpose of the valuation is to establish the Account’s liabilities, notional assets, and financial position, based on the statutory valuation assumptions.

3 Data

3.1 Data required

Since the actuarial valuation determines both the assets and the liabilities, full details on the members as well as on the cash flows that occurred within the year are needed.

3.2 Member data

Basic data on pensioners, beneficiaries and deferred members are provided by ESDC and Service Canada.

The required data reports are VY4741 for vested members (pensioners) and GY5642 for deferred members (members with deferred rights).

These reports show the member data required to establish the liabilities: certificate number, maturity date, member, spouse and beneficiaries' gender and dates of birth, annual pension amounts, and form of pension.

3.2.1 Notes on VY4741 vested data

Additional pension amounts data are required from Service Canada concerning the continuing pensions for joint and survivor contracts with percentages other than 50% or 100%, as well as for reducing annuities. VY4741 data does not show the accurate continuing pension amounts for annuities of type 29, 37, and 70-79.

Moreover, manual additions must be done, as the VY4741 report excludes certain members due to internal validation controls at Bathurst. The data related to this limited number of members were extracted from the VY5141 report. There were 23 such members as at 31 March 2026.

3.2.2 Notes on GY5642 deferred data

Pursuant to the Improvement Act which granted annual accrual of contributions accounts at 7% from 1 April 1975, the following table shows the multipliers that must be applied to the annual original pension amounts.

Table 3 Multipliers for deferred pension amounts

Premium series	Original interest rate	Multiplier
4	4.0%	1.22
5	3.0%	1.32
6	3.5%	1.29
7	4.0%	1.22
8	5.0%	1.14

These multipliers reflect the increase between the original interest rate applicable on the contracts and 7%. As the deferred members data only show the pension amounts prior to the enhancements, these multipliers are used to update the annual pensions.

It can be seen that the methodology used to derive these multipliers granted higher increases to contracts with lower interest rates, and vice-versa. The objective sought at the time was to distribute the increases as equitably as possible.

A reconciliation of pension amounts and membership status with last year's membership has been performed. A detailed summary of membership data is shown in the Appendix B of this report.

3.3 Asset data

Income consists of premiums received, funds reclaimed from the CRF for previously untraceable annuitants, notional earned interest and any transfer needed to cover the actuarial deficit. Payments and other charges represent matured annuities, commuted value of death benefits, premium refunds and withdrawals, and transfers to the CRF of actuarial surpluses and unclaimed annuities related to untraceable annuitants.

All reports used to determine the value of assets are provided by ESDC.

A list showing the names and short descriptions of the required reports is given in Appendix C of this report.

The data used are considered to be sufficient and reliable for the purposes of the actuarial valuation.

4 Methods and assumptions

4.1 Liability valuation method

The actuarial liabilities are associated with two groups of members: vested and deferred. The vested group consists of the participants for whom the pensions are in payment as at 31 March 2026. The deferred group consists of members for whom payment of pensions will start in the future. The liabilities are the actuarial present value of future pension payments, the result of discounting the future expected benefits with interest and post-retirement mortality.

4.2 Assumptions

The interest and post-retirement mortality assumptions are statutory, as stated in section 15 of the Improvement Act and subsection 3(4) of the Regulations. Namely, the liabilities must be based on a rate of interest of 7% per annum and on the mortality rates of the Annuity Table for 1983, as modified by Projection Scale G, published in Transactions of the Society of Actuaries, Vol. XXXV (1983), at pages 882 and 883.

Accordingly, the 1983 individual annuity mortality table (IAM83) is used for individual contracts and the 1983 group annuity mortality table (GAM83) is used for group contracts. Both tables are sex-distinct, and are projected for 15 years with Projection Scale G.

Extracts from these mortality tables as well as associated life expectancies can be found in Appendix D of this report.

4.3 Asset valuation method

Since section 14 of the *Government Annuities Act* states that the monies received or paid under this act form part of the CRF, the assets are notional. Each year, any difference with the liabilities calculated is either credited (in the case of a surplus) or charged (in the case of a deficit) to the CRF, with a corresponding charge or credit to the Account. Following these adjustments, the assets value as at 1 April 2025 is equal to the 31 March 2025 liabilities. The assets value as at 31 March 2026 prior to any charge or credit to the CRF is obtained by adding interest at 7% on the 1 April 2025 value and adjusting for cash inflows and outflows also at 7% annual interest rate.

5 Results

5.1 Balance sheet

The following table presents a summary of the balance sheet of the Account for the 2026 and 2025 fiscal years.

Table 4 Balance sheet
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Assets as at 1 April	**45,175,613**	**51,756,737**
Income		
Interest to 31 March	2,868,497	3,289,718
Premiums for deferred annuities	-	-
Unclaimed annuities recovered from CRF	103	54,105
Total income	**2,868,600**	**3,343,823**
Payments and other charges		
Payments to vested members:		
Vested regular annuity payments	7,613,727	8,661,103[a]
Vested commuted values	37,507	80,751
Total payments to vested members:	7,651,234	8,741,854
Monies refunded	14,737	2,306
Values transferred to CRF (vested & deferred)	41,602	93,436
Total payments and other charges	**7,707,573**	**8,837,596**
Income less payments and other charges	**(4,838,973)**	**(5,493,773)**
Assets as at 31 March	**40,336,640**	**46,262,964**
Surplus charged to the account and credited to the CRF	**(905,866)**	**(1,087,351)**
Net assets as at 31 March	**39,430,774**	**45,175,613**
Actuarial liabilities as at 31 March	**39,430,774**	**45,175,613**

a. Includes annuity and retroactive payments totalling $18,286 for members recovered from the CRF in fiscal year 2024 – 2025.

5.2 Calculation of interest

Tables 5, 6 and 7 below outline the calculation of the notional 7% annual interest credited to the Account for the 2026 and 2025 fiscal years.

Table 5 Calculation of interest for vested members
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Prescribed assets as at 1 April of prior year	3,137,892	3,583,972
Maturities	19,175	17,419
CRF recoveries	-	311
Annuity payments	(291,380)	(332,092)
Commuted values	(1,032)	(1,631)
Transfers to CRF	-	-
Total interest for vested members	**2,864,655**	**3,267,979**

Table 6 Calculation of interest for deferred members
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Prescribed assets as at 1 April of prior year	24,401	38,999
Premiums	-	-
CRF recoveries	-	257
Maturities	(19,175)	(17,419)
Refunds	(1,282)	(98)
Transfers to CRF	(102)	-
Total interest for deferred members	**3,842**	**21,739**

Table 7 Calculation of total interest
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Interest for vested members	2,864,655	3,267,979
Interest for deferred members	3,842	21,739
Total interest	**2,868,497**	**3,289,718**

5.3 Development of actuarial liabilities

Tables 8, 9 and 10 below outline the Account's actuarial liabilities by members' category as at 31 March of 2026 and 2025.

Table 8 Development of vested member actuarial liabilities

	Contract type	Fiscal year 2025 – 2026 ($)	Fiscal year 2024 – 2025 ($)
Males, ordinary life	10 – 16	17,633,355	20,549,471
Females, ordinary life	10 – 16	12,424,035	13,728,387
Males, guaranteed	21 – 29	4,823,299	5,327,018
Females, guaranteed	21 – 29	2,827,845	3,265,134
Last survivor	30 – 37	1,249,526	1,609,600
Reducing at OAS	70 – 79	148,156	233,150
Annuities certain	50, 80	134,179	101,180
Temporary annuities	60	1,172	3,422
Suspended payments		18,061	9,664
Vested member actuarial liability		**39,259,628**	**44,827,026**

Table 9 Development of deferred member actuarial liabilities

	Contract type	Fiscal year 2025 – 2026 ($)	Fiscal year 2024 – 2025 ($)
Ordinary life	10	-	58,348
Males, guaranteed	21 – 24	89,616	178,383
Females, guaranteed	21 – 24	4,019	25,824
Refunds in process		534	14,091
Suspense accounts	Account 721	76,977	71,941
Deferred member actuarial liability		**171,146**	**348,587**

Table 10 Development of actuarial liabilities
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Vested members	39,259,628	44,827,026
Deferred members	171,146	348,587
Total actuarial liabilities	**39,430,774**	**45,175,613**

6 Experience

6.1 Analysis of experience

As there are no new contracts purchased under the *Government Annuities Act*, the main source of experience gains or losses is the mortality. It includes changes in expected future payments due to the death or survival of annuitants and the difference between actual and expected benefit payments during the year.

The table below presents a reconciliation of the surplus between 31 March 2025 and 31 March 2026.

Table 11 Gains (losses)
($)

Surplus as at 31 March 2025	-
Vested members mortality	541,398
Deferred members - retirements, mortality, refunds	34,026
Update to valuation system	346,965
Transfers from CRF and other data changes	(16,523)
Surplus as at 31 March 2026	**905,866**

6.2 Alternative assumptions for purposes of the account's financial statements, prepared in accordance with Section 4600 of Part IV of the CPA Canada Handbook – Accounting

6.2.1 Mortality

Following an external audit of the Account as at 31 March 2014, ESDC management asked the OCA to conduct a mortality experience study and to include the amount of the actuarial liabilities under experience-adjusted mortality rates in future Actuarial Reports on the Government Annuities.

6.2.2 Discount rate

To promote greater comparability with other public service pension plans that are part of the Public Account of Canada, the liabilities shown in the Account's financial statements is measured using a different discount rate than the prescribed interest rate of 7%. The alternative rate is established based on a yield curve approach. This yield curve is determined by reference to market yields at the end of the reporting period on Government of Canada Bonds and treasury bills.

The OCA has determined that the liabilities as at 31 March 2026 under experience-adjusted mortality rates and the alternative discount rate is $45.1 million, which is $5.7 million higher than under the prescribed assumptions. More details are presented in Appendix E.

7 Actuarial opinion

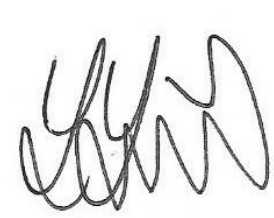
In our opinion, considering that this report was prepared pursuant to the *Government Annuities Act* and *the Government Annuities Improvement Act*:

- the data on which this report is based are sufficient and reliable for the purposes of this report;
- the assumptions used comply with legislative requirements;
- the methods employed are appropriate for the purposes of this report; and
- as at 31 March 2026, there is a surplus of $905,866 which is credited to the Federal Government's Consolidated Revenue Fund and charged to the Government Annuities Account.

This report has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada. As of the date of the signing of this report, we have not learned of any events that would have a material impact on the results presented in this report as at 31 March 2026.



Marie-Pier Bernier
Fellow of the Canadian Institute of Actuaries
Office of the Chief Actuary, OSFI



Luc Léger
Associate of the Canadian Institute of Actuaries
Office of the Chief Actuary, OSFI

Ottawa, Canada
24 July 2026

Appendix - A Contract types

The following describes the annuities provisions as specified by the contracts:

Ordinary life**:** At maturity, this annuity is payable for as long as the annuitant lives, but at death the annuity ceases immediately and there are no death benefits.

Guaranteed: The annuity under this contract is payable for life but it is guaranteed for a minimum period of 5, 10, 15 or 20 years.

Contingent survivor**:** This annuity is based on two lives. The annuity is payable to the principal annuitant for as long as he or she lives. At death, the annuity is payable to the survivor until his or her death.

Joint and last survivor: This contract differs from the Contingent Survivor contract in that the annuity instalments are payable to both parties. After the death of one partner, the annuity is made payable to the survivor as long as he or she lives.

Reducing option: The reducing option is an arrangement whereby the level of the annuity purchased is paid at an increased amount from age 50 (or later) to age 65. At age 65, the annuity decreases by the amount of Old Age Security in effect at the date of maturity. The annuity is payable for life, with death benefits available for the duration of the guaranteed period, if there is one.

The following describes the contract types:

Single life – no guarantee (10 – 16)

10. Ordinary
11. Guarantee expired: on valuation change of 21 – 24
12. From last or contingent survivor: 30, 35, 36, 37
13. From last survivor guarantee expired: on first death of 31
14. From reducing ordinary: on reduction of 70
15. From reducing guaranteed: on reduction of 79, on valuation change of 29 or from 71-74 where reduction and end of guarantee coincide
16. From reducing survivor: 36, 37

Single life with guarantee (21 – 29)

21. Guaranteed 5 years
22. Guaranteed 10 years
23. Guaranteed 15 years
24. Guaranteed 20 years
29. From 71-74 after reduction still within guarantee

Joint lives – no guarantee (30 – 37)

30. Ordinary Last Survivor (100%)
31. Last Survivor guarantee expired (100%)
35. Contingent Survivor (100%)
36. Contingent Survivor reducing by one half at death of Principal Annuitant (50%)
37. Contingent Survivor reducing by any other amount at death of Principal Annuitant

Annuities certain (50 & 80)

50. Certain level amount (Includes from 80 after reduction)
80. Certain, reducing

Temporary annuities (60)

60. Temporary

Reducing annuities (70 – 79)

70. Ordinary, reducing
71. Guaranteed 5 years, reducing
72. Guaranteed 10 years, reducing
73. Guaranteed 15 years, reducing
74. Guaranteed 20 years, reducing
79. From 71-74, guarantee expired before reduction

Appendix - B Membership data

B.1 Vested members at 31 March 2026

Tables 12 to 17 summarize the vested member data as at 31 March 2026. Each table presents the average annual pension, member count and average age for both genders for each vested contract type. Additional information is included in certain tables when it is relevant for the particular contract type.

Table 12 Contract types 10-16: Vested ordinary life

Age		Males	Females	Total
60-69	Average annual pension ($)	1,255	888	1,051
	Number	20	25	45
	Average age (years)	67.0	67.1	67.0
70-79	Average annual pension ($)	1,108	924	1,010
	Number	372	425	797
	Average age (years)	76.6	76.6	76.6
80-89	Average annual pension ($)	681	583	644
	Number	2,392	1,482	3,874
	Average age (years)	86.2	85.7	86.1
90-100	Average annual pension ($)	693	561	642
	Number	2,530	1,572	4,102
	Average age (years)	93.8	94.2	93.9
100 +	Average annual pension ($)	602	493	541
	Number	121	153	274
	Average age (years)	101.8	101.9	101.8
Total average annual pension ($)		716	612	674
Total number		5,435	3,657	9,092
Total average age (years)		89.4	88.8	89.2

Table 13 Contract types 21-29: Vested guaranteed

Age		Males	Females	Total
50-69[a]	Average annual pension ($)	2,455	2,162	2,319
	Number	57	49	106
	Average age (years)	67.3	67.5	67.4
	Average guarantee (years)	9.2	7.7	8.5
70-79	Average annual pension ($)	1,890	1,524	1,763
	Number	202	107	309
	Average age (years)	75.4	74.6	75.1
	Average guarantee (years)	5.3	5.2	5.3
80-89	Average annual pension ($)	1,166	1,244	1,192
	Number	31	15	46
	Average age (years)	82.2	81.8	82.0
	Average guarantee (years)	2.5	3.5	2.8
Total average annual pension ($)		1,924	1,682	1,834
Total number		290	171	461
Average age (years)		74.5	73.2	74.0
Average guarantee (years)		5.7	5.8	5.8

a. The age range 50 to 59 contains 2 individuals and was combined with the age range 60 to 69 to alleviate privacy concerns.

Table 14 Contract types 30-37: Vested joint & survivor

	Males	Females	Total
Total Average annual pension ($)	486	217	479
Total number	425	12	437
Average age (years)	89.5	88.5	89.4
Average spouse age (years)	86.0	86.7	86.0
Average continuing percentage	72%	73%	72%

Table 15 Contract types 50 & 80: Vested certain

	Total
Average annual pension ($)	1,293
Number	23
Average certain period (years)	4.8

Table 16 Contract type 60: Vested temporary

	Total[a]
Average annual pension ($)	*
Number	2
Average age (years)	*
Average period (years)	*

a. An asterisk (*) indicates that the corresponding value has been suppressed to alleviate privacy concerns.

Table 17 Contract types 70-79: Vested reducing	Total
Average annual pension ($)	6,126
Number	3
Average reduced annual pension ($)	3,507
Average age (years)	61.1

B.2 Deferred members at 31 March 2026

Table 18 summarizes the deferred member data as at 31 March 2026. The table presents the average annual pension, member count, average age and average guarantee period for both genders of the contract types 21-24. As at 31 March 2026, there are no deferred members with contract type 10.

Table 18 Contract types 21-24: Deferred guaranteed	Males	Females	Total
Average annual pension ($)	2,607	116	1,540
Number	4	3	7
Average age (years)	65.5	66.5	65.9
Average guarantee (years)	18.8	18.3	18.6

B.3 Membership reconciliation

Table 19 Vested membership reconciliation							
Contract types	10-16	21-29	30-37	50&80	60	70-79	Total
Count as at 31 March 2025	10,344	534	533	21	3	6	11,441
Maturities	1	4	-	-	-	-	5
Transfers from/to other contract types	143	(67)	(79)	6	-	(3)	-
Deaths or expired annuities[a]	(1,392)	(9)	(17)	(4)	(1)	-	(1,423)
Net CRF transfers[b]	(4)	(1)	-	-	-	-	(5)
Count as at 31 March 2026	**9,092**	**461**	**437**	**23**	**2**	**3**	**10,018**

a. The 1,423 Deaths or expired annuities are composed of 952 group certificates and 471 individual contracts.
b. The 5 net CRF transfers are 4 group contracts and 1 individual contract transferred to the CRF.

Table 20 Deferred membership reconciliation	
Count as at 31 March 2025	16
Maturities	(5)
Deaths and refunds	(1)
Net CRF transfers	(3)
Count as at 31 March 2026	**7**

Appendix - C Sources of data

C.1 Reports required

The following are the reports used in order to perform the Government Annuities Account valuation. The main reports are provided by ESDC and Service Canada.

C.2 Membership data

VY4741P1: Basic Vested Data

VY5141: Vested Annuitants to be added manually (Records to be completed using report VY4742P1)

GY5642: Basic Deferred Data

Service Canada also provides accurate pension amounts for plans 16, 37, 70-79, and 29, and additional data for plans 50 and 80. This data consists of pension amounts, reduced pension amounts where applicable, date of reduction and date of final payment. Even though the total actuarial liability is taken directly from VY5141 for plans 50 and 80, it must be individually calculated for purposes of gains and losses analysis.

C.3 Asset data

VM3942: Vested benefit payments and maturities by period

GY5646, GM4741, and GM4742: Data related to refunds

Premiums paid are provided by the Annuity Accounting Division of ESDC.

Benefit payments are provided by the Annuity Accounting Division of ESDC.

The monthly VM3942 reports are used to reconcile the Annuity Accounting Division’s benefit payments. Ultimately, the Annuity Accounting Division’s figures are used for balance sheet purposes. The monthly GM4741 and GM4742 reports are used for group and individual contracts.

C.4 Other data

ESDC also provides balances for suspense accounts (GY5644 and GR3442), refunds in progress (GY5941) and suspended payments (VY5443).

Appendix - D Mortality tables

D.1 Projection of mortality

The mortality assumption is statutory, as stated in section 15 of the Improvement Act and subsection 3(4) of the Regulations. Mortality rates are to follow the Annuity table for 1983, as modified by Projection scale G published in Transactions of the Society of Actuaries, Vol. XXXV (1983), at pages 882 and 883. SOR/97-495, s. 2.

Accordingly, the IAM83 table is used for individual contracts and the GAM83 table is used for group contracts. Both tables are used on sex-distinct basis and are projected for 15 years with Projection scale G.

The following table shows the mortality rates as well as Projection scale G for selected attained ages.

Table 21 Mortality rates

	GAM83 original		IAM83 original		Projection scale G		GAM83 projected		IAM83 projected	
Age	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
10	0.000293	0.000096	0.000382	0.000141	0.007500	0.012000	0.000262	0.000080	0.000341	0.000118
15	0.000325	0.000140	0.000435	0.000188	0.002200	0.007000	0.000314	0.000126	0.000421	0.000169
20	0.000377	0.000189	0.000505	0.000260	0.001400	0.005000	0.000369	0.000175	0.000494	0.000241
25	0.000464	0.000253	0.000622	0.000349	0.001000	0.006500	0.000457	0.000229	0.000613	0.000316
30	0.000607	0.000342	0.000759	0.000441	0.004900	0.010500	0.000564	0.000292	0.000705	0.000376
35	0.000860	0.000476	0.000917	0.000545	0.015000	0.018500	0.000686	0.000360	0.000731	0.000412
40	0.001238	0.000665	0.001341	0.000742	0.020000	0.022500	0.000914	0.000473	0.000990	0.000527
45	0.002183	0.001010	0.002399	0.001122	0.018500	0.021000	0.001650	0.000735	0.001813	0.000816
50	0.003909	0.001647	0.004057	0.001830	0.017500	0.020000	0.003000	0.001216	0.003113	0.001352
55	0.006131	0.002541	0.005994	0.002891	0.016000	0.018500	0.004813	0.001920	0.004706	0.002185
60	0.009158	0.004241	0.008338	0.004467	0.015000	0.017500	0.007300	0.003254	0.006647	0.003428
65	0.015592	0.007064	0.012851	0.007336	0.015000	0.017500	0.012429	0.005420	0.010244	0.005629
70	0.027530	0.012385	0.021371	0.011697	0.013500	0.017500	0.022452	0.009504	0.017429	0.008976
75	0.044597	0.023992	0.035046	0.020127	0.012500	0.016000	0.036929	0.018836	0.029020	0.015802
80	0.074070	0.042945	0.057026	0.036395	0.012500	0.015000	0.061334	0.034234	0.047220	0.029013
85	0.114836	0.069918	0.090987	0.065518	0.012500	0.015000	0.095090	0.055736	0.075342	0.052228
90	0.166307	0.111750	0.134887	0.113605	0.011000	0.013500	0.140882	0.091139	0.114265	0.092652
95	0.234086	0.182419	0.191214	0.174228	0.010000	0.012500	0.201328	0.151052	0.164455	0.144269
100	0.319185	0.295187	0.270906	0.239215	0.004000	0.005000	0.300561	0.273806	0.255099	0.221888
105	0.469531	0.487816	0.405278	0.353414	0.000000	0.000000	0.469531	0.487816	0.405278	0.353414
110	1.000000	1.000000	0.634814	0.584462	0.000000	0.000000	1.000000	1.000000	0.634814	0.584462

D.2 Life expectancies

The following table shows life expectancies under the above-stated mortality assumption for selected attained ages.

Table 22 Life expectancies
(years)

Age	Group males	Group females	Individual males	Individual females
15	65.4	71.8	67.1	72.2
20	60.5	66.8	62.2	67.3
25	55.6	61.9	57.4	62.4
30	50.7	57.0	52.5	57.5
35	45.9	52.1	47.7	52.6
40	41.0	47.2	42.9	47.7
45	36.2	42.3	38.1	42.8
50	31.6	37.5	33.5	38.0
55	27.1	32.7	29.1	33.3
60	22.8	28.1	24.8	28.7
65	18.7	23.6	20.7	24.3
70	15.0	19.3	16.9	20.0
75	11.8	15.3	13.5	16.0
80	9.1	11.9	10.5	12.4
85	7.0	9.1	8.1	9.3
90	5.3	6.6	6.2	6.9
95	4.0	4.6	4.6	5.1
100	2.8	2.9	3.2	3.6
105	1.9	1.9	2.2	2.5
110	1.0	1.0	1.5	1.6

Appendix - E Alternative mortality and discount rate assumptions

E.1 Mortality rates

The experience-adjusted mortality rates are based on the Canada Pension Plan retirement beneficiaries' mortality assumptions, as developed for the 32nd Actuarial Report on the Canada Pension Plan as at 31 December 2024. At the last valuation, the experience-adjusted mortality rates were based on the Canada Pension Plan retirement beneficiaries' mortality assumptions, as developed for the 31st Actuarial Report on the Canada Pension Plan as at 31 December 2021.

E.2 Discount rates

The annual alternative discount rates used to calculate the liabilities are 3.41% as at 31 March 2026 (based on the yield curve as at 31 March 2026) and 2.93% as at 31 March 2025. They are determined using a yield curve approach. Under this approach, the discount rate corresponds to an equivalent flat discount rate based on a yield curve and the projected cash flows. The yield curve is based on market yields at the end of the reporting period on Government of Canada bonds and treasury bills. The Bank of Canada develops and publishes monthly a yield curve for Government of Canada zero-coupon bonds[1].

E.3 Development of actuarial liabilities

Tables 23, 24 and 25 show the development of actuarial liabilities under the experience-adjusted mortality rates and the alternative discount rates.

Table 23 Development of vested member actuarial liabilities (with experience-adjusted mortality and alternative discount rate)

	Contract type	Fiscal year 2025 – 2026 ($)	Fiscal year 2024 – 2025 ($)
Males, ordinary life	10 – 16	19,241,922	22,991,455
Females, ordinary life	10 – 16	13,795,612	15,832,407
Males, guaranteed	21 – 29	6,318,167	7,276,057
Females, guaranteed	21 – 29	3,736,684	4,523,952
Last survivor	30 – 37	1,413,585	1,881,580
Reducing at OAS	70 – 79	209,618	344,392
Annuities certain	50, 80	151,294	115,540
Temporary annuities	60	1,195	2,410
Suspended payments		18,061	9,664
Vested member actuarial liability		**44,886,138**	**52,977,457**

[1] The methodology to develop this yield curve is set out on the Bank of Canada's website (http://www.bankofcanada.ca/2004/12/working-paper-2004-48/).

Table 24 Development of deferred member actuarial liabilities (with experience-adjusted mortality and alternative discount rate)

	Contract type	Fiscal year 2025 – 2026 ($)	Fiscal year 2024 – 2025 ($)
Ordinary life	10	-	83,483
Males, guaranteed	21- 24	144,345	301,135
Females, guaranteed	21- 24	5,669	39,069
Refunds in process		534	14,091
Suspense accounts	Account 721	76,977	71,941
Deferred member actuarial liability		**227,525**	**509,719**

Table 25 Development of actuarial liabilities (with experience-adjusted mortality and alternative discount rate)
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Vested total	44,886,138	52,977,457
Deferred total	227,525	509,719
Total actuarial liabilities	**45,113,663**	**53,487,176**

Tables 26 and 27 provide sample experience-adjusted mortality rates at different ages and for different years.

Table 26 Sample mortality rates – male (experience-adjusted mortality)

Age	2026-27	2036-37	2046-47	2056-57
50	0.002593	0.002312	0.002091	0.001891
55	0.003888	0.003432	0.003103	0.002807
60	0.006167	0.005448	0.004883	0.004406
65	0.010968	0.009694	0.008781	0.007901
70	0.015819	0.013962	0.012626	0.011373
75	0.025044	0.022173	0.020021	0.018118
80	0.043204	0.038479	0.034748	0.031428
85	0.073892	0.065045	0.058794	0.053131
90	0.134197	0.121408	0.112465	0.104202
95	0.238316	0.223689	0.212709	0.202263
100	0.354753	0.340757	0.329668	0.318790
105	0.465965	0.456226	0.448483	0.441096
110	0.583043	0.582595	0.582478	0.581960
115	0.666006	0.666251	0.665995	0.665854
120	1.000000	1.000000	1.000000	1.000000

Table 27 Sample mortality rates – female (experience-adjusted mortality)

Age	2026-27	2036-37	2046-47	2056-57
50	0.001664	0.001488	0.001345	0.001217
55	0.002466	0.002183	0.001974	0.001785
60	0.003453	0.003061	0.002762	0.002496
65	0.006638	0.005897	0.005327	0.004826
70	0.009972	0.008896	0.008045	0.007287
75	0.017173	0.015462	0.013993	0.012650
80	0.030689	0.027668	0.025047	0.022652
85	0.053915	0.048042	0.043467	0.039352
90	0.103275	0.093617	0.086731	0.080369
95	0.187453	0.175276	0.166666	0.158507
100	0.299042	0.285635	0.276232	0.267100
105	0.418658	0.408126	0.401300	0.394573
110	0.534440	0.534240	0.534172	0.534151
115	0.615943	0.615957	0.615809	0.615840
120	1.000000	1.000000	1.000000	1.000000

The table below presents a reconciliation of the actuarial liability between 31 March 2025 and 31 March 2026.

Table 28 Reconciliation of actuarial liability (with experience-adjusted mortality and alternative discount rates)
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Liability as at 1 April	**53,487,176**	**59,357,401**
Accrued interest	1,443,471	1,899,119
Premiums	-	-
Reclaimed annuities	103	54,105
Annuity payments	(7,651,234)[a]	(8,741,854)[b]
Premium refunds and other	(14,737)	(2,306)
Unclaimed annuities	(41,602)	(93,436)
Change in mortality assumption	(434,225)	-
Change in discount rates[c]	(1,265,273)	1,665,268
Update to valuation system	(237,830)	-
Experience	(172,186)	(651,121)
Liability as at 1 April	**45,113,663**	**53,487,176**

a. Includes vested commuted value payments of $37,507 in fiscal year 2025-2026.
b. Includes annuity and retroactive payments totalling $18,286 for members recovered from the CRF in fiscal year 2024-2025, and vested commuted value payments of $80,751.
c. The discount rate used to calculate liabilities changed from 3.48% in fiscal year 2023-2024 to 2.93% in fiscal year 2024-2025 and 3.41% in fiscal year 2025-2026 based on the yield curve approach.

Tables 29, 30 and 31 below outline the calculation of interest for the 2026 and 2025 fiscal years.

Table 29 Calculation of interest for vested members (with experience-adjusted mortality and alternative interest rates)
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Experience adjusted liabilities as at 1 April of prior year	1,552,239	2,036,948
Maturities	7,916	8,589
CRF recoveries	-	156
Annuity payments	(122,336)	(165,829)
Commuted values	(436)	(818)
Transfers to CRF	-	-
Total interest for vested members	**1,437,383**	**1,879,046**

Table 30 Calculation of interest for deferred members (with experience-adjusted mortality and alternative interest rates)
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Experience adjusted liabilities as at 1 April of prior year	14,935	28,690
Premiums	-	-
CRF recoveries	-	129
Maturities	(7,916)	(8,589)
Refunds	(887)	(157)
Transfers to CRF	(44)	-
Total interest for deferred members	**6,088**	**20,073**

Table 31 Calculation of total interest (with experience-adjusted mortality and alternative interest rates)
($)

	Fiscal year 2025 – 2026	Fiscal year 2024 – 2025
Interest for vested members	1,437,383	1,879,046
Interest for deferred members	6,088	20,073
Total interest	**1,443,471**	**1,899,119**