



# Management Employees Pension Board Policies

## Actuarial Valuation

### 1. Policy Statement

It is a legislative requirement of the Income Tax Act (ITA), that the Minister must complete and file a funding valuation with Canada Revenue Agency (CRA), at least every three years. Section 5(1), Schedule 5 and Section 5 of Schedule 6, of the *Public Sector Pension Plans Act* (PSPPA) states: "The Minister, in consultation with the Board, shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every three years." As per legislation and the 2008 Operating Protocol, the Board will 1) conduct and consult the Minister on a funding valuation of the MEPP, at least every three years, 2) complete an actuarial valuation of the Plan every two years and, 3) may recommend to Financial Sector Regulation Policy (FSRP) that an interim valuation be performed for information purposes, if deemed necessary.

**Effective:** February 15, 2000  
June 6, 2005 – Triennial Review of All Board Policies (M05:06:11)  
May 14, 2012 (M12:05:07)  
March 5, 2015 (M15:03:05)

**Revised:** September 2002, March 2003, June 2005, September 2005, December 2008,  
May 2012, March 2015

### 2. Policy Overview

#### **MEPP Actuarial Valuations**

The Board's responsibilities in monitoring the funding status of the Plan and completing actuarial valuations are established in legislation. The PSPPA identifies that the Board shall, in consultation with the Minister, complete an actuarial valuation of the MEPP and the PSM Closed Plan.

In 2000 the Board initiated, and reconfirmed in September 2002, that annual valuations, for information purposes, may be completed at any time, if required. Additionally, in November 27, 2008, the Board entered into an Operational Protocol (OP) between Financial Sector Regulation Policy (FRSP) on behalf of her Majesty in right of Alberta, and Alberta Pension Services Corporation (APS) to provide services to the Plan and the Board. The OP was signed by APS and FRSP on December 17, 2008. In addition to completion of an actuarial valuation at least every 3 years for funding purposes, Section 7 of the OP indicates that the Board shall select an actuary and will complete an actuarial valuation of the Plan every two years.

Valuations of the MEPP will be in accordance with the goals outlined in the MEPP Funding Policy, adopted in December 2014. The MEPP Funding Policy sets the goals and funding target of the Plan, and will be reviewed by the Board on an annual basis with the MEPP Investment Policies.

#### **Closed Plan Valuations**

Schedule 6 of the Public Sector Pension Plans Act (PSPPA) states: "The Minister, in consultation with the Board, shall have an actuarial valuation of the Plan performed, and a report on that valuation prepared, by the Plan's actuary at least once every three years." Currently the Board establishes and monitors the Contract for actuarial services to the PSM Closed Plan.



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### **Extrapolations**

To enable earlier production of Annual Reports, the Board has determined that an extrapolation from the most recently completed valuation will be used for financial statement purposes.

**Review** - All policies will be reviewed at least once every three years (M05:06:11).