

Financial Statements of

**MEMBERS' RETIRING ALLOWANCES PLAN AND
MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES
PLAN**

Year ended March 31, 2016

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Financial Statements

Year ended March 31, 2016

Financial Statements

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Grant Thornton

Independent Auditor's Report

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To the Minister of Finance and Treasury Board,
Province of Nova Scotia

We have audited the accompanying financial statements of Members' Retiring Allowances Plan and Members' Supplementary Retiring Allowances Plan, which comprise the statements of financial position as at March 31, 2016, the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for pension plans and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2016, and its changes in net assets available for benefits, changes in pension obligation and deficit for the year ended March 31, 2016 in accordance with Canadian accounting standards for pension plans.

Halifax, Canada
June 30, 2016



Chartered Accountants

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Statements of Financial Position

As at March 31, 2016, with comparative figures for 2015

Members' Retiring Allowances Plan

	2016	2015
Net Assets Available for Benefits		
Assets:		
Due from administrator (note 8)	\$ -	\$ 6,742
Members' Retiring Allowances Account (note 1)	36,205,574	34,552,258
Total assets	36,205,574	34,559,000
Liabilities:		
Accounts payable and accrued liabilities	\$ 16,474	\$ 2,600
Total liabilities	16,474	2,600
Net assets available for benefits	\$ 36,189,100	\$ 34,556,400
Accrued Pension Obligation		
Accrued pension obligation (note 6)	36,189,100	34,556,400
Accrued pension obligation	\$ 36,189,100	\$ 34,556,400

Members' Supplementary Retiring Allowances Plan

	2016	2015
Net Assets Available for Benefits		
Assets:		
Due from administrator (note 8)	\$ -	\$ 11,918
Members' Retiring Allowances Account (note 1)	68,091,682	62,969,079
Total assets	68,091,682	62,980,997
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,882	\$ 4,597
Total liabilities	3,882	4,597
Net assets available for benefits	\$ 68,087,800	\$ 62,976,400
Accrued Pension Obligation		
Accrued pension obligation (note 6)	68,087,800	62,976,400
Accrued pension obligation	\$ 68,087,800	\$ 62,976,400

The accompanying notes are an integral part of these financial statements.

Approved:

Original signed by 'Randy Delorey'
Minister of Finance and Treasury Board

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Statements of Changes in Net Assets Available for Benefits

Year ended March 31, 2016, with comparative figures for 2015

Members' Retiring Allowances Plan

	2016	2015
Increase in Assets		
Interest	\$ 2,934,659	\$ 2,862,549
Contributions (note 4)	1,814,700	1,662,049
Total increase in assets	4,749,359	4,524,598
Decrease in Assets		
Benefits paid (note 7)	1,843,600	2,143,864
Administrative expenses (note 8)	30,399	36,982
Actuarial adjustment to Members' Retiring Allowances Account (note 6)	1,242,660	2,639,352
Total decrease in assets	3,116,659	4,820,198
Net increase (decrease) in net assets	1,632,700	(295,600)
Net assets available for benefits, beginning of year	34,556,400	34,852,000
Net assets available for benefits, end of year	\$ 36,189,100	\$ 34,556,400

Members' Supplementary Retiring Allowances Plan

	2016	2015
Increase in Assets		
Interest	\$ 5,259,044	\$ 5,060,526
Contributions (note 4)	1,611,800	1,376,300
Actuarial adjustment to Members' Retiring Allowances Account (note 6)	2,057,888	402,266
Total increase in assets	8,928,732	6,839,092
Decrease in Assets		
Benefits paid (note 7)	3,760,915	3,523,816
Administrative expenses (note 8)	56,417	65,376
Total decrease in assets	3,817,332	3,589,192
Net increase in net assets	5,111,400	3,249,900
Net assets available for benefits, beginning of year	62,976,400	59,726,500
Net assets available for benefits, end of year	\$ 68,087,800	\$ 62,976,400

See accompanying notes to financial statements.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Statements of Changes in Pension Obligations

Year ended March 31, 2016, with comparative figures for 2015

Members' Retiring Allowances Plan

	2016	2015
Accrued pension obligation, beginning of year	\$ 34,556,400	\$ 34,852,000
Increase in accrued pension benefits:		
Interest on accrued pension obligation	1,278,700	1,344,600
Current service cost	1,814,700	1,615,600
Changes in actuarial assumptions	1,760,400	-
Net experience losses	437,300	738,400
	5,291,100	3,698,600
Decrease in accrued pension benefits:		
Adjustment to accrued pension obligation, beginning of year, (note 6)	1,859,200	1,734,600
Benefits paid (note 7)	1,843,599	2,143,864
Difference in estimated benefits paid used in actuarial valuation versus actual benefits paid	(44,399)	115,736
	3,658,400	3,994,200
Net increase (decrease) in accrued pension benefits	1,632,700	(295,600)
Accrued pension obligation, end of year	\$ 36,189,100	\$ 34,556,400

Members' Supplementary Retiring Allowances Plan

	2016	2015
Accrued pension obligation, beginning of year	\$ 62,976,400	\$ 59,726,500
Increase in accrued pension benefits:		
Adjustment to accrued pension obligation, beginning of year, (note 6)	1,859,200	1,734,600
Interest on accrued pension obligation	2,484,100	2,471,600
Current service cost	1,611,800	1,376,300
Changes in actuarial assumptions	3,226,800	-
Net experience losses	-	1,400,600
	9,181,900	6,983,100
Decrease in accrued pension benefits:		
Benefits paid (note 7)	3,760,915	3,523,816
Difference in estimated benefits paid used in actuarial valuation versus actual benefits paid	62,185	209,384
Net experience gains	247,400	-
	4,070,500	3,733,200
Net increase in accrued pension benefits	5,111,400	3,249,900
Accrued pension obligation, end of year	\$ 68,087,800	\$ 62,976,400

See accompanying notes to financial statements.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2016

1. Authority and Description of Plans:

The following description of the Members' Retiring Allowances Plan and the Members' Supplementary Retiring Allowances Plan ("the Plans") is a summary only. For more complete information, reference should be made to the Plans legislative documents and agreements.

General:

The Plans are governed by the Members' Retiring Allowances Act (the "Act") as part of the Acts of Nova Scotia. The Act established both the Members' Retiring Allowances Plan, a registered pension plan under the Income Tax Act, and the Members' Supplementary Retiring Allowances Plan. The Act established a Members' Retiring Allowance Account and a Members' Supplementary Retiring Allowance Account (the "Accounts" or the "Plan") in the General Revenue Fund of the Province of Nova Scotia (the "Province") for the purpose of crediting government and employee contributions and meeting the Plan's obligations. The Nova Scotia Minister of Finance and Treasury Board (the "Minister") is the Trustee of the Plan. If at any time the balances of the Accounts are insufficient to make required payments, an amount will be credited to the Accounts from the General Revenue Fund.

The detailed provisions of the Plan, including pension eligibility criteria and benefit formulas, are contained in the Act and in the Regulations made under the Act.

Funding:

Plan benefits are funded by contributions and an amount representing interest calculated. Contributions are made by active Members of the Legislative Assembly ("members") and are matched by the Province. In accordance with the Act the Province makes additional contributions to the Accounts equal to the current service cost (annual cost of benefits accrued) less members' contributions and the Province's matching contributions.

The Province also contributes an amount representing interest to the Accounts in each fiscal year. As set out in the Rates of Interest Regulations made under the Act effective April 1, 1995 the interest rate is 8.5% compounded annually.

In accordance with the Act, members contribute 10% of base indemnity plus 10% of any additional salary received as Premier, a member of the Executive Council, Leader of the Opposition, Leader of a Recognized Party, Speaker, or Deputy Speaker. Members are required to make contributions until they reach the maximum total accrual of 70% (75% for members first elected prior to October 8, 2013). Members contribute for a maximum of 20 years.

Maximum pensionable service if first elected prior to October 8, 2013 is 15 years, and maximum pensionable service if first elected on or after October 8, 2013 is 20 years. Pensionable service begins the first day of the month in which the member was elected, regardless of the day of the month the election is held. Pensionable service ends the last day of the month in which the member ceases to be a Member of the Legislative Assembly.

There are 51 seats in the Nova Scotia House of Assembly. At year end, 49 members were active contributors to the Plans, one seat was vacant, and one member had ceased contributing because the member had reached the maximum total accrual.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Authority and Description of Plans (continued):

The determination of the value of the benefits and required contributions is made on the basis of periodic actuarial valuations (Note 6).

Retirement Benefits:

For service prior to October 8, 2013 the basic pension formula is 5% times years of indemnity service times three year highest average annual indemnity plus 5% times years of salary service times three year highest average annual salary. For service after October 8, 2013 the basic pension formula is 3.5% times years of indemnity service times three year highest annual indemnity plus 3.5% times years of additional indemnity times three year highest average annual salary.

Vesting occurs after two years for members who were a Member of the Legislative Assembly on or after November 1, 2014. For members of the Plan who were not a Member of the Legislative Assembly on or after November 1, 2014 vesting occurred after five years of service and being elected twice.

A member qualifies for pension benefits on ceasing to be a Member of the Legislative Assembly and upon reaching any of the following criteria:

- age 60 and two years of service
- age 55 and age plus service factor of 80
- age 50 plus two years of service (reduced pension)
- becomes totally and permanently disabled

Indexing:

Indexing (or cost of living adjustment) in a given year for pensions is equal to the indexing in a given year for pensions paid under the Public Service Superannuation Act and is set by the Trustee for five-year periods. In 2015, indexing was 1.25%. For the five-year period beginning January 2016, indexing is 0.85% annually.

After January 1, 2011 a vested member who has deferred their pension until they satisfy one of the above eligibility criteria will not be credited with any cost of living adjustment for the period the pension is deferred. When the member begins receiving pension payments indexing will be applied as described above.

Death Benefits:

Upon the death of a vested member first elected prior to April 6, 2010:

Member with surviving spouse and/or children

- Surviving spouse is entitled to 66 2/3% of member's pension benefit for life
- Surviving children are entitled to 10% of member's pension benefit up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution
- If there are more than three surviving children, 33 1/3% of member's pension benefit is divided equally among the children.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Authority and Description of Plans (continued):

Member with surviving children only, or on the death of surviving spouse

- Children up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution, are entitled to an equal share of 66 2/3% survivor pension. The division of the 66 2/3% survivor pension replaces the children's benefit of 10% each

Member without surviving spouse or children

- Surviving dependents of the member (other than a spouse or children) are entitled to 50% of the member's pension benefit. If there is more than one surviving dependent the benefit is split equally between them

Upon the death of a vested member first elected after April 6, 2010:

Member with surviving spouse and/or children

- Surviving spouse is entitled to 60% of member's pension benefit for life
- Surviving children are entitled to 10% of member's pension benefit up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution
- If there are more than four surviving children, 40% of member's pension benefit is divided equally among the children.

Member with surviving children only, or on the death of surviving spouse

- Children up to 18 years of age, or up to 25 years of age if in continuous full-time attendance at a post-secondary institution, are entitled to an equal share of 60% survivor pension. The division of the 60% survivor pension replaces the children's benefit of 10% each

Member without surviving spouse or children

- Surviving dependants of the member (other than a spouse or children) are entitled to 50% of the Member's pension benefit. If there is more than one surviving dependant the benefit is split equally between them

Upon the death of a non-vested member the spouse, children or dependants are entitled to either:

- Pension benefits listed above if contributions equal to the contributions the member would have paid into the Plan are deducted from the pension paid from the death of the member until the period in which the member would have been vested.
- A refund of the contributions paid by the member

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

1. Authority and Description of Plans (continued):

Disability Benefits:

Vested members who become totally and permanently disabled are entitled to apply for a disability pension from the plan. Non-vested members who become totally and permanently disabled are entitled to apply for a disability pension from the plan provided an amount equal to the contributions the member would have paid into the Plan are deducted from the pension paid from the period the member ceased to be a Member of the Legislative Assembly until the period in which the Member would have become vested. Non-vested members who become totally and permanently disabled may choose to receive a refund of the contributions paid by the member.

Termination Benefits:

When a member ceases to be a Member of the Legislative Assembly through electoral defeat or voluntary resignation, a vested member may choose to defer their pension until they satisfy one of the above eligibility criteria, or they may remove their contributions plus interest from the plan.

Refunds:

The benefit payable when a non-vested member ceases to be a Member of the Legislative Assembly through electoral defeat, voluntary resignation, or death is a lump sum payment of the member's contributions with interest.

When a member ceases to be a Member of the Legislative Assembly through expulsion from the House, the benefit payable is a lump sum payment of the member's contributions with interest less all court ordered sums payable to the Province.

When a member is convicted of an indictable offence that is punishable by imprisonment for a maximum of more than five years, and the offence occurred in whole or in part when the person was a member of the House, the benefit payable is a lump sum payment of the member's contributions with interest less any pension benefits received by the member under the Act and all court ordered sums payable to the Province.

Deduction from Payment:

The Minister may deduct from any benefit payable under the Act sums necessary to make good any debts due to the Province by a Member, or former Member, of the Legislative Assembly.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

2. Basis of preparation:

a) Basis of presentation:

These statements are presented in accordance with Canadian accounting standards for pension plans in Part IV of the CPA Canada Handbook, Section 4600 – Pension Plans ("Section 4600"). Section 4600 provides specific accounting guidance on investments and pension obligations. For accounting policies that do not relate to either investments or pension obligations, the Fund must consistently comply with either International Financial Reporting Standards ("IFRS") in Part I of the CPA Canada Handbook or accounting standards for private enterprises in Part II of the CPA Canada Handbook. The Plan has elected to comply on a consistent basis with IFRS in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

These financial statements are prepared on a going concern basis and present the aggregate financial position of the Fund as a separate reporting entity.

These financial statements were authorized for issue by the Minister of Finance and Treasury Board on June 30, 2016.

b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Plans' functional currency.

c) Use of estimates and judgments:

The preparation of the financial statements in conformity with Section 4600 and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the statement of financial position, the reported amounts of changes in net assets available for benefits and accrued pension benefits during the year. Actual results may differ from those estimates. Significant estimates included in the financial statements relate to the determination of the accrued pension obligation.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

3. Significant accounting policies:

a) Financial instruments:

All financial instruments are initially measured in the statement of financial position at fair value, where fair value is defined as the amount for which an asset could be exchanged or a liability could be settled between knowledgeable, willing parties in an arm's length transaction on the measurement date. All financial instruments are classified into one of five categories: fair value through profit and loss, held to maturity, loans and receivables, available for sale financial assets, or other financial liabilities. The Plans' financial assets include receivables (classified as loans and receivables). Financial liabilities are payables and accruals (classified as other financial liabilities). Subsequent measurement of these assets and liabilities are measured at amortized cost.

Financial instruments risk:

Unless otherwise noted, it is management's opinion that the Plans are not exposed to significant credit risk, liquidity risk, and market risk arising from its financial instruments.

b) Non-investment assets and liabilities:

The fair value of non-investment assets and liabilities are equal to their amortized cost value and are adjusted for foreign exchange where applicable.

c) Accrued pension obligation:

The value of the accrued pension obligation of the Plans is based on a going concern method actuarial valuation prepared by an independent firm of actuaries using the projected unit credit method. The accrued pension obligation is measured in accordance with accepted actuarial methods using actuarial assumptions and methods adopted by the Plans for the purpose of establishing the long-term funding requirements of the Plans. The actuarial valuation included in the financial statements is consistent with the valuation for funding purposes.

d) Contributions:

Members contribute 10% of indemnities and salaries to the Members' Retiring Allowance Account. The Province contributes an equal amount. The Province makes additional contributions to the Accounts equal to the current service cost (annual cost of benefits accrued) less Members' contributions and the Province's matching contributions.

e) Benefits:

Benefit payments to retired members and refunds of contributions to former members are recorded in the period in which they are paid. Accrued benefits are recorded as part of accrued actuarial liabilities.

f) Administrative expenses:

Plan administration expenses represent expenses incurred to provide direct services to the Plans' members, and are recorded on an accrual basis.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

3. Significant accounting policies (continued):

g) Income taxes:

The Accounts are the funding vehicle for a registered pension plan, as defined by the Income Tax Act (Canada) and, accordingly are not subject to income taxes.

h) Adoption of new accounting standards:

The following standard is not yet effective for the year ended March 31, 2016, and has not been applied in preparing these financial statements:

- IFRS 9, Financial Instruments, introduces new requirements for the classification and measurement of financial assets. Financial assets are classified and measured based on the business model in which they are held and the characteristic of their contractual cash flows. The standard introduces additional changes relating to financial liabilities and amends the impairment model. The International Accounting Standards Board ("IASB") has determined the mandatory effective date for IFRS 9 will be for the annual periods beginning on or after January 1, 2018. The Plan will evaluate the impact of the change to the financial statements based on the characteristics of financial instruments outstanding at the time of adoption.

4. Contributions:

	2016	2015
Members' Retiring Allowances Plan:		
Employer:		
Matched current service	\$ 527,756	\$ 523,754
Unmatched current service	759,188	568,093
	<u>1,286,944</u>	<u>1,091,847</u>
Employee:		
Matched current service	527,756	523,754
Unmatched current service	-	46,448
	<u>527,756</u>	<u>570,202</u>
	<u>\$ 1,814,700</u>	<u>\$ 1,662,049</u>

	2016	2015
Members' Supplementary Retiring Allowances Plan:		
Employer:		
Unmatched current service	\$ 1,611,800	\$ 1,376,300
	<u>\$ 1,611,800</u>	<u>\$ 1,376,300</u>

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

5. Investments:

There are no invested assets.

6. Accrued pension obligation:

Actuarial valuations provide an estimate of the Plans' accrued pension obligations and are calculated using various economic and demographic assumptions, based on membership data as at the valuation date. The Plans' former consulting actuary, Mercer (Canada) Limited, performed an actuarial valuation for funding purposes as at December 31, 2013 and issued their report in June 2014. In April 2016, the results of the December 31, 2013 valuations were extrapolated to March 31, 2016 by the Plans' new consulting actuary, Eckler Ltd. (2015 – Mercer (Canada) Limited).

The accrued pension obligations as at March 31, 2015 were restated in the March 31, 2016 extrapolation as adjustments to the obligation at the beginning of the year to align the benefits allowed to be paid by the registered plan to those stated in the Act. The adjustment made to the Members' Retiring Allowances Plan was a decrease of \$1,859,200 and the adjustment to the Members' Supplementary Retiring Allowances Plan was an increase of \$1,859,200.

The accrued pension obligations at March 31, 2014 were restated in the March 31, 2015 extrapolation as adjustments to the accrued pension obligation at the beginning of the year. The adjustment made to the Members' Retiring Allowances Plan was a decrease of \$1,734,600 and the adjustment to the Members' Supplementary Retiring Allowances Plan was an increase of \$1,734,600.

The results of the extrapolations with comparative figures are summarised as follows:

Members' Retiring Allowances Plan

Extrapolation as at March 31, 2016	\$ 36,189,100
Extrapolation as at March 31, 2015	\$ 34,556,400

Members' Supplementary Retiring Allowances Plan

Extrapolation as at March 31, 2016	\$ 68,087,800
Extrapolation as at March 31, 2015	\$ 62,976,400

The actuarial present values of the accrued pension obligations are estimates of the values of the pension obligations of the Plans in respect of benefits accrued to date for all active and inactive members including pensioners and survivors. The actuarial assumptions used to calculate the present values of the accrued pension obligations involve both economic and demographic assumptions. Economic assumptions include the discount rate, the inflation rate, the pensionable earnings escalation rate, and the indexing rate. Demographic assumptions include considerations such as mortality and retirement rates.

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

6. Accrued pension obligation (continued):

The major economic and demographic assumptions used for the two most recent extrapolations of the last actuarial valuations for funding purposes are as follows:

	Extrapolation as at March 31, 2016	Extrapolation as at March 31, 2015
Inflation	2.00% per annum	2.25% per annum
Indexing	1.25% each Jan 1 until Jan 1, 2015, 0.85% for 5 years, and 50% of CPI thereafter	1.25% each Jan 1 until Jan 1, 2015, 0.00% for 5 years, and 50% of CPI thereafter
Total rate of return on assets (i.e. discount rate)	3.71% per annum	4.10% per annum
Average retirement age	Latest of: a) age 55 b) 4 years since last election c) Earliest of i. 8 years since last election ii. 12 years of service iii. age 65 with 5 years of service	Latest of: a) age 55 b) 4 years since last election c) Earliest of i. 8 years since last election ii. 12 years of service iii. age 65 with 5 years of service
Mortality	120% of fully generational CPM2014Publ using CPM-B improvement scale	120% of fully generational CPM2014Publ using CPM-B improvement scale

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

6. Accrued pension obligation (continued):

The actuarial valuations for funding purposes project liabilities for each member on the basis of service earned to date and the employee's projected three year average annual indemnity, and salary (where applicable, see Note 1) at the expected date of retirement. The valuations prepared as at December 31, 2013 reflect plan amendments set out in the Members' Pension Review Implementation (2011) Act which took effect October 8, 2013 (see Note 1).

The projected unit credit method was adopted for the actuarial valuations to determine the current costs and actuarial liabilities. The December 31, 2013 valuations' results were adjusted for any changes in economic assumptions, and extrapolations to March 31, 2016 were performed. Actuarial adjustments were recorded to the Members' Retiring Allowances Accounts to adjust net assets to the revised estimates as of March 31, 2016.

7. Benefits:

	2016	2015
Members' Retiring Allowances Plan		
Benefits paid to pensioners	\$ 1,659,383	\$ 1,766,962
Benefits paid to surviving members	169,833	180,425
Refunds paid to terminated members	14,384	196,477
	\$ 1,843,600	\$ 2,143,864

	2016	2015
Members' Supplementary Retiring Allowances Plan		
Benefits paid to pensioners	\$ 3,416,103	\$ 3,197,336
Benefits paid to surviving members	344,812	326,480
	\$ 3,760,915	\$ 3,523,816

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements (continued)

Year ended March 31, 2016

8. Administration Expenses:

The Plans are charged by their service providers for professional services, including Nova Scotia Pension Services Corporation, for certain professional and administrative services. The following is a summary of these administrative expenses.

	2016	2015
Plan administration:		
Office and administration services	\$ 94,370	\$ 81,496
Actuarial services	9,822	2,500
Audit fees	5,850	5,200
	110,042	89,196
HST	(23,226)	13,162
	\$ 86,816	\$ 102,358

As at March 31, 2016 the Province of Nova Scotia determined that all costs to administer the Plans were paid 100% by the Province of Nova Scotia. All HST paid by the Province of Nova Scotia is reclaimed; therefore no HST expense should be passed onto the Plans. Reclaimed HST for the period April 1, 2013 to March 31, 2015 has been recorded as at March 31, 2016.

Administration expenses are allocated based on the Plans' proportionate beginning net assets. Administration expenses allocated to the Members' Retiring Allowances Plan for 2016 were \$30,399 (2015 - \$36,982), while plan administration expenses allocated to the Members' Supplementary Retiring Allowances Plan for 2016 were \$56,417 (2015 - \$65,376).

The Plans advance cash to Nova Scotia Pension Service Corporation to pay expenses incurred in order to service the Plans. At March 31, 2016, the amount due to the Members' Retiring Allowances Plan was \$nil (2015 - \$6,742), and the amount due to the Members' Supplementary Retiring Allowances Plan was \$nil (2015 - \$11,918).

9. Capital Management:

The Minister of Finance and Treasury Board manages the administration of the Plans as required by the Members' Retiring Allowances Act (note 1). The Plans exercise due diligence and have established written policies, procedures, and approval processes. Operating budgets, audited financial statements, actuarial valuations and reports, and as required, the retention of supplementary professional, technical and other advisors, are part of the Plans' governance structure.