

## Supplementary Alberta Pension Plan - Actuarial Projections

The contributions to this plan start at 450 and are maxed at 900, this is to illustrate a window of potential pension projecti

As a defined contribution pension plan Government would have the flexibility to define and alter the contributions to the p based on the budget year in question and the financial needs of the province in this year.

A minimum rate of return of 5% is reasonable and is based on current interest rates in a 100% GIC investment choice  
A maximum rate of return of 10% is reasonable taking into account market fluctuations over the long-term.

Age	Rate of Return	Yearly Contribution *	Principle Pension at age 65 **	Pension paid monthly at age 65 till age 85 ***
20	5.00%	450	\$75,458	\$453
	7.50%	450	\$160,636	\$1,174
	10.00%	450	\$355,858	\$3,095
20	5.00%	900	\$150,917	\$907
	7.50%	900	\$321,272	\$2,347
	10.00%	900	\$711,716	\$6,190
30	5.00%	450	\$42,676	\$256
	7.50%	450	\$74,619	\$545
	10.00%	450	\$134,157	\$1,167
30	5.00%	900	\$85,353	\$513
	7.50%	900	\$149,238	\$1,090
	10.00%	900	\$268,314	\$2,334
40	5.00%	450	\$22,551	\$136
	7.50%	450	\$32,884	\$240
	10.00%	450	\$48,682	\$423
40	5.00%	900	\$45,102	\$271
	7.50%	900	\$65,769	\$481
	10.00%	900	\$97,364	\$847
50	5.00%	450	\$10,196	\$61
	7.50%	450	\$12,635	\$92
	10.00%	450	\$15,727	\$137
50	5.00%	900	\$20,392	\$123
	7.50%	900	\$25,270	\$185
	10.00%	900	\$31,455	\$274
60	5.00%	450	\$2,611	Cash payment of pension
	7.50%	450	\$2,810	Cash payment of pension
	10.00%	450	\$3,022	Cash payment of pension
60	5.00%	900	\$5,222	Cash payment of pension
	7.50%	900	\$5,620	Cash payment of pension
	10.00%	900	\$6,044	Cash payment of pension

Assumptions:

\* Pension contributions are indexed to increase at 1% per year from 2006 yearly contribution amount

\*\* Retirement age is projected at 65.

\*\* Age of death into the future is estimated as 85 for both male and female taking into account longer life spans  
Statistics Canada in 2003 reports life expectancy at birth for women as 82.4 years, in men 77.4 years

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