

## APPENDIX "B"

## EXAMPLES OF APPLICATION OF INTEGRATION FORMULA

	Mr. A	Mr. B
(1) Final salary .....	3,600	6,000
(2) Average salary (best 6 years) .....	3,300	5,500
(3) Service after inception of C.P.P. ....	20	20
(4) Service before inception of C.P.P. ....	10	10
(5) Total service (line 3 plus line 4) .....	30	30
(6) 2% formula benefit under present Act <sup>(a)</sup>		
— from ages 60 to 64 inclusive .....	1,980	3,300
— after age 64 .....	1,980	3,300
(7) 1.3% formula benefit <sup>(b)</sup>		
— from ages 60 to 64 inclusive .....	1,980	3,300
— after age 64 .....	1,518	2,600
(8) C.P.P. pension at age 65 <sup>(c)</sup> .....	825	1,250
(9) Combined pension at age 65 (line 7 plus line 8)	2,343	3,850
(10) Increase in combined pension over 2% formula benefit (line 9 minus line 6) .....	363	550
(11) Line 10 expressed as a percentage of line 6 .....	18.3	16.7

(a) The benefit under this formula is—total years of service  $\times$  2%  $\times$  average salary.

For Mr. A: 30 yrs.  $\times$  2%  $\times$  \$3,300 = \$1,980 p.a.

For Mr. B: 30 yrs.  $\times$  2%  $\times$  \$5,500 = \$3,300 p.a.

(b) The benefit under this formula is—from ages 60 to 64: total years of service  $\times$  2%  $\times$  average salary after age 64: years of service before inception of C.P.P.  $\times$  2%  $\times$  average salary plus years of service after inception of C.P.P.  $\times$  1.3%  $\times$  average salary not exceeding the C.P.P. maximum plus years of service after inception of C.P.P.  $\times$  2%  $\times$  average salary in excess of C.P.P. maximum.

For Mr. A: from ages 60 to 64: 30 yrs.  $\times$  2%  $\times$  \$3,300 = \$1,980 p.a.

after age 64: 10 yrs.  $\times$  2%  $\times$  \$3,300 +

20 yrs.  $\times$  1.3%  $\times$  \$3,300 = \$1,518 p.a.

For Mr. B: from ages 60 to 64: 30 yrs.  $\times$  2%  $\times$  \$5,500 = \$3,300 p.a.

after age 64: 10 yrs.  $\times$  2%  $\times$  \$5,500 +

20 yrs.  $\times$  1.3%  $\times$  \$5,000 (assumed C.P.P. maximum) + 20 yrs.  $\times$  2%  $\times$  \$500 = \$2,600 p.a.