

To: All Actuaries

From: PSoA Discount Rate Committee

Date: January 1, 2018

Subject: Discount Rate Guidance at December 31, 2017

Per PSoA's Guidance Note entitled "**Guidance Note on Selection of Discount Rate for Accounting of Post-Employment Benefits Scheme**", PSoA's Discount Rate Committee makes the following recommendation for the discount rate at December 31, 2017:

| Post-Employment Scheme Effective Duration | Annual Discount Rate Recommendation at December 31, 2017 |
|--|---|
| Duration < 10 Years | 8.25% |
| 10 Years <= Duration < 15 Years | 9.50% |
| 15 Years <= Duration < 20 Years | 10.75% |
| Duration >= 20+ Years | 11.25% |

Example:

For a post-employment scheme with duration of 9 years, the applicable discount rate at December 31 is 8.25%. If the duration of the post-employment scheme is 16 years, the applicable discount rate will be 10.75%.