

Inconsistencies in Actuarial Valuation

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Inconsistencies in Actuarial Valuation

- Gratuity Limit treatment
- Treatment for members above NRA
- Leaves availment assumption
- CSC (Leaves)
- Treatment for leaves above accumulation limit under CY and FY
- Poor data quality

Inconsistencies in Actuarial Valuation

- Gratuity Limit treatment
 - Three approaches
 - Ignoring the limit
 - Using the net (set off between discount rate and salary assumption) and then apply the limit
 - Full salary projection (Up to the limit)+ Discounting

Inconsistencies in Actuarial Valuation

- Leaves availment assumption
 - No encashment
 - availment assumption
- Treatment for leaves above accumulation limit under CY and FY
- CSC (Leaves)
 - Negative ?

Inconsistencies in Actuarial Valuation

- Treatment for members above NRA
 - assumed to take the gratuity immediately
- Poor data quality
 - Missing DOJ, DOBs
 - Going back to the company for data clarifications or just take an intelligent averages

Inconsistencies in Actuarial Valuation

- Key Points
 - Gratuity Limit
 - Data quality
 - Treatment for leave

Group Members

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