

Public Service Pension News

A newsletter for members of the Nova Scotia Public Service Superannuation Plan

Volume 3, Issue 2
Spring/Summer 2006

NOVA SCOTIA PENSION AGENCY

The Nova Scotia Pension Agency was created on February 9, 2006 as a Special Operating Agency of the Government of Nova Scotia. It has absorbed the Pensions and Investments Branch of the Nova Scotia Department of Finance to provide pension administration and investment management services to the following Nova Scotia public sector pension plans:

- ◆ Public Service Superannuation Plan
- ◆ Teachers' Pension Plan
- ◆ Members of the Legislative Assembly Pension Plan
- ◆ Sydney Steel Corporation Superannuation Fund

The Minister of Finance will remain Trustee of the Public Service Superannuation Fund.

Staff formerly employed by the Department of Finance's Pensions and Investments Branch are now employed by the Nova Scotia Pension Agency. They continue as civil servants in accordance with the Civil Service Act and Regulations and their collective agreements, and maintain their employment service and associated benefits.

What does this mean for you, the pension plan member?

You will be dealing with the same pension administration staff as you always have. Service delivery systems will stay the same, so you should not see any immediate changes in the way services are delivered. Senior government solicitor John Traves has been appointed interim CEO for a 12 to 18 month transition period, after which time a competition will be held to fill the position permanently.

Your Personal Data and Documentation

Your Marital Status Data Must be Kept Current

It is very important that we have your current marital status on file. If your marital status has changed, please inform **us** and **your employer**. In the event of your death, your pension plan may provide benefits to eligible survivors. By contacting your employer as well as us, we will be sure to receive your most recent status through the payroll data the employers provide us bi-weekly.

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This Issue:

- ◆ Nova Scotia Pension Agency
- ◆ Public Service Pension Committee
- ◆ Your Personal Data & Documentation
- ◆ Pension Benefit Reduction at Age 65—Why does it Happen?
- ◆ How Much Do I Contribute to My Pension Plan?

PUBLIC SERVICE PENSION COMMITTEE

In January of 2006 the Minister, in his capacity as Trustee, established this new advisory committee. It will serve as a forum where stakeholder representatives can discuss issues related to Plan administration and investments and provide advice and recommendations to the Minister.

The committee was set up with 8 nominated members, 4 by the Government, 3 by NSGEU and 1 by CUPE. It is presently being expanded by the addition of a retiree representative from the Nova Scotia Government Retired Employees Association and another Government representative. Committee Co-chairs are Ian Johnson, Policy Analyst/Researcher of NSGEU, and Bill Hogg, a former Deputy Minister of Finance.

Pension Benefit Reduction at Age 65— Why does this happen?

We are often asked “*Why is my public service pension reduced at age 65?*” The bottom line is that the reduction comes when the bridge portion of your Public Service Superannuation Pension (PSS) benefit ceases at age 65. You receive a lifetime benefit from retirement to death and a bridge benefit from retirement to age 65. The bridge benefit is only meant to supplement your pension until you start receiving the Canada Pension Plan (CPP) benefit at age 65. You **do not** receive the PSS bridge benefit for life.

If you choose to begin receiving the CPP benefit at age 65 this will help to offset the loss of the PSS bridge benefit. However, if you choose to begin receiving the CPP benefit early, at age 60, then, when you reach age 65 and the PSS bridge benefit ceases, you experience a reduction. By choosing to draw your CPP benefit early age 60, you enjoy that benefit for an extra 5 years, but **you must remember, at age 65 the PSS bridge benefit ceases, resulting in a reduction of your monthly PSS benefit.** Note that the date you choose to begin receiving your CPP benefit does not affect the amount of your PSS pension benefit.

Also remember that Old Age Security starts at age 65 and may also contribute to offsetting any reduction in your overall pension income. For a more in-depth explanation you may contact our office, or view/download our Pension Plan Guide online at www.gov.ns.ca/finance/pension/PSS/PSSPGuide.pdf.

Nova Scotia Pension Agency

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www.gov.ns.ca/finance/pension

How Much Do I Contribute to My Pension Plan?

There are two rates of contribution: the lower rate, 6.4%, is payable on earnings up to and including the Year's Maximum Pensionable Earnings (YMPE), and the higher rate, 8.0%, is payable on earnings in excess of the YMPE. The YMPE is a figure established by the Canada Pension Plan on January 1 of each year. Pension contributions cease to be deducted at the earlier of 35 years of pensionable service or age 69 even if you continue to work beyond that as a public servant. The following is an example of the calculation.

Example # 1 (salary greater than YMPE): The YMPE for 2006 is \$42,100. If you earn \$50,000 in 2006, your contributions to the Public Service Superannuation Plan would be \$3,326.40.

6.4% x \$42,100 =	\$2,694.40
8.0% x (\$50,000—\$42,100) =	<u>\$632.00</u>
	<u>\$3,326.40</u>

Example # 2

(salary less than YMPE): If you earn \$35,000 in 2006, your salary would be less than the YMPE of \$42,100. Your contributions would be \$2,240.00.

6.4% x \$35,000 =	<u>\$2,240.00</u>
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Your Personal Data & Documentation . . . continued

Documentation Required upon Retirement

When applying for your retirement pension you are required to submit photocopies of your birth certificate, your spouse's birth certificate and your marriage certificate. Please note that if you do not have a Canadian birth certificate you may use a photocopy of your Passport or Canadian Citizenship Card. A baptismal certificate is not sufficient.

Proper Identification on Forms

When sending forms in to our office, it is very important that we are able to clearly identify who the form is in reference to. In a majority of instances, the member or retiree sends the form in themselves. Sometimes we receive forms from spouses & beneficiaries, lawyers, accountants, etc. and it is not clear to us who the form is

for. For example, we often receive changes of address forms or banking changes from a spouse or child of a deceased member. When remitting correspondence, forms, or personal data changes, please identify yourself with the following information:

If you are a pension plan member please provide:

- Full name & address with postal code
- Date of birth
- Phone and e-mail address (if you have one)

If you are the spouse, child or beneficiary of a deceased member please provide:

- Your full name & address with postal code
- Your date of birth
- Your phone # and e-mail address (if you have one)
- Deceased Member's full name & date of birth