

Legal Interpretation of this Document

The foregoing is premised on the rules and criteria which currently exist under the Public Service Superannuation Plan and which are subject to amendment from time to time. The information presented in this document attempts to explain, in plain language, Public Service Superannuation Plan pension coverage under the Public Service Superannuation Act. Plan members, beneficiaries and others who wish to determine their legal rights and obligations should refer to the governing legislation, regulations or other legal documents as appropriate. In the event of a discrepancy between this document and the legislation and/or legal documents previously mentioned, the latter shall prevail.

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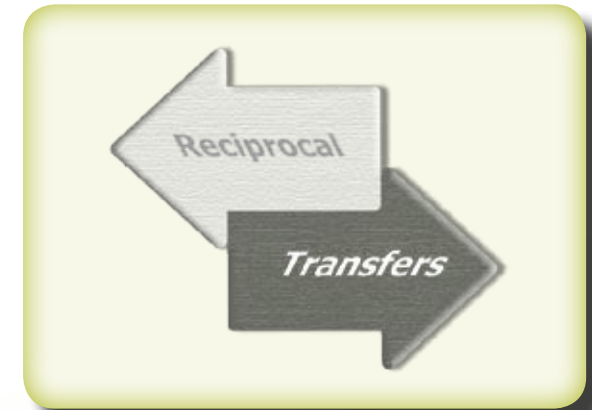
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Reciprocal Transfer Agreements & Process

Nova Scotia Public Service Superannuation Plan



Reciprocal Transfer Agreements under the Public Service Superannuation Plan

The purpose of reciprocal transfer agreements is to provide portability of pension benefits between pension authorities. The Public Service Superannuation Plan has the following reciprocal transfer agreements:

- Federal Agreement
- National Public Service Pension Transfer Agreement
- Public Authorities (Defined Benefit Plans) Agreement
- Public Authorities (Defined Contribution Plans) Agreement
- Nova Scotia/Dalhousie University Agreement
- Nova Scotia/Cape Breton University Agreement
- Child Welfare Agreement
- Public Service Superannuation /Nova Scotia Teachers' Agreement.

Details on the actual pension authorities and signatories to these agreements as well as forms used in the processing of a transfer are located on the Nova Scotia Pension Agency website at www.novascotiapension.ca.

Steps in the Process

1. Each agreement has a qualifying period, however in order to be eligible the employee must terminate employment from the exporting plan and be enrolled in the importing plan. The employee must contact the importing plan to initiate their transfer. The Importing plan issues an Appendix A Form for the Plan member to sign. This form provides authorization for the exporting plan to release information to the importing plan.
2. The importing plan mails the Appendix A to the exporting plan within 60 days of receipt from the member (or 3 months for Federal Agreement).

3. Exporting plan completes "exporting plan" section of Appendix B-Transfer Estimate Form and returns it to importing plan within 60 days (or 3 months for Federal Agreement). This section details the benefits available from the exporting plan. The transfer value from the exporting plan will not be less than the value of the member's termination benefits.
4. The exporting plan also completes and forwards an Appendix C Form to the importing plan. This form provides a history of pension adjustments reported by the exporting plan.
5. The Importing plan completes the relevant area of Appendix B. This section details the cost or funds required by the importing plan to recognize the member's service with the exporting plan. The transfer estimate is then sent to the member within 60 days (or 3 months for Federal Agreement).
6. The member has 60 days to make a decision regarding transferring, based on the transfer estimate (or 3 months for Federal Agreement).
7. Upon receipt of the member's election regarding the transfer, the importing plan informs the exporting plan within 60 days of receipt of the election (or 3 months for Federal Agreement).
8. If the member elects to make the transfer, the exporting plan transfers the funds on behalf of the member within 60 days (or 3 months for Federal Agreement).
9. Importing plan confirms transfer to the member. If the amount available from the exporting plan is not sufficient to meet the demand of the importing plan, a statement of cost to purchase the transfer deficiency is prepared. The statement is valid for (2) months, after which a new costing is prepared.

Payment of the deficiency may be made by cash payment, in which case a past service pension adjustment (PSPA) may be required, or transfer from a registered source (RRSP).

10. A surplus is treated in accordance with the provision of the exporting plan.
11. Once transfer is completed, the importing plan advises the exporting plan of the total pension adjustment transfer value. There may be a requirement to prepare either a (PSPA) past service pension adjustment required or a (PAR) pension adjustment reversal.

Calculation Method

Reciprocal Transfers are prepared based on the actuarial value of the pension benefits being transferred. A plan's actuarial assumptions will have an impact on the actuarial value of a pension benefit. The importing and exporting plan calculate the value of the pension benefit based on the individual plan assumptions.

There may be significant differences in individual pension plan's provisions; therefore an estimate of transfer value is prepared before the member finally elects to transfer.

Variables may be as follows:

- plan provisions in terms of earliest unreduced retirement dates;
- integration formula;
- survivor benefits;
- indexing of benefits.

Each of the following personal factors also influence the value of a pension benefit compared to the value of the pension benefit that might be payable from another plan:

- the member's salary at the date of transfer estimate;
- the member's service credit;
- the member's date of birth;
- the member's gender (in some plans).

Note: All marriage breakdown (benefit splits) must be finalized with the exporting plan before the member may transfer to the importing plan. The former spouse will not be able to transfer their pension entitlement to the importing plan.