

2023-2024

NS Pension Annual Report



pension

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www.novascotiapension.ca

About Us

Nova Scotia Pension Services Corporation (NS Pension) administers the pension benefits and investment assets of the Public Service Superannuation Plan (PSSP) and the Teachers' Pension Plan (TPP), and administers the pension benefits of the Members' Retiring Allowances and the three former Sydney Steel pension plans.

We are a non-profit corporation that provides a wide range of investment, pension administration, and compliance services for two of Nova Scotia's leading pension plans. In total, we manage \$13.7 billion in plan assets and serve over 79,600 active members, retirees, and survivors.*

NS Pension is jointly owned by Public Service Superannuation Plan Trustee Inc. (PSSPTI) and Teachers' Pension Plan Trustee Inc. (TPPTI).

We are accountable to our Board of Directors (Board), which consists of directors appointed by both PSSPTI and TPPTI. The Board ensures we maintain strong controls, use effective risk management practices, provide transparent reporting, and offer prudent management of pension plan expenses.

** Based on data as at March 31, 2024 for the Public Service Superannuation Plan and as at December 31, 2023 for the Teachers' Pension Plan.*



Public Service Superannuation Plan
www.nspssp.ca



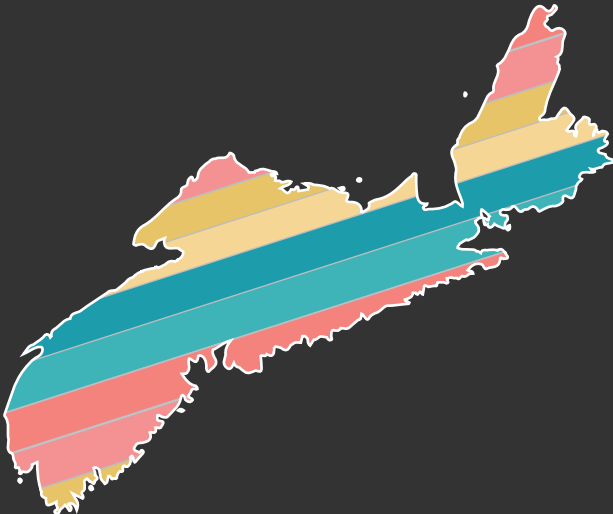
Teachers' Pension Plan
www.nstpp.ca



Former Sydney Steel pension plans (SYSCO)
www.sysco.novascotiapension.ca



Members' Retiring Allowances (MLA Plan)
www.mlapp.novascotiapension.ca



We serve over
79,600 plan members

We manage
\$13.7 billion in plan assets

Who we serve

We support over 79,600 members of the PSSP, the TPP, the Members' Retiring Allowances and the three former Sydney Steel pension plans.

Plan membership breakdown



Public Service Superannuation Plan

43,722

PSSP members*



Teachers' Pension Plan

34,799

TPP members**



Former Sydney Steel pension plans (SYSCO)

876

SYSCO members*



Members' Retiring Allowances (MLA Plan)

205

MLA members*

* as at March 31, 2024
** as at December 31, 2023



For the record...

(for the fiscal year ended March 31, 2024)



We assisted 1,213 members entering retirement.



We received 20,289 phone call inquiries.



92% of phone calls were answered in less than 20 seconds.



We presented at 29 online pre-retirement seminars. These seminars are designed to provide plan members with a better understanding of their pension plan and assist them with making informed retirement decisions.



Employer Services received and processed contributions from 56 employers from the PSSP and the TPP.



We conducted an average of 19.9 hours of training for each NS Pension employee, with 100% of employees completing some form of training.



We celebrated 6 long service employees with a combined total of 80 years of service.



We have created 41 new high-value local positions since our establishment in April 2013. These high-value positions include roles in client services (bilingual), employer services, information management and technology, corporate accounting, investment management, investment operations, and communications.

Co-chairs' Message



John Rogers, KC, ICD.
Co-chair



Keiren Tompkins
Co-chair

On behalf of the Board of Nova Scotia Pension Services Corporation (NS Pension), we are pleased to provide you with our Annual Report for the fiscal year ending March 31, 2024.

NS Pension continued to successfully manage the investment strategies of the Public Service Superannuation Plan (PSSP) and the Teachers' Pension Plan (TPP). Combined assets under management at NS Pension's fiscal year-end of March 31, 2024 were approximately \$13.7 billion, a year-over-year increase of about \$670 million.

Plan Performance

The PSSP achieved a net return of 7.93 per cent for its 2023-2024 fiscal year. This performance surpassed the actuarial assumed rate of return of 5.75 per cent but was below the Plan's 9.96 per cent benchmark, primarily due to higher inflation-linked benchmarks for real assets. The PSSP's diversified asset mix proved its worth, however, with the Plan placing in the top quartile of its Canadian peer group for percentage absolute returns for the combined calendar years of 2023 and 2024. As of March 31, 2024, the PSSP was 103.8 per cent funded, up from the previous year, with a surplus of \$287 million.

The TPP's funded status increased to 78.1 per cent at the end of its fiscal year, December 31, 2023, compared to 75.1 per cent at the end of the prior fiscal year. This increase was attributable to asset gains combined with a drop in liabilities due to a modest increase in the Plan's discount rate. The TPP achieved a net return of 7.38 per cent, below the 10.14 per cent benchmark for the Plan for the year but well above the actuarial assumed rate of return of 5.80 per cent. As with the PSSP, the TPP's overall benchmark for fiscal 2023 was a challenging one, primarily due to the higher inflation-linked benchmarks for the real asset components of the portfolio. But, also in line with the PSSP, the TPP demonstrated strong absolute performance for the combined calendar years of 2023 and 2024, having near top quartile placement among its Canadian peers due to the Plan's diversified asset mix.

Plan Membership

Membership for both the PSSP and the TPP increased. As of December 31, 2023, the TPP had 34,799 members, an increase of 565 from the previous year. The PSSP had 43,722 members as of March 31, 2024, an increase of 1,254 from the previous year. The ratios of active members to pensioners improved for both plans over the course of their respective fiscal years. This continued a modest but encouraging trend that has emerged in the past several years.

Efforts to grow the PSSP membership were bolstered by the introduction of the *Private Sector Pension Plan Transfer Act*. This legislation allows private sector pension plans to transfer into the PSSP, broadening the scope of potential participation and enhancing the Plan's financial stability.

Co-chairs' Message continued...

Strategic Initiatives

Throughout the year, we undertook strategic initiatives focused on enhancing member services and ensuring the long-term sustainability of our plans. This included supporting the PSSP trustee in implementing amendments aimed at modernizing the PSSP, following a comprehensive review conducted in 2022. Additionally, we implemented a new internet-based phone system to improve member services. In November of 2023, the trustee board members for the PSSP and the TPP, along with some members of the Teachers' Pension Board, participated in a joint education day, promoting collaborative learning and strategic alignment.

NS Pension remains dedicated to enhancing the engagement of our employees and doing everything we can to provide a safe, respectful, and positive work environment. We conducted our biennial employee engagement survey in June of 2023 and achieved our highest ever overall satisfaction score. We then collaborated with our external consultant to develop thorough debriefings from the survey results and an action plan to continue striving for incremental improvements in response to what we learned from the employee input. Over the fiscal year, we also introduced supportive in-house programs and continued to encourage the ongoing training, education, and development of our employees.

Governance and Compliance

Maintaining the highest standards of governance and regulatory compliance remains at the core of our operations. We undertook comprehensive reviews of our policies and procedures to ensure they align with best practices and regulatory requirements. The NS Pension Board also focused on strengthening internal controls and risk management processes to safeguard the interests of all plan members. There was, and continues to be, a particular emphasis on cybersecurity, and this area remains a top priority for both NS Pension staff and the Board.

Acknowledgments

The Board appreciates the hard work of NS Pension staff in maintaining a high level of service for plan members, preserving and enhancing plan assets, and assisting the trustees in doing all they can to strengthen and improve their respective plans.

Finally, our appreciation goes out to the trustee boards of the PSSP and the TPP for the continuing confidence they have in NS Pension's staff and Board.



- John Rogers, Co-chair
TPPTI Representative



- Keiren Tompkins, Co-chair
PSSPTI Representative

NS Pension Board of Directors

(as at March 31, 2024)

The Board of NS Pension oversees the overall operation and management of the Corporation. The Board sets the strategic direction of NS Pension, approves our operational budget, and makes key decisions.

The Board consists of four members appointed by PSSPTI and four members appointed by TPPTI. One director from PSSPTI is nominated by the Nova Scotia Government and General Employees Union (NSGEU), and one director from TPPTI is nominated by the Nova Scotia Teachers Union (NSTU). The Board is chaired by two directors acting as Co-chairs who alternate every six months.



John Rogers
Co-chair
Retiree
TPPTI Representative
Appointed: 2021



Keiren Tompkins
Co-chair
Retiree
PSSPTI Representative
Appointed: 2013



Sara Halliday
Associate Deputy Minister
Department of Education and
Early Childhood Development
TPPTI Representative
Appointed: 2023



Corinne Carey
Pensions and Benefits Officer
NSGEU
PSSPTI Representative
Appointed: 2022



Kyle Marryatt
Staff Officer, Member
Services, NSTU
TPPTI Representative
Appointed: 2018



Leo McKenna
Retiree
PSSPTI Representative
Appointed: 2019



Dionne Reid
Teacher
TPPTI Representative
Appointed: 2023



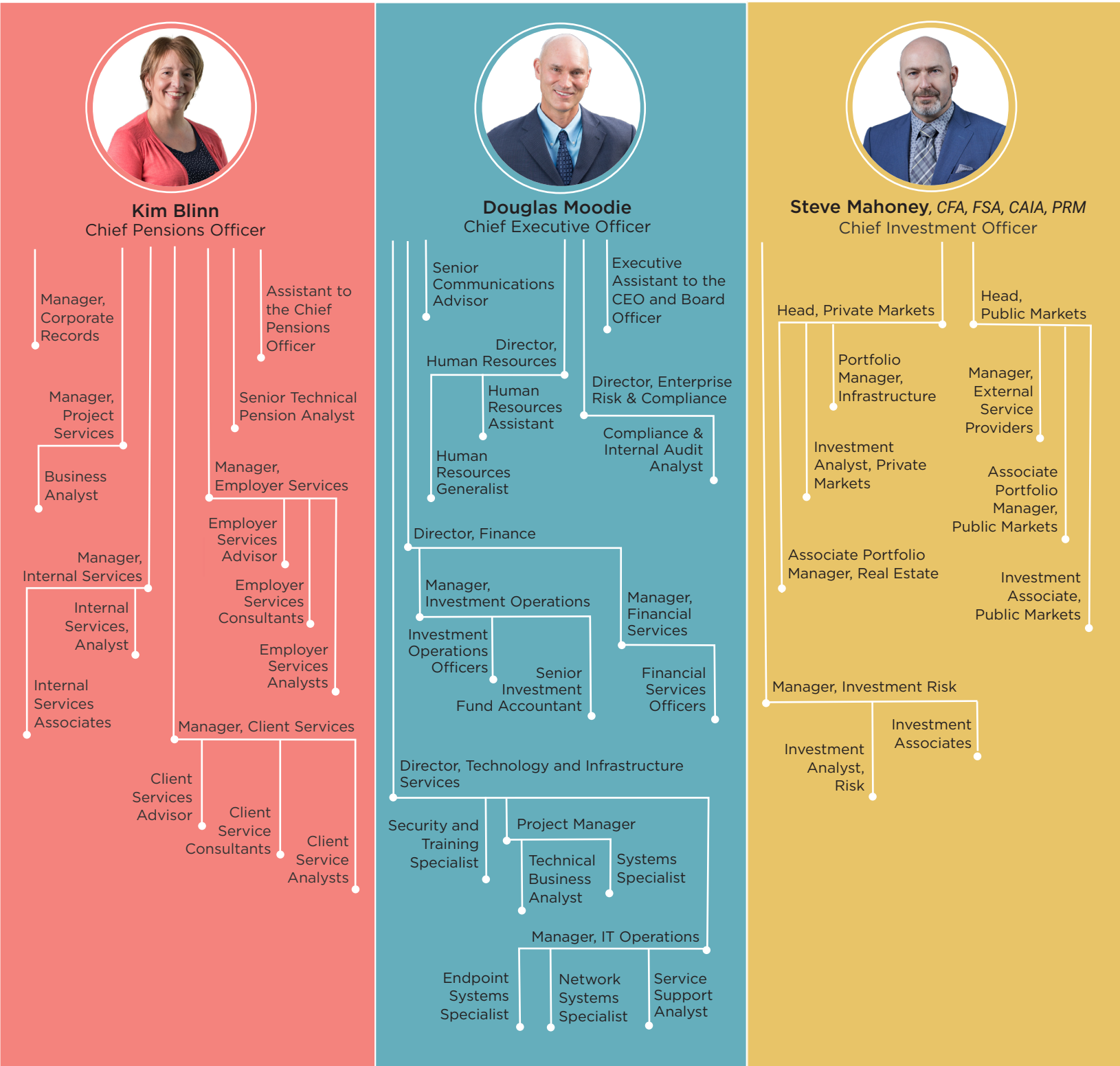
Claire Norman
Benefits Manager
Public Service Commission
PSSPTI Representative
Appointed: 2023

For more information about the NS Pension Board, please visit our website at
www.novascotiapension.ca/about

Our NS Pension Team *(as at July 2024)*

Our dedicated team of over 76 staff members is here to manage our plans' investments and provide high-quality pension administration services to all our plan members. We work closely with the Board of Directors to achieve our key strategic objectives and ensure we meet the service and investment targets set by our plan Trustees. We are committed to operating within the approved policies and budgets to serve our plan members fairly.

Our team is structured according to the following functions: Pension Services, Corporate Services, and Investment Services.



Connecting with our Members Online

Through our My Retirement Plan (MRP) website active plan members have secure access to their personalized pension information online. The MRP website allows active members to:

- View their Annual Member Statement;
- Use the Pension Projection Tool; and
- View other helpful retirement planning information

Active plan members can access the MRP website at the following address:

<https://nspensions.hroffice.com>

My Retirement Plan website statistics *(as at December 31, 2023)*



34,487

Total Account Holders

- PSSP member profiles = 20,479
- TPP member profiles = 13,956
- MLA member profiles = 52



31,960

Total Member Logins

- An increase of 3,374 logins from the previous year.



1,337

Total Average users per month

- An increase of 162 users from the previous year.



The Pension Projection tool was used **27,635** times.

- PSSP members = 20,907
- TPP members = 6,721
- MLA members = 7



The Annual Statement tool was used **14,867** times.

- PSSP members = 10,987
- TPP members = 3,864
- MLA members = 16



The Pension Profile was used **6,099** times.

- PSSP members = 4,571
- TPP members = 1,525
- MLA members = 3

Community Involvement

Giving Back

Through the dedication and hard work of NS Pension staff, we have regularly given back to our community.

In 2023-2024, our staff fundraising efforts continued throughout the year and supported local organizations such as:

- Sock it to Poverty
- Dartmouth Seniors Centre
- Beacon House (their shelter)
- Hillside Park Elementary School - Sackville
- Wounded Warrior Canada
- Shelter NS
- NS Wildfire donation to Red Cross

We also continued to contribute to Feed NS through employee donations.

We are very proud of the spirit of caring and sharing continually shown by the staff of NS Pension.



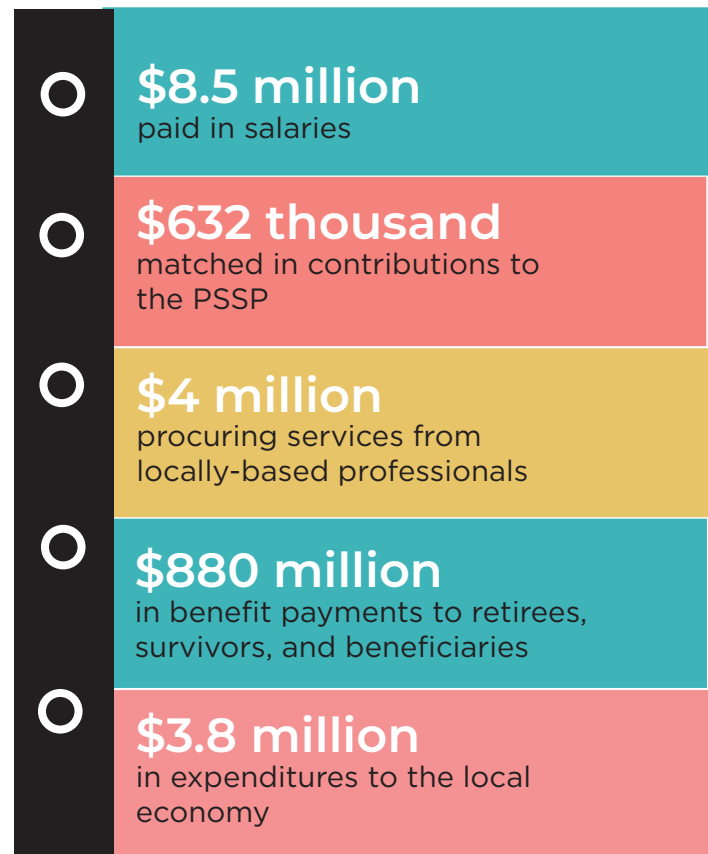
Supporting Local

We paid \$8.5 million in salaries to our employees and matched their contributions of \$632 thousand to the PSSP.

We spent over \$4 million procuring services from locally-based professional service firms, technology providers, and other local companies.

Our plans paid almost \$880 million in pension benefits to plan retirees, survivors, and beneficiaries, thus making a significant monetary injection into the Nova Scotia economy.

PSSPTI and TPPTI contributed to the local economy with expenditures of approximately \$3.8 million, including \$2.8 million of investment management fees paid to local managers.



Our Strategic Plan 2022-2025

Our Vision

To strengthen the retirement future of Nova Scotians



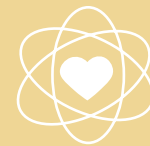
Our Mission

To provide outstanding pension services



Our Values

- **Commitment:** to provide the highest quality service
- **Trust:** to act with integrity and to make sound decisions
- **Respect:** to show consideration to our members and our colleagues
- **Expertise:** to build and retain a diverse and talented team
- **Collaboration:** to build mutually beneficial relationships



Our Key Strategic Objectives



Client Service: anticipate and respond to the changing retirement landscape

- Provide comprehensive, expert support to our clients
- Broaden education and promote retirement planning
- Adapt investment strategies to meet shifting challenges



Operational Excellence: create efficiencies and manage risk

- Continually improve the way we do business
- Foster a risk-aware and risk-responsible culture



Value Leadership: champion solutions that enhance sustainability

- Leverage existing relationships and seek beneficial new ones
- Always strive for meaningful results that have practical utility
- Seek value in everything we do without sacrificing quality



People: have the right people in the right jobs at the right time

- Provide a desirable place to work
- Forecast future resource needs
- Enable and develop our people
- Ensure roles remain relevant and impactful

Our Annual Scorecard measures our progress on Operational Excellence and People (page 16). The area of Client Service is measured by each of PSSPTI and TPPTI (page 17). The area of Value Leadership is assessed specifically and separately by the Board of NS Pension.



Client Service

- **continue to offer a variety of client service delivery options** (scheduled in-person, unscheduled in-person, virtual) to serve the needs of plan members
- **continue to provide cost-efficient administration** for the Province's SYSCO pension plans, the pension benefits of Members of the Legislative Assembly, and the specialized pension arrangements for judges of the Provincial Court and deputy ministers
- **continue the development of a diverse suite of educational materials** (including online videos) focused on active members at different career stages, as well as retired members; modify materials to reflect PSSP rule changes resulting from the 2022 PSSP Review and Recommendations
- **organize a November 2023 Joint Education Day for board members** of Public Service Superannuation Plan Trustee Inc., Teachers' Pension Plan Trustee Inc., and the Teachers' Pension Board
- **continue to support and advise PSSPTI in its membership growth initiatives**, with particular focus in 2023-2024 on admission into the PSSP of private-sector employers
- **implement all PSSP rule changes resulting from the 2022 PSSP Review & Recommendations**, including: communications to members via newsletters, websites, and social media; ongoing staff training; proactively support employers to commence requisite process and payroll system revisions; developed key system requirements and worked with system providers
- **continue to support and advise the Teachers' Pension Board** with particular emphasis on assisting in analyzing and implementing recommendations arising from the report of the independent TPP Review Panel
- **continue to support and advise TPPTI and PSSPTI in their work to improve the funded health of, respectively, the TPP and the PSSP**, including: monitoring interest rate levels and the shapes of yield curves and analyzing investment structures to look beyond the current inflation mitigation measures being pursued by central banks; working to raise capital from the private assets books, where possible, to be ready to invest in new opportunities as they arise, all while maintaining adequate liquidity levels given the significant negative cash outflows inherent in both plans;
- **continue working to assess and position all asset classes within both plans** to optimize risk-adjusted returns over next 5- and 10-year cycles
- **meet or exceed investment target rates of return**, within acceptable risk tolerances, for both the TPP and the PSSP, for their respective current fiscal years
- **enhance the long-term focus of the TPP and the PSSP** by continuing to build their sustainable investment programs, including: by developing NS Pension's investment risk and research team to take on additional work relating to ESG analysis and improving sustainable investment reporting to better monitor TPP and PSSP portfolio characteristics in the context of shifting industry approaches to ESG; explore efficiencies within the plan investments by way of pooling or trust structures for certain asset classes



Client Service continued...

- **explore further internalization of particular asset classes** whereby economies of scale can be recognized
- **further enhance private asset programs with direct fund allocations** in private equity and direct assets in infrastructure to leverage market relationships
- **explore relationships that offer opportunities to participate in direct and club investment programs** to enhance the portfolios
- **explore innovative vehicles for maximizing returns on 'cash' holdings**, including portable alpha and other cash optimization strategies, and leverage usage options and methods and appropriate risk monitoring with a focus on liquidity management and expectations
- **continue performing currency hedging operations internally for both plans**, without additional resourcing, thus providing an efficient and cost-effective service for the plans



Operational Excellence

- **continue to progress Technology and Infrastructure Services department service projects**, including: refreshing board member equipment; reviewing and enhancing the security of staff and visitors by completing the full securing of office perimeter, installing a video monitoring system, and implementing an emergency notification system; enhancing computer security incident management practices; replacing IT Helpdesk management system software; implementing new telephone technology to provide improved tracking of in-place productivity, improve quality of calls, and enhance the capability for remote work; reviewing system backup and recovery strategy
- **continue our Enterprise Risk Management Program** by integrating, to the extent feasible, quantitative metrics into risk analysis
- **complete a full review and update of our Compliance & Internal Audit Manual** to capture any new testing processes and any risk-adjusted testing changes due to trends in audit findings from the previous 24 months
- **review the key roles in the Pensions division to adapt to evolving requirements and refined corporate priorities**
- **complete the review of positions in the Technology and Infrastructure Services department** commenced in fiscal 2022-2023 and finalize structuring changes and role enhancements



Value Leadership

- **continue to progress the records management (RM) project**, including: ongoing work to inventory hardcopy records and destroy redundant records as required in preparation for the imaging phase of the RM project; proceeding with imaging work and the construction of our new Electronic Document & Records Management System (EDRMS) throughout fiscal 2023-2024
- **implement a revised base salary and STIP structure for non-bargaining unit employees** effective April 1, 2023, including an amended Short-term Incentive Plan Guidelines document and the introduction of adjusted calibrations for STIP calculations
- **review our compensation for bargaining unit (BU) employees**



People

- **continue to assess flexible work arrangements for employees** (including Flexible Work Guidelines, work-from-home hours, and the Weather Event Policy), thereby achieving a balance between necessary in-person, in-office work and evolving employee benefits in the market
- **continue to follow up on the results of the 2021 Employee Engagement Survey**, including circulating a response plan to provide regular updates on the progression of six identified themes
- **conduct the 2023 Employee Engagement Survey** and then follow that with senior management and staff debriefings with the external survey consultant, report to the Corporate Board on the survey results, and develop a new response plan to address any themes identified
- **continue efforts to enhance communications within NS Pension**, including regular CEO briefings
- **enhance our employer brand** and our profile in the business community by joining the Halifax Chamber of Commerce and pursuing various networking opportunities
- **update our recruitment practices to attract top talent and create a positive candidate experience**
- **continue to support employee professional development** with an ongoing focus on retaining our valued employees.
- **continue to promote a congenial and collaborative work environment**, enhancing the overall physical and mental well-being of our employees
- **provide supportive in-house programs**, including those in the areas of conflict resolution, respectful workplace, and diversity/equity/inclusion
- **implement an enhanced performance management process** to help streamline and add more consistency to performance management efforts across the Corporation
- **continue to prioritize succession planning efforts**, including: scheduled bi-annual succession planning meetings; supporting skills development opportunities, including individualized development plans
- **plan for the retirement of the Human Resources Director**, including preparing and running a position competition, attending to hiring details regarding the new Human Resources Director, and dealing with all requisite transitional matters
- **senior leaders of the Investment Division continue to work with the CIO to identify future leadership candidates and prepare succession plans with a focus on advancing appropriate training and development**
- **continue to hone succession planning within the Pensions Division**, with as many as a half-dozen retirements anticipated in fiscal 2023-2024 and 2024-2025
- **introduce the 'Learning the Biz' information sessions** for staff to explain team/department functions and roles across our business

NS Pension Scorecard

As of March 31, 2024

The Board of Directors is responsible for approving our strategic goals, and monitoring our progress and performance in achieving them. Our Strategic Plan encompasses four strategic goals: Client Service, Operational Excellence, Value Leadership, and People.

The Board uses this Scorecard to measure and assess our progress and performance on Operational Excellence and People. Value Leadership is assessed specifically and separately by the Board. The remaining goal, Client Service, is measured separately as part of the Trustees' Scorecards (see page 17).

Below is a summary of our Annual Scorecard for the fiscal year 2023-2024:

Goals

Operational Excellence: Create efficiencies and manage risk

Score



People: Have the right people in the right jobs at the right time

Score



MEASUREMENT SCALE:

1 - Did Not Achieve 2 - Partially Achieved 3 - Achieved 4 - Exceeds 5 - Exceptional

Our Performance

NS Pension is retained by PSSPTI and TPPTI to provide pension administration and investment management services for their respective plans. These services are fully described in detailed service agreements between each of the Trustees and NS Pension.

In addition to the identified objective metrics supporting the NS Pension Scorecard (see page 18), similar Trustee Scorecards are constructed for metrics specific to the Trustees. Those Scorecards are available on the plan websites and are also provided below.

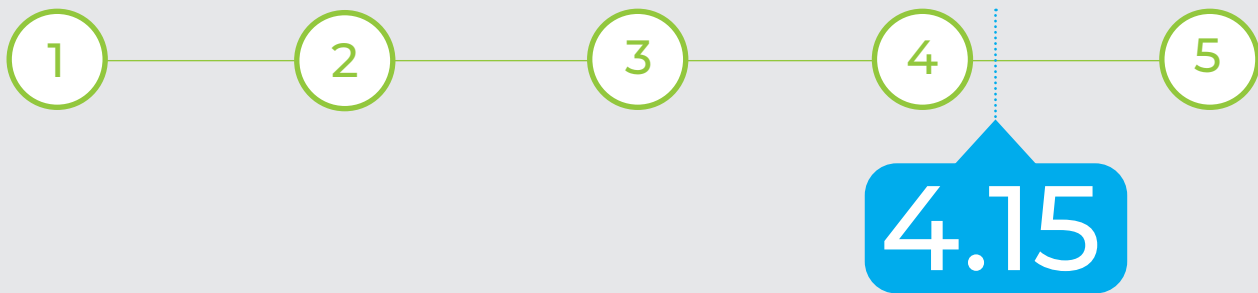
PSSPTI Annual Scorecard of NS Pension *As of March 31, 2024*

Below is a summary of the PSSPTI Scorecard of NS Pension for the PSSP fiscal year 2023-2024:

Goal

Client Service: Anticipate and respond to the changing retirement landscape

Score



You can view PSSPTI's Annual Scorecard of NS Pension online at: www.nspssp.ca

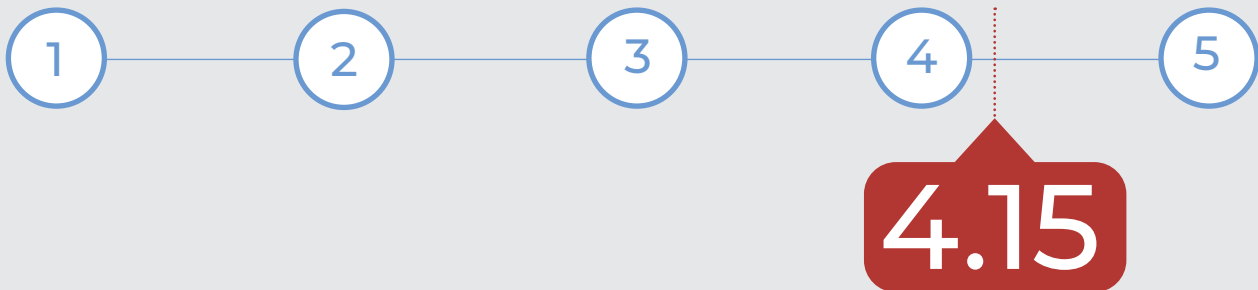
TPPTI Annual Scorecard of NS Pension *As of December 31, 2023*

Below is a summary of the TPPTI Scorecard of NS Pension for the TPP fiscal year 2023:

Goal

Client Service: Anticipate and respond to the changing retirement landscape

Score

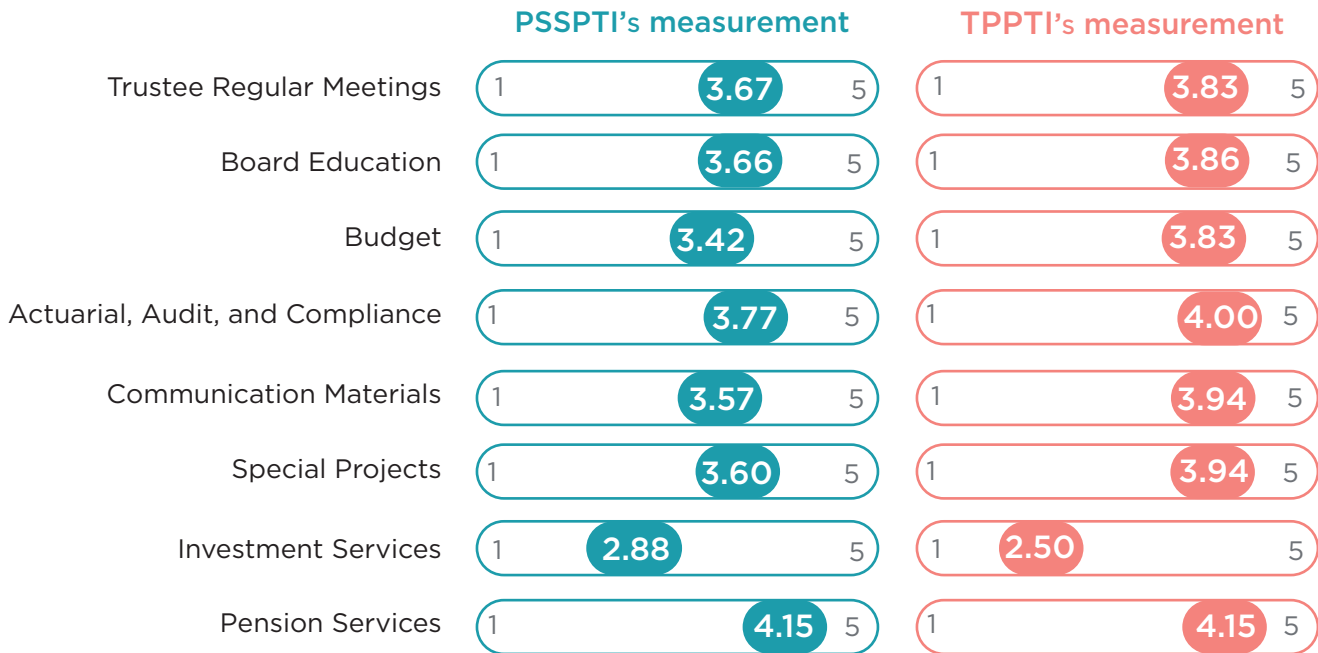


You can view TPPTI's Annual Scorecard of NS Pension online at: www.nstpp.ca

Our Performance continued...

Each of the plan Trustees and the NS Pension Board also completed year-end subjective assessments of NS Pension performance in various categories.

The plan Trustee Boards' measurement of NS Pension:



The NS Pension Board's measurement of NS Pension:



MEASUREMENT SCALE:

1 - Did Not Achieve 2 - Partially Achieved 3 - Achieved 4 - Exceeds 5 - Exceptional

Financial Summary

NS Pension operates on a cost-recovery basis. Expenses are allocated and charged to its Trustee clients based on the Corporate budget and allocation percentages approved by the Boards of the Trustees and the NS Pension Board. The Province is charged a fee for services provided to the Members' Retiring Allowances Plan, Members' Supplementary Retiring Allowances Plan and the former Sydney Steel pension plans.

For the fiscal year ended March 31, 2024, NS Pension had total operating expenses of \$15.5 million, an increase of \$1.8 million over the previous year. Total salaries and benefits increased by \$1.1 million over the year which included an increase in staff, an economic adjustment of 3.50% for the bargaining unit and various increases for others. Professional fees increased by \$412 thousand mainly due to the implementation of an electronic document and records management system. Office and administration costs increased by \$237 thousand mainly due to pension system modifications.

For the year ended March 31, 2024, NS Pension's total expenses were within the budgeted targets set by the Boards of the Trustees and the NS Pension Board.

Compliance and Internal Audit

NS Pension uses a systematic and detailed approach to evaluating, measuring, and monitoring NS Pension's compliance to applicable legislation, regulation, and internal policies and procedures. Compliance and internal audit reporting is provided quarterly by the Director, Enterprise Risk & Compliance to the NS Pension Board. The Director, Enterprise Risk & Compliance confirmed that, as at March 31, 2024, they were not aware of any material noncompliance in respect of legislative, regulatory or internal policy or procedural requirements under the scope of the NS Pension Compliance & Internal Audit program.

Enterprise Risk Management

NS Pension uses international risk management standards and materials as a guideline to assist NS Pension and the NS Pension Board with integrating risk management into governance and decision-making activities. The goal of the Enterprise Risk Management program is to create and continue to improve the value of NS Pension by looking to achieve the organization's risk objectives. Enterprise risk management reporting is provided quarterly by the Director, Enterprise Risk & Compliance to the NS Pension Board.

Governance

NS Pension is a statutory corporation under the *Nova Scotia Pension Services Corporation Act*.

We are committed to the highest ethical standards. We do this by conducting our business with maximum integrity and by achieving full compliance with all applicable laws, rules, and regulations.

In line with this commitment, we have a Whistleblower Policy that provides an avenue for employees to raise concerns they may have and be assured that they will be protected from reprisal for raising any such concern in good faith.

NS Pension also has a Code of Business Ethics and Conduct, a Fair Hiring Policy, and a Respectful Workplace Policy. The Respectful Workplace Policy formally enshrines our steadfast commitment to a healthy, safe and supportive workplace and to providing a work environment that values diversity where all persons are treated with respect and dignity. It is of the utmost importance for NS Pension that all of our employees are able to work in an environment that is free from harassment, sexual harassment and discrimination.

To that end, our Respectful Workplace Policy specifically seeks to:

- Promote awareness for employees and create understanding as to what is considered offensive behaviour,
- Support a work environment that is free from all forms of offensive behaviour, and
- Provide a mechanism to address offensive behaviour and eliminate it from the workplace

Industry-Related Initiatives

NS Pension staff participate directly in a number of industry-related organizations and initiatives, including:

- Association of Canadian Pension Management (ACPM)
- Association for Intelligent Information Management (AIIM)
- Association of Records Managers and Administrators (ARMA)
- Benefits Canada
- Canadian Leadership Congress (CLC)
- Canadian Pensions and Benefits Institute (CPBI)
- Canadian Public Pension Leadership Council (CPPLC)
- Chartered Financial Analysts Institute (CFA Institute)
- Conference Board of Canada
- Pension Investment Association of Canada (PIAC)
- Public Sector Pension National Forum (PSPNF)

NS Pension also supports the members of the PSSPTI and TPPTI Boards in their participation in various organizations, including the International Foundation of Employee Benefit Plans (IFEBC) and the Institute of Corporate Directors (ICD).

Executive Compensation

The goal of the compensation philosophy and framework is to attract, motivate, reward, and retain a high-performing team. The framework is designed to promote a pay-for-performance culture by focusing employee efforts on the achievement of the vision, mission, values, and critical business performance targets of NS Pension.

The compensation framework is designed to be fair and reasonable to stakeholders. Compensation is benchmarked to Canadian pension funds of similar size and complexity and to similar roles within Atlantic Canada.

Elements of the framework include base salary, short-term incentive plan (STIP), and benefits. The STIP component of total compensation is 'at-risk' and linked to the performance of corporate, division, and individual objectives. The weightings for each of the three objectives vary by position to reflect roles and job responsibilities.

The Board approved STIP awards totalling \$1.2 million for 30 employees based on performance in the fiscal year ended March 31, 2024. The STIP awards are significantly affected by the annual assessment of our performance by the plan Trustees and the NS Pension Board. Details of the assessments are summarized on pages 16-18.

The Communications and Disclosure Policy for the NS Pension Board requires that the compensation of the Chief Executive Officer, the Chief Investment Officer, and the Chief Pensions Officer be disclosed. These details are provided below:

| | Base Pay | Incentive Award | Total Compensation <i>(excluding benefits)</i> | |
|---|-----------|-----------------|---|----------------|
| | | | March 31, 2024 | March 31, 2023 |
| Douglas Moodie Chief Executive Officer | \$432,120 | \$195,774 | \$627,894 | \$559,915 |
| Steve Mahoney Chief Investment Officer | \$360,400 | \$179,993 | \$540,393 | \$451,571 |
| Kim Blinn Chief Pensions Officer | \$221,160 | \$89,370 | \$310,530 | \$271,546 |

Financial Statements of
Nova Scotia Pension Services Corporation
Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nova Scotia Pension Services Corporation

Opinion

We have audited the financial statements of Nova Scotia Pension Services Corporation (the Entity), which comprise:

- the balance sheet as at March 31, 2024
- the statement of earnings and retained earnings for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Halifax, Canada

June 26, 2024

Financial Statements

Balance Sheet

| Year ended March 31, 2024, with comparative information for 2023 | 2024 | 2023 |
|--|---------------------|--------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 1,326,636 | \$ 1,856,717 |
| Accounts receivable (note 2) | 3,602,544 | 2,142,316 |
| Prepaid expenses | 439,636 | 225,669 |
| | 5,368,816 | 4,224,702 |
| Fixed assets (note 3) | 2,083,318 | 2,346,071 |
| Intangible assets (note 3) | - | - |
| | \$ 7,452,134 | \$ 6,570,773 |
| Liabilities and shareholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 4) | \$ 3,626,435 | \$ 2,850,218 |
| | 3,626,435 | 2,850,218 |
| Lease inducement (note 7) | 792,585 | 892,701 |
| Future benefits liability (note 6) | 3,033,114 | 2,827,854 |
| | 3,825,699 | 3,720,555 |
| Shareholders' equity: | | |
| Common shares (note 9) | - | - |
| | - | - |
| Commitments (note 11) | | |
| | \$ 7,452,134 | \$ 6,570,773 |

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:



Kyle Marryatt, Director



Keiren Tompkins, Co-chair

Financial Statements

Statement of Earnings and Retained Earnings

| Year ended March 31, 2024, with comparative information for 2023 | 2024 | 2023 |
|--|-------------|-------------|
| Revenue (note 10) | 15,531,599 | 13,781,219 |
| Total increase in assets | 15,531,599 | 13,781,219 |
| Expenses: | | |
| Salaries and benefits | 10,255,156 | 9,162,174 |
| Office and administration | 2,698,747 | 2,284,571 |
| Professional services | 1,565,885 | 1,331,325 |
| Office lease | 660,339 | 645,698 |
| Amortization | 348,012 | 356,216 |
| Impairment loss on disposal of fixed assets | 2,337 | - |
| Interest | 1,123 | 1,235 |
| | 15,531,599 | 13,781,219 |
| Net earnings, being retained earnings, end of year | \$ - | \$ - |

Comparative information for 2023 has been reclassified to include a transfer of \$177,385 from Office and Administration to Professional Services.

The accompanying notes are an integral part of these financial statements.

Financial Statements

Statement of Cash Flows

| Year ended March 31, 2024, with comparative information for 2023 | 2024 | 2023 |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Net earnings | \$ - | \$ - |
| Items not involving cash: | | |
| Amortization | 348,012 | 356,216 |
| Impairment loss on disposal of fixed assets | 2,337 | - |
| Lease inducement | (100,116) | (100,116) |
| Change in non-cash operating working capital: | | |
| (Increase) decrease in accounts receivable | (1,460,228) | 1,087,142 |
| (Increase) decrease in prepaid expenses | (213,967) | 109,817 |
| Increase in accounts payable and accrued liabilities | 776,217 | 178,275 |
| Increase in future benefits liability | 205,260 | 193,396 |
| Net cash provided by operating activities | (442,485) | 1,824,730 |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | (87,596) | (105,121) |
| Net cash used in investing activities | (87,596) | (105,121) |
| (Decrease) increase in cash | (530,081) | 1,719,609 |
| Cash, beginning of year | 1,856,717 | 137,108 |
| Cash, end of year | \$ 1,326,636 | \$ 1,856,717 |

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2024

Nova Scotia Pension Services Corporation (“NS Pension”) is a private enterprise, incorporated on April 1, 2013 under the laws of Nova Scotia under *Bill No. 17 (Financial Measures Act (2012))* dated April 12, 2012).

Under the *Nova Scotia Pension Services Corporation Act* (the “Act”), NS Pension was devolved from the Nova Scotia Pension Agency, a government agency of the Province of Nova Scotia. NS Pension has issued an equal number of shares to the Teachers’ Pension Plan Trustee Inc. and the Public Service Superannuation Plan Trustee Inc. All assets, liabilities, and obligations of the Nova Scotia Pension Agency as at March 31, 2013 were transferred to NS Pension on April 1, 2013.

The purpose of NS Pension is to provide pension administration and pension investment services for the Public Service Superannuation Plan and Teachers’ Pension Plan, Ancillary Plans of the Province of Nova Scotia (Sydney Steel Corporation Superannuation Fund, Members’ Retiring Allowances Plan and Members’ Supplementary Retiring Allowances Plan established under the *Members’ Retiring Allowances Act*, Deputy Ministers’ Supplemental Pension as set out in the *Public Service Act*, Judges’ Supplemental Pension as set out in the *Provincial Court Act*, and Supplemental Employee Retirement Plan pursuant to the *Public Service Superannuation Act* and the *Teachers’ Pension Plan Act*) and any other pension plan or arrangement that retains the services of NS Pension and is approved by the Board of Directors (“the clients”).

NS Pension operates on a cost recovery basis as provided for in the Act. NS Pension is a not-for-profit organization and, as such, is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

1.

Significant accounting policies

a. Basis of presentation

NS Pension’s financial statements are prepared in accordance with Part II – Accounting Standards for Private Enterprises of the CPA Canada Handbook.

b. Fixed assets

Fixed assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

| | | |
|------------------------|---------------|------------|
| Computer hardware | Straight-line | 2-5 years |
| Furniture | Straight-line | 5 years |
| Leasehold improvements | Straight-line | Lease term |

The carrying amount of an item of fixed assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset’s carrying amount is not recoverable and exceeds its fair value.

Significant accounting policies (continued)

c. Intangible assets

Intangible assets represent deferred development costs related to corporate, pension and investment systems. Development activities are recognized as an asset provided they meet the capitalization criteria, which include NS Pension's ability to demonstrate: technical feasibility of completing the intangible asset so that it will be available for use or sale; NS Pension's intention to complete the asset for use; NS Pension's ability to use the asset; the adequacy of NS Pension's resources to complete the development; NS Pension's ability to measure reliably the expenditures during the development; and NS Pension's ability to demonstrate that the asset will generate future economic benefits. Development expenditures that do not meet the capitalization criteria and expenditures for research activities are expensed as incurred. Intangible assets are measured at cost less accumulated amortization and are amortized on a straight-line basis over their useful lives of 5 years.

The amortization of project costs related to corporate, pension and investment systems commences upon completion of the systems. As the assets are amortized, an amount equal to the amortization will be charged back to the clients using those systems, offsetting loans from related entities.

The basis to account for internally generated intangible asset costs is the aggregation of all intangible costs that can be directly identified as being part of the production of the asset. These costs include the salary costs of specific employees based on their time spent while working on project-related tasks.

d. Employee future benefits

NS Pension has an obligation to provide future benefits to its employees in respect of post-retirement health benefits, public service awards and a supplemental employee retirement plan. The benefits are based on years of service and final average salary.

Post-retirement health benefits are available to all retirees whereas the public service award is only available to bargaining unit employees. The supplemental employee retirement plan benefits are based on years of service and salary level - being available only to employees above a defined salary. NS Pension accrues its obligations under the benefit plans as the employees render the services necessary to earn the benefits on an annual basis.

The obligation at the end of the year is determined based on the most recent actuarial valuation report prepared for accounting purposes. The measurement date of the obligation coincides with NS Pension's fiscal year-end. The date of the most recent actuarial valuation of the obligation prepared for accounting purposes is March 31, 2022, with extrapolation to March 31, 2024.

e. Revenue recognition

Revenue is recognized when services are provided and the customer assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Significant accounting policies (continued)

f. Expense allocation

The net operating costs, amortization and income are charged to clients based on the clients' usage rate of the services provided by NS Pension. Wherever practical, these costs are matched to the client based on their use of specific services.

g. Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. NS Pension has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, NS Pension determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount NS Pension expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

h. Related party transactions

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

i. Use of estimates

The preparation of NS Pension's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the assumptions used in measuring the future benefits liability. Actual results could differ from those estimates made.

2. Accounts receivable

The following amounts were due to the Corporation as at March 31, 2024:

| | 2024 | 2023 |
|------------------------------------|---------------------|---------------------|
| Public Service Superannuation Plan | \$ 1,788,331 | \$ 1,166,190 |
| Teachers' Pension Plan | 1,530,828 | 969,309 |
| Province of Nova Scotia | 281,750 | 6,076 |
| Other | 1,635 | 741 |
| | \$ 3,602,544 | \$ 2,142,316 |

3. Fixed and intangible assets

| 2024 | Cost | Accumulated amortization | Net book value |
|------------------------|---------------------|-----------------------------|---------------------|
| Fixed assets: | | | |
| Computer hardware | \$ 650,251 | \$ (412,292) | \$ 237,959 |
| Furniture | 512,507 | (229,174) | 283,333 |
| Leasehold Improvements | 1,972,961 | (410,935) | 1,562,026 |
| | 3,135,719 | (1,052,401) | 2,083,318 |
| Intangible assets: | | | |
| Systems | 6,236,511 | (6,236,511) | - |
| | 6,236,511 | (6,236,511) | - |
| Total | \$ 9,372,230 | \$ (7,288,912) | \$ 2,083,318 |

| 2023 | Cost | Accumulated amortization | Net book value |
|------------------------|---------------------|-----------------------------|---------------------|
| Fixed assets: | | | |
| Computer hardware | \$ 690,825 | \$ (417,867) | \$ 272,958 |
| Furniture | 507,658 | (132,856) | 374,802 |
| Leasehold Improvements | 1,903,889 | (205,578) | 1,698,311 |
| | 3,102,372 | (756,301) | 2,346,071 |
| Intangible assets: | | | |
| Systems | 6,236,511 | (6,236,511) | - |
| | 6,236,511 | (6,236,511) | - |
| Total | \$ 9,338,883 | \$ (6,992,812) | \$ 2,346,071 |

4. Accounts payable and accrued liabilities

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 3,264,244 | \$ 2,594,046 |
| Harmonized sales tax payable | 362,191 | 256,172 |
| | \$ 3,626,435 | \$ 2,850,218 |

5. Related party transactions

a. Public Service Superannuation Plan Trustee Inc. as trustee of Public Service Superannuation Plan

NS Pension entered into an agreement with the Public Service Superannuation Plan Trustee Inc. on April 1, 2013, to provide pension and investment services to the Public Service Superannuation Plan. The amount charged to the Public Service Superannuation Plan for the year ended March 31, 2024, was \$8,387,268 (2023 - \$7,326,235) (note 10). As at March 31, 2024, NS Pension has a receivable of \$1,788,331 (2023 - \$1,166,190) from the Public Service Superannuation Plan for services provided (note 2).

Employees of NS Pension are members of the Public Service Superannuation Plan. During the year, NS Pension made contributions of \$632,371 (2023 - \$590,913) to the plan (note 8).

b. Teachers' Pension Plan Trustee Inc. as trustee of Teachers' Pension Plan

NS Pension entered into an agreement with the Teachers' Pension Plan Trustee Inc. on April 1, 2013, to provide pension and investment services to the Teachers' Pension Plan. The amount charged to the Teachers' Pension Plan for the year ended March 31, 2024, was \$6,895,251 (2023 - \$6,262,472) (note 10). As at March 31, 2024, NS Pension has a receivable of \$1,530,828 (2023 - \$969,309) from the Teachers' Pension Plan for services provided (note 2).

c. Premises

NS Pension bases its operations in Purdy's Wharf, Tower II. The building is partially owned by both TPP Investments I Inc., a related subsidiary of the Teachers' Pension Plan, and PSS Investments I Inc., a related subsidiary of the Public Service Superannuation Plan. Employees of NS Pension serve as directors of both TPP Investments I Inc. and PSS Investments I Inc. The lease amount paid to the landlord for the year was \$660,339 (2023 - \$645,698).

Related party transactions (continued)

d. Province of Nova Scotia

During the year, the Province of Nova Scotia provided services to NS Pension and its clients. The significant related party purchases from the Province of Nova Scotia were as follows:

| | 2024 | 2023 |
|------------------|-------------------|-------------------|
| Payroll services | \$ 225,000 | \$ 225,000 |
| Other | 6,282 | 4,123 |
| | \$ 231,282 | \$ 229,123 |

The amount due to the Province of Nova Scotia as at March 31, 2024 for services provided to NS Pension was \$227,771 (2023 - \$236,325).

The Province of Nova Scotia, NS Pension's payroll service provider, pays amounts to NS Pension's staff and retirees, and recovers the gross payroll, premiums for post-retirement benefits in-pay, and supplementary retirement benefits in-pay from NS Pension. The amount due to the Province of Nova Scotia as at March 31, 2024 for recovery was \$715,752 (2023 - \$631,022).

During the year, NS Pension provided pension administration services to the Province of Nova Scotia and its Ancillary Plans. The significant related party purchases by the Province of Nova Scotia were as follows:

| Services provided to the Province of Nova Scotia: | 2024 | 2023 |
|---|-------------------|-------------------|
| Members' Retiring Allowances Act Plans | \$ 120,000 | \$ 104,000 |
| Sydney Steel Corporation Superannuation Fund | 95,000 | 83,300 |
| Other Ancillary Plans and services | 31,518 | 5,212 |
| | \$ 246,518 | \$ 192,512 |

The amount due to NS Pension for services provided to the Province of Nova Scotia as at March 31, 2024 was \$281,750 (2023 - \$6,076).

In all cases the measurement basis of related party transactions has been the value of cash received or paid between parties and the value of invoices raised for services between parties.

6.

Future benefits liability

Upon retirement, employees of NS Pension will receive post-retirement health benefits, and where eligible, the Public Service Award and benefits under a Supplemental Employee Retirement Plan. The future benefits liability of NS Pension was calculated as at March 31, 2022, and extrapolated to March 31, 2024, under Section 3463 of Part III of the CPA Canada Handbook – Accounting by Eckler Limited. In determining liabilities under CPA 3463, the method required is the projected unit credit method prorated on services (i.e. benefits are projected with salary increases to retirement and then prorated based on service).

| | 2024 | 2023 |
|---------------------------------------|---|--|
| Discount rate | 4.00% per annum | 4.00% per annum |
| Salary | 2.75% per annum plus merit (under age 30 - 2% per annum, age 30 to 45 - 1.5% to 0.0% per annum) | 2.75% per annum plus merit (under age 30 - 2% per annum, age 30 to 45 - 1.5% to 0.0% per annum) |
| Retirement age | <ul style="list-style-type: none"> • 10% at age 59 • 20% at age 60 • 10% at age 61-64 • 50% at age 65-69 • 100% at age 70 <p>However, 20% each year on or after earliest unreduced retirement date, if greater; plus an additional 40% at 35 years of service</p> | <ul style="list-style-type: none"> • 10% at age 59 • 20% at age 60 • 10% at age 61-64 • 50% at age 65-69 • 100% at age 70 <p>However, 20% each year on or after earliest unreduced retirement date, if greater; plus an additional 40% at 35 years of service</p> |
| Mortality | 120% of Canadian Public Sector Mortality Table with future mortality improvements in accordance with Scale B | 120% of Canadian Public Sector Mortality Table with future mortality improvements in accordance with Scale B |
| <i>Income Tax Act</i> maximum pension | \$3,420 per year of service in 2022, increasing at 2.75% per annum after 2022 | \$3,420 per year of service in 2022, increasing at 2.75% per annum after 2022 |

Future benefits liability (continued)

The future benefits liability as at March 31, 2024 is calculated as follows:

| | 2024 | 2023 |
|---------------------------------------|---------------------|---------------------|
| Supplemental Employee Retirement Plan | \$ 1,904,707 | \$ 1,775,485 |
| Post-retirement health benefits | 1,085,681 | 1,011,653 |
| Public Service Award | 42,726 | 40,716 |
| | \$ 3,033,114 | \$ 2,827,854 |

7. Lease inducement

Effective March 1, 2022, lease extension and amending agreements were signed by NS Pension and its landlord, reflecting a change in office location from Purdy's Landing to Purdy's Wharf, Tower II for a 10-year term. The landlord paid NS Pension a one-time contribution of \$1,001,160 towards the final cost of the initial leasehold improvements for the new office location. The lease inducement is accounted for as a reduction of the monthly office lease expense on a straight-line basis over the lease term. At March 31, 2024, the remaining lease inducement is \$792,585 (2023 - \$892,701) which is recorded as a liability on the balance sheet.

8. Employee pension plan

Permanent employees of NS Pension participate in the Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan, which provides pension benefits based on length of service and earnings.

Contributions to the Plan are required by both the employees and the employer. NS Pension's contributions range from 8.4% to 10.9% of an employee's salary. Total employer contributions for 2024 were \$632,371 (2023 - \$590,913) and are recognized in salaries and benefits expense in the Statement of Earnings and Retained Earnings.

NS Pension is not responsible for any under-funded liability, nor does NS Pension have access to any surplus that may arise in this Plan.

9. Share capital

The share capital of NS Pension is 100,000 common shares of one class without par value. The shares do not carry a dividend; they are not redeemable and are not convertible. On April 1, 2013, 100 shares were issued, 50 to the Public Service Superannuation Plan Trustee Inc. and 50 to the Teachers' Pension Plan Trustee Inc. at \$nil value.

10.

Revenue

Revenue is as follows:

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Public Service Superannuation Plan | \$ 8,387,268 | \$ 7,326,235 |
| Teachers' Pension Plan | 6,895,251 | 6,262,472 |
| Province of Nova Scotia: | | |
| Members' Retiring Allowances Act Plans | 120,000 | 104,000 |
| Sydney Steel Corporation Superannuation Fund | 95,000 | 83,300 |
| Other Ancillary Plans and services | 31,518 | 5,212 |
| Other | 2,562 | - |
| | \$ 15,531,599 | \$ 13,781,219 |


11.

Commitments

As at March 31, 2024, NS Pension was contractually obligated under various operating and occupancy leases. Future minimum annual lease payments over the next five years are as follows:

| | |
|------|--------------|
| 2025 | \$ 1,566,995 |
| 2026 | 1,476,422 |
| 2027 | 933,573 |
| 2028 | 935,886 |
| 2029 | 877,374 |



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