

Public Service Superannuation Plan

Employer News



Serving the needs of Employers

Spring 2012

2012 YMPE

The year's maximum pensionable earnings (YMPE) is the maximum amount of earnings on which contributions to the Canada Pension Plan (CPP) are based. For the year 2012, the YMPE is \$50,100. You may obtain information on the CPP pensionable earnings ceiling from the Canada Revenue Agency Web site at:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/clcltng/cpp-rpc/cnt-chrt-pf-eng.html>. ■

Part Time Employees

If you have part time employees who are working more than one job, it is important to remember that the percentage of the employee's pension contributions must be based on their combined salary relative to the YMPE.

Pension contributions must be based on a rate of 8.4% of an employee's bi-weekly salary when their earnings are below the YMPE. However, to ensure that sufficient pension contributions are being made, the employee's pension contributions on the portion of their combined salary in excess of the YMPE must be paid at a rate of 10.9%. ■

Pension Benefit Statements

PSSP Benefit Statements were mailed in mid-April. Please advise employees that any change requests must be made in writing. Employees are encouraged to complete the section on the back of the statement itself and forward it to NSPA. ■

Retroactive Salary Payments

If you have employees who are eligible for retroactive settlements, but are no longer actively employed (excluding retirees), please contact your Employer Services Analyst and provide them with the employee's name before you send us the pension contributions, so that we can validate whether the member is still an active participant in the pension plan.

If you do not have the option to withhold pension contributions, and we receive contributions for members who are no longer active in the pension plan (excluding retirees), we will refund all contributions in excess of \$20.

Pension contributions should be deducted from the retroactive settlements for retired members. Please send the new salary information to us so that we can re-calculate the amount of their pension based on their new salary. ■

Designation of Beneficiary

The Public Service Superannuation Act clearly stipulates who may be a beneficiary in the event of a plan member's death.

1. Surviving spouse and any eligible children;
2. If no surviving spouse, any eligible children;
3. If no surviving spouse or eligible children, then to a related person(s) who is a legal dependant by reason of mental or physical infirmity.

In the event of a member's death where none of the above relationships exist, the Act requires that payment be made to a designated beneficiary(ies) or, if none, to the member's estate. Accordingly, plan members may wish to designate a beneficiary(ies) using the Designated Beneficiary form. The form can be found at:

<http://www.novascotiapension.ca/files/drm/9767c985-7064-4981-b724-973b52b9174b.pdf>

Please remember that a designated beneficiary will not and cannot take precedence over the beneficiary relationships as set out in 1. through 3. above; as prescribed by the Act. A designated beneficiary only comes into effect when the other surviving relationships no longer exist. ■

Phone: 424.5070 (Halifax area) | 1.800.774.5070 (toll free in N.S.) | Fax: 902.424.0662

Email: pensionsinfo@gov.ns.ca | PO Box 371, Halifax, N.S. B3J 2P8

www.novascotiapension.ca

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What's happening with the NSPA?

You may have heard that the NSPA will be changing over the coming year or so. Effective a target date of April 2013, we will no longer be an Agency of the Province. To learn more, please visit our site at www.novascotiapension.ca. ■

Employer Helping to Facilitate Employee Purchases of Service

The Public Service Superannuation Act (PSSA) requires that employers match all of their employees' pension contributions to the Plan. It also requires that the employer match employee contributions paid to purchase gaps in service, most often instances of leaves of absence and qualifying casual service, but does not include purchases of prior service with a public authority. { For full reference, please see PSSA section 9 (1B) }

This can be disconcerting to employers in those instances when their employee is actually purchasing a period of service during a time when they weren't employed by the current employer, but rather they had been previously employed by a different employer who also was a participant in the Plan.

However, as there can be considerable 'employee movement' within and between government departments, agencies, boards, commissions, and other participating employers, this provision enables provincial employees and employees of various participating employers to advance their careers while retaining access to pensionable service they may have earned at earlier points in their careers.

Purchasing service occurs in many forms and the cost varies widely. The following is just one sample of the cost that can be incurred by both the employee and the employer.

Example: Purchase of 2 years and 8 months of casual service from the years 1979 to 1982. Casual salary of \$11,000. The employee's and employer's cost is \$27,756.43 each. ■

Secure File Transfer

Did you know that you are able to send your pension contributions to us electronically? This enables you to send your remittance quickly and securely. This convenient method is already being successfully used by several employers. If you would like more information, please contact your Employer Services Analyst and they will be happy to assist you. ■

Site Visits

Our Employer Services Team has been busy visiting the following employers recently:

- Workers' Compensation Board
- Canada - Nova Scotia Offshore Petroleum Board
- Film Nova Scotia
- Sydney Tar Ponds Agency
- Cape Breton District Health Authority
- Nova Scotia Legal Aid
- Property Valuation Services Corporation
- Nova Scotia Community College

If you would like the team to provide you with additional training or information, we would be happy to visit you at your office or host you at ours. It is a great opportunity for the Employer Services Team to meet those we work with every day and to answer any questions or concerns you may have. If you would like to schedule a site visit, please contact Cathy Clarke, Coordinator Employer Services at 424-5070 or toll free at 1-800-774-5070, or email clarkeca@gov.ns.ca. ■



Nova Scotia Community College

Top row: Donna Stewart, Darlene Loke, Reg Allen
Bottom Row: Karen Bright Oliver (NSPA), Sharon MacLean, Jim Evans (NSPA)