

PENSION NEWS

For Public Service Superannuation Plan Active Members

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The 2022 PSSP Review

Public Service Superannuation Plan Trustee Inc. (PSSPTI) has completed its mandatory review of the Public Service Superannuation Plan (PSSP or Plan) - the 2022 PSSP Review. The 2022 PSSP Review was conducted by an Independent Reviewer who focused on the following topics:

- The Funding Policy
- Contributions and Benefit Design
- Plan and Board Governance

PSSPTI received the 2022 PSSP Review Report in February 2022 and, over the past year, has given substantial consideration and spent significant time on analysis relating to the 31 recommendations set out therein. You can view the full Report and the PSSPTI's Board determinations document on our website at:

www.nspssp.ca/about/psspti-reviews/pssp-review/2022-pssp-review

Upcoming Plan Amendments

PSSPTI has determined that it will proceed with several of the Report's recommendations, resulting in a few upcoming Plan amendments. These amendments aim to modernize the PSSP and align it with many Canadian pension plans. Please review these amendments as they may have an impact on your retirement planning process.

1 Removing the 35-years of service cap on pension contributions

Effective April 1, 2026

The 35-year cap on pensionable service for all active Plan members will be eliminated.

Currently, you stop paying contributions to the Plan when you reach 35-years of service. This will change on April 1, 2026. After this date, you will continue to pay contributions to the Plan beyond 35-years of service. Your employer will also be required to match your contributions.

This means you will continue to earn pensionable service for as long as you are a PSSP member, resulting in more years of service in your pension formula calculation and a larger pension amount. The only exception is the Canada Revenue Agency (CRA) rule which states a member's pension contributions must stop in the year in which they turn age 71.

If you reach 35-years of service prior to April 1, 2026, you will stop paying your contributions until that date. After that date, your contributions will begin again and you will have the option to buy back service for the time when you were not contributing to the Plan.

If you retire prior to April 1, 2026, the 35-years of service cap will apply and you will not be impacted by this change.



The 2022-2023 PSSP Annual Report

On June 29th, be sure to check out the 2022-2023 PSSP Annual Report. The Annual Report includes information on the PSSP's investment results and financial performance as at March 31, 2023. The Report will be available on our website at:

www.nspssp.ca/investments

My Retirement Plan website

nspensions.hroffice.com

View your personal pension information online. You will need to login with your Member ID and password.

2022 Member Statements

2022 Member Statements will be mailed this spring. We urge you to review your statement carefully as it includes important information about the pension that you have accumulated as at Dec. 31, 2022.

The PSSP is celebrating its 100th birthday in 2023. The *Public Service Superannuation Act* was enacted in 1923.



Upcoming Plan Amendments continued...

2 More survivor pension options for retiring members with a spouse *Effective April 1, 2024*

This amendment introduces two new survivor pension options, providing active Plan members with greater flexibility in tailoring their retirement benefits to their own personal circumstance.

Currently, the Plan offers a 5-year guarantee period which allows for 100% of your accrued pension to be paid to your surviving spouse if you pass away during the first 5 years after retirement. After the 5-year guarantee period ends from your retirement date, the percentage of pension paid to your surviving spouse depends on the date you commenced employment.

- If you commenced employment on or after April 6, 2010, your surviving spouse receives 60% of your accrued pension
- If you commenced employment prior to April 6, 2010, your surviving spouse receives 66.67% of your accrued pension



Starting April 1, 2024, in addition to the pension described above, you will also have the following options to choose from upon your retirement:

- 75% survivor pension guaranteed for 15 years with an appropriate reduction to your pension
- 100% survivor pension guaranteed for 15 years with an appropriate reduction to your pension

3 Your surviving spouse will be defined as your spouse at the time of retirement *Effective April 1, 2024*

The Plan has historically defined “surviving spouse” as the spouse at the time of death. On April 1, 2024, the Plan will define “surviving spouse” as the spouse in effect at the time of your retirement, in keeping with most other public sector and provincial pension rules.

If you marry or get remarried after retirement, your spouse at the time of death will no longer be eligible for a survivor pension. Only your spouse indicated at the time of your retirement will be eligible to receive a survivor pension.

If you retire prior to April 1, 2024, you will not be impacted by this change and, as such, could remarry post-retirement and have your subsequent spouse remain eligible for a survivor pension.

4 A 15-year guarantee period for retiring members without a spouse *Effective April 1, 2024*

Single Plan members will be provided a 15-year guarantee period wherein payment to their designated beneficiary or estate will equal the value of any payments remaining within their 15-year guaranteed payment period at the time of their death.

Currently, a single Plan member’s designated beneficiary or estate receives a refund of contributions plus interest, minus any pension amounts that have already been paid, as a one-time lump sum payment.



5 A full commuted value payment to the estate or designated beneficiary of a Plan member who dies pre-retirement and has no spouse or eligible dependents *Effective January 26, 2023*

This amendment provides for a lump sum payment of the full commuted value of a Plan member’s accrued pension at the date of death to be paid to their designated beneficiary or estate. Previously, their designated beneficiary or estate would have received a refund of the member’s contributions plus interest.



1-800-774-5070 (toll free in NS)
902-424-5070

Purdy’s Wharf, Suite 700 1969 Upper Water St.
Halifax, NS B3J 3R7

www.facebook.com/yourNSPSSP
[@yourNSPSSP](https://twitter.com/yourNSPSSP)
info@nspension.ca

All information presented in this document is premised on the Plan rules and criteria which currently exist under the Public Service Superannuation Act (the “PSSA”) and the plan text made thereunder. This document explains in plain language aspects of the rules and criteria of the Plan. Plan members, beneficiaries, and others who wish to determine their legal rights and obligations under the Plan should refer to the PSSA, the plan text, or other legal documents as appropriate. In the event of a discrepancy between the information provided in this document and the legislation and/or legal documents, the latter takes precedence.