

# PENSION NEWS

For Public Service Superannuation Plan Active Members

Fall 2023 | Page 1

## Upcoming Plan Changes

In the Spring 2023 edition of this newsletter, we informed you of some Public Service Superannuation Plan (PSSP or Plan) changes that aim to modernize the Plan and align it with many other Canadian pension plans.

These changes resulted from Public Service Superannuation Plan Trustee Inc.'s (PSSPTI) independent review of the Plan - the 2022 PSSP Review. For more information on the Review, please visit our website: [www.nspssp.ca/about/psspti-reviews](http://www.nspssp.ca/about/psspti-reviews)

Please review the changes below as they may have an impact on your retirement planning.

If you are planning to retire on or after April 1, 2024, there are some Plan changes that may provide you with more options at retirement.



## Improvements for single Plan members...

**Effective January 26, 2023**

If you die before you retire, are vested in the Plan (have 2 years of eligible service), and you have no surviving spouse, eligible children or dependants, a lump sum payment of the full value of your accrued pension at the date of your death will be paid to your designated beneficiary or estate. Previously, your designated beneficiary or estate would have received a refund of your contributions plus interest.

**Effective April 1, 2024**

Members retiring on or after April 1, 2024, who do not have a spouse, will be provided with a Lifetime pension guaranteed for 15 years. If you die within the 15-year guarantee period, the value of the remaining pension payments will be paid to your designated beneficiary or estate. Currently, there is no guarantee period attached to the pension for Plan members who do not have a spouse at the time of their death.

## Improvements for retiring Plan members with a spouse...

**Effective April 1, 2024**

Two new retirement options will be available to provide you with greater flexibility in tailoring your pension benefit to your own personal circumstances.

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, the percentage of your pension paid to your surviving spouse decreases depending on the date you commenced employment.

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

If you retire on or after April 1, 2024, in addition to the retirement option described above, you will also have the following options to choose from upon your retirement:

- Joint and **75%** survivor pension guaranteed for 15 years
- Joint and **100%** survivor pension guaranteed for 15 years



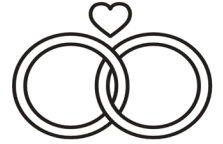
These options will result in a modest reduction in your pension in order to enhance the pension benefit for your spouse.

## Upcoming Plan Changes *continued...*

**! Effective April 1, 2024** If you retire on or after April 1, 2024, your surviving spouse will be defined as your spouse at the time of your retirement.

The Plan has historically defined “surviving spouse” as the spouse at the time of your death. On April 1, 2024, the Plan will define “surviving spouse” as the spouse in effect at the time of your retirement.

If your relationship status changes after you retire (e.g. you marry, or remarry), your spouse at the time of your death will not be eligible to receive 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.** You could still remarry post-retirement and your subsequent spouse will remain eligible for a survivor pension.

**! Effective April 1, 2026** Removing the 35-years of service cap on pension contributions.

Under current Plan rules, you stop paying pension contributions when you reach 35 years of pensionable service. On April 1, 2026, this rule will change and the 35-year cap on pensionable service will be eliminated. This means:

- **If you reach 35 years of pensionable service on or after April 1, 2026**, you will continue to pay pension contributions and earn pensionable service, which will result in you receiving an improved pension benefit at retirement.
- **If you reach 35 years of pensionable service prior to April 1, 2026**, you will stop paying pension contributions and earning any further pensionable service. If you continue to be an active Plan member on or after April 1, 2026, you must begin paying pension contributions and earning pensionable service again. You will also have the option to purchase service for the time when you were not contributing to the Plan until you resumed contributions again on or after April 1, 2026.

### The PSSP Membership Growth Initiative is expanding!

*Private-sector employers in Nova Scotia will soon be able to join the Plan.*

The NS Government recently introduced the *Private Sector Pension Plan Transfer Act*, within the *Financial Measures (Fall 2023) Act*, to enable private sector employers to join or transfer into the Plan. The recommendation to expand the PSSP to the private sector was included in the 2022 PSSP Review.

This legislation will facilitate the next step in the PSSPTI Board’s membership growth initiative. Since its commencement in 2015, the Plan’s membership has grown by over 3,700 members, 20 new public-sector employers have joined the Plan, and about \$500 million in assets have been added to the Plan.

#### **How is this beneficial to existing Plan members?**

Expanding the PSSP’s membership improves its aging demographic profile and enhances its financial sustainability. This legislation is beneficial for the Plan as it enhances its potential appeal to a wider range of employers and employee groups. ***The guiding principles for the PSSP’s membership growth initiative are that it must enhance the Plan’s long-term sustainability and be cost neutral to existing members.***



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🕒 8 am to 5 pm  
(Monday to Friday)

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.