



# your PENSION NEWS

A newsletter for Public Service Superannuation Plan Active Members

## CHANGES TO PSSP PURCHASE OF PRIOR SERVICE RULES!

On April 1, 2019, the following changes regarding purchases of prior service were implemented for the Public Service Superannuation Plan (Plan or PSSP):

### **Members may be able to purchase more part-time service**

- Purchases of part-time service have been permitted for approved leaves of absence. These continue to be available; and may now be for periods of service as few as 10 consecutive business days.
- Purchases will now be permitted for periods of part-time service where contributions have not been made, e.g. casual service. Purchasable periods must be four (4) consecutive months, or more.

### **The existing purchase of service limits still apply:**

- If you purchase service within 10 years from the end date of the period of service, you must pay the employee contributions plus interest. The employer for whom you worked during the period of service in question, will be required to pay the employer matching contributions.
- If you decide to purchase service that is more than 10 years and not more than 20 years, from the end date of the period of service, you will have to pay 100% of the actuarial cost of the prior service.
- You are not able to purchase any period of service having an end date more than 20 years old. The 20 year limit applies to all forms of purchases, including outside service and repayments of a refund. For repayments of a refund, the limit is 20 years from the date the refund was paid out.

### **Change to the purchase of contributory service with a public authority**

A period of full-time service being purchased with a public authority must now be at least four (4) consecutive months. Prior service with a public authority, for periods of part-time service, may now be eligible for purchase.

### **Additional Information**

- For any purchase of service, you and/or your employer must provide us with the necessary salary information and periods of time that you wish to purchase. If we do not receive this information, we may be unable to estimate or complete the requested purchase.
- Purchases of Service can now only be payable by a single lump sum payment.

### **Why purchase prior service?**

During your career, you may have periods of time when you did not contribute to the PSSP, such as approved leaves. If so, you may have gaps in your pensionable service which can impact your pension and retirement date. As a PSSP member, you may be permitted to buy back service with a current or previous PSSP employer to increase your pension amount and/or to retire sooner.



My Retirement Plan website [nspensions.hroffice.com](http://nspensions.hroffice.com)

Log on to the My Retirement Plan website to view your Member Statement, use the Pension Projection Tool to obtain an estimate; and to view retirement planning resources.



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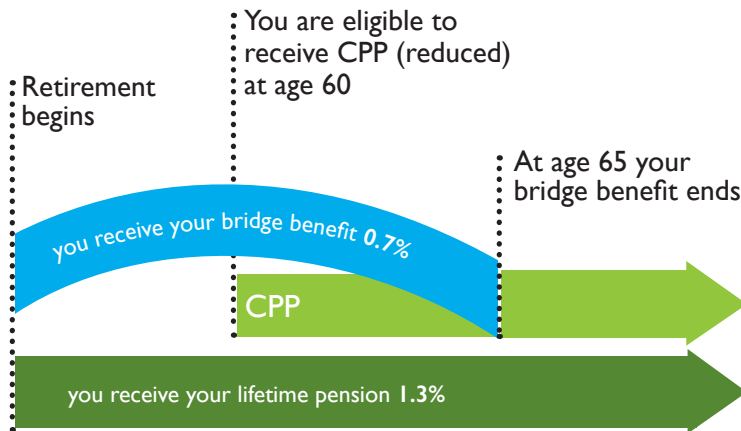
Stay informed on the Plan's latest news and to receive information on retirement planning.

## How the Canada Pension Plan (CPP) is integrated with your PSSP:

Your PSSP benefit is made up of two parts:

1. Your lifetime pension is payable from the date you start receiving your pension until death. Your lifetime pension is calculated at 1.3%\* of your highest average salary (best 5 years).
2. The bridge benefit is payable from the date you start receiving your pension until age 65. Your bridge benefit is calculated at 0.7%\*\* of your highest average salary (best 5 years). The bridge benefit component of your pension benefit is designed to supplement your income until unreduced benefits are payable from CPP at age 65.

The chart below explains how CPP is integrated with your PSSP:



If you retire before age 65 and decide to begin receiving a reduced CPP benefit, you will still receive the bridge benefit until age 65.

For more information about your pension benefit formula, visit our website at: [www.nspssp.ca/publicservice/members/mid-career/pension-benefit/pension-benefit-formula](http://www.nspssp.ca/publicservice/members/mid-career/pension-benefit/pension-benefit-formula)

\* If your highest average salary is greater than the average year's maximum pensionable earnings (YMPE), the portion of your salary above the YMPE is calculated at 2.0% and remains in force for life.

\*\* Up to the average YMPE.

### IMPORTANT REMINDER ABOUT YOUR ADULT CHILDREN AND YOUR SURVIVOR PENSION BENEFIT!

The *Income Tax Act* states that children between the ages of 18 and 25 attending university must be continuously enrolled, and in full-time attendance, at a post-secondary educational institution in order to continue to receive a survivor benefit.



### Your 2018 Member Statement

2018 Member Statements will be mailed this spring. Once you receive your Member Statement, you can also access it online through the My Retirement Plan website. When you receive your Member Statement, we ask that you review it carefully. It includes important information about the pension benefits that you have accumulated as at Dec. 31, 2018.

Note: If you were on leave as of Dec. 31, 2018, you will not have a statement generated.



### 2018-2019 Annual Report

On June 28, be sure to check out the 2018-2019 PSSP Annual Report. The Annual Report provides you with information on the PSSP's investment results and interesting statistics. The Report will be available online at: [www.nspssp.ca](http://www.nspssp.ca)



### Keep your information up-to-date!

Are you getting married or moving in 2019? It's important to keep your records up to date.

- If you are getting married, please contact us to update your marital status
- If you are moving, please contact your employer to update your address

We appreciate your feedback! Contact us:

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

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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.