



The PSSP Funded Health Review - Coming in 2020!

Every 5 years, the Public Service Superannuation Plan Trustee Inc. (PSSPTI) is required to do a comprehensive evaluation on the funded health of the Public Service Superannuation Plan (Plan or PSSP).

The purpose of the 5-year review is to:

- determine the Plan's long-term financial health and its ability to afford annual cost of living adjustments (COLA) for the next 5 years,
- determine the adequacy of contribution rates, and
- review the Plan's benefits structure with respect to future benefits to be accrued by active Plan members.

The Trustee's next review of the PSSP's funded health will be in 2020, for the 5-year cycle starting January 1, 2021 and ending December 31, 2025. Any COLA for this cycle will be dependent upon the PSSP's funded ratio as of December 31, 2019. COLA may only be provided if the Plan is fully funded, and must be in accordance with the PSSP's funding policy. For more information about COLA, please visit our website: www.nspssp.ca/publicservice/members/your-retirement/cost-living-adjustment

Earned Salary

Earned Salary is used to calculate pension contributions. Earned Salary on the Post Payroll file should reflect the member's pensionable earnings, which excludes overtime, education premiums and shift differentials.

If your organization has opted out of the Supplementary Employee Retirement Plan (SERP), or has been excluded from the SERP as you joined the PSSP via a plan transfer, it is important to then cap earnings relating to the SERP. Earnings should always be capped at the *Income Tax Act (ITA)* limit which for 2020 is \$175,156 annually, or \$6,736.77 bi-weekly (26 pays).

Important Information regarding the Supplementary Employee Retirement Plan:

If your organization has opted out of the SERP, or has been excluded from the SERP as you joined the PSSP via a plan transfer, you may want to consider including SERP in your hiring discussions with high earners. If the incumbent has worked elsewhere in Nova Scotia's public sector and/or is aware that the PSSP does include provision for SERP, you may wish to ensure that they are aware that your organization does not participate in the SERP and therefore they would not be eligible for the SERP.



Follow us on Twitter
@yourNSPSSP

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

REMINDERS!

New Member Welcome Packages

When a new member joins the Plan, we send them a New Member Welcome Package.

These packages include:

- A Member Enrollment form
- A Member Information Form, which includes an optional section to Designate Beneficiary(ies)
- Log in information for the My Retirement Plan website.

To eliminate duplication, we ask that employers do not provide any forms to new Plan members.

Death in Service process

In the event that an employee dies in service, an *Application for Spouse's Pension form* should be sent to the spouse or family. A copy of the death certificate is required along with the completed package. The 'retirement date' on the form should indicate the 'date of death'.

Part-time Employees

Are you accurately calculating pension contributions for part-time employees? Many employers are not aware that contributions should be calculated on the 100% salary rate first, and then reduced by the work percentage. This is particularly important for members who have 100% salary rates over the YMPE (\$2207.69 bi-weekly in 2019).

Example: To calculate contributions for a Plan member who has a bi-weekly salary rate of \$3000 and a work percentage rate of 75 per cent:

Using the 100% salary rate:

1. Calculate contributions under the YMPE: $\$2207.69 \times .084 = \185.45
2. Calculate contributions over the YMPE: $\$3000 - \$2207.69 = \$792.31 \times .109 = \86.36
3. Calculate total biweekly contributions: $\$185.45 + \$86.36 = \$271.81$
4. Reduce contributions by work percentage: $\$271.81 \times .75 = \203.86

Required bi-weekly employee contributions: \$203.86

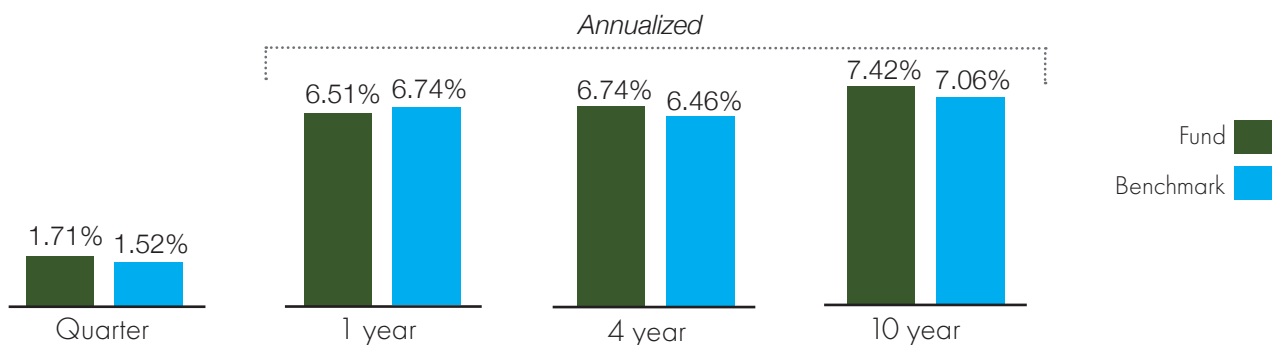


My Retirement Plan website
nspensions.hroffice.com

Please remind members to log on to the My Retirement Plan website to:

- View their Member Statement
- Use the Pension Projection Tool to obtain an estimate; and
- View helpful retirement planning resources.

Quarterly Investment Returns - September 30, 2019



In this newsletter, Fund returns are reported net of investment management fees.

Site Visits

Our Employer Services Team would be happy to visit you. It is a great opportunity for us to meet those we work with everyday and to answer any questions or concerns you may have.

If you would like to schedule a site visit, please contact your Employer Services Analyst.



We appreciate your feedback. If you have a comment or a suggested topic for this newsletter, please contact us at:

Nova Scotia Pension Services Corporation

1949 Upper Water St., Suite 400
Purdy's Landing
Halifax, N.S. B3J 2P8
PO Box 371, Halifax, N.S. B3J 2P8
Email enquiries - pensionsinfo@nspension.ca

P: 1-902-424-5070 (Halifax)
P: 1-800-774-5070 (toll free in NS)
Hours: 8 am to 5 pm (Mon. to Fri.)
www.novascotiapension.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.