Deputy Ministers' Pension Coverage

Public Service Superannuation Act

Members of the Public Service Superannuation Plan, including Deputy Ministers, may qualify for pension benefits under the Public Service Superannuation Act.

Depending on when you first commenced employment with the Province of Nova Scotia or participating employer, different retirement eligibility rules apply.

Eligibility

If you first commenced employment prior to April 6, 2010, you may be eligible to retire when you satisfy one of these rules:

- Rule of 80 - Age equal to at least 50, and age plus years of service equal to at least 80;
- Age 60 Rule - Age equal to at least 60, and years of service equal to at least 2;
- Age 55 Rule - Age equal to at least 55, and years of service equal to at least 2 (reduced pension);
- Attainment of 35 years of service.

If you first commenced employment on or after April 6, 2010, you may be eligible to retire when you satisfy one of these rules:

- Rule of 85 - Age equal to at least 55, and age plus years of service equal to at least 85;
- Age 60 Rule - Age equal to at least 60, and years of service equal to at least 2;
- Age 55 Rule - Age equal to at least 55, and years of service equal to at least 2 (reduced pension);
- Attainment of 35 years of service.

Calculation of Benefit*

2% X (Highest 5 Years Average Salary) X (Years of Pensionable Service)

Note: At age 65 the pension benefit is recalculated as a result of integration with the Canada Pension Plan (CPP).

Deputy Minister Supplementary Pension Rules

A Deputy Minister qualifies for a Deputy Minister's pension when all of the following criteria are met. If the criteria are not met, the pension benefit and eligibility would be determined under the normal provisions of the Public Service Superannuation Act.

Eligibility

- at least 50 years of age;
- at least 20 years of service as a member of the Public Service Superannuation Plan (not including outside service transferred in, unless it was with the Federal Government); and at least 5 of these years must be as a Deputy Minister.

Calculation of Benefit*

2% X (Highest 3 years Average Salary) X (Years of Pensionable Service)

Note: At age 65 the pension benefit is recalculated as a result of integration with the Canada Pension Plan (CPP).

* Note: Lump sum payments such as bonuses, performance payments or retroactive compensation can artificially inflate pension estimates if they have not been correctly reported to us. It is possible that your actual pension benefit may be lower and you should take this into consideration.

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Canada Pension Plan Benefits

Canada Pension Plan (CPP) benefits may be drawn at age 65 or taken as early as age 60. If you decide to draw CPP benefits early you would receive a reduced amount calculated by the Canada Pension Plan. For information on CPP benefits please contact the Canada Pension Plan at 1-800-277-9914.

The pension payable under the Public Service Superannuation Act is not affected by the date the Deputy Minister elects to start drawing CPP benefits.

Survivor Benefits

Provisions for survivor benefits apply to members of the Public Service Superannuation Plan and those who qualify for the Deputy Minister Supplementary Pension Rules.

If a Deputy Minister Dies in Service

If you first commenced employment prior to April 6, 2010, and die before retiring, your spouse would be entitled to receive, for a period of five years, the pension calculated as if you qualified for an immediate unreduced pension. (Note your spouse's pension during this five-year period would be reduced by the amount of any benefits paid to surviving children, since the total pension payout cannot exceed 100% of the pension to which the Deputy Minister was entitled.) At the end of the five-year period, your spouse would receive approximately 66.67% of your pension for life.

NOTE: If you first commenced employment on or after April 6, 2010, at the end of the five-year period, your spouse would receive approximately 60% of the pension for life.

If a Deputy Minister Dies During the 5-Year Guarantee Period

If you die less than five years after retirement, your spouse will continue to receive your full pension for the balance of the five year period. For any eligible children their benefit is subtracted from the 100% guarantee of the surviving spouse for the balance of the five years.

If a Deputy Minister Dies After the End of the 5-Year Guarantee Period

If you first commenced employment prior to April 6, 2010 and die after the end of the five year period, your spouse will receive approximately 66.67% of your pension. This will be paid to your spouse for his or her life. Any eligible children will get 10% to a maximum of three children and over three children, a total of 33.33% is divided equally among them.

NOTE: If you first commenced employment on or after April 6, 2010, at the end of the five year period your spouse will receive approximately 60% of your pension. This will be paid to your spouse for his or her life. Any eligible children will get 10% to a maximum of four children and over four children, a total of 40% is divided equally among them.

The pension plan recognizes either a legal spouse or a common-law spouse; the former takes precedence over the latter. In the event of a Plan member's death, there is now provision for survivor benefits to be paid to two persons who satisfy the definition of spouse under the Act. The benefit is apportioned between them based on the period of time each cohabited with the Plan member. A pension is only payable to a common-law spouse if the relationship has been in existence for at least three years.

Surviving Children and Dependants

The pension plan provides survivor benefits for children and certain dependants. If you first commenced employment prior to April 6, 2010, each child under eighteen-years of age (or twenty-five in the case of a child attending an educational institution full-time) is entitled to 10% of the superannuation allowance you were receiving at the time of death (or, if you die in service, 10% of your pension calculated as if you qualified for an immediate unreduced pension), to a maximum of 33.33% for all children.

If there are more than three children under the age of eighteen (or twenty-five, if applicable), the 33.33% will be split equally among them. The pension is payable to age eighteen (or age twenty-five if the child is attending an educational institution full-time). If you do not have a surviving spouse at the time of your death, or upon your spouse's death if you predeceased your spouse, your children, under 18 years of age, would receive the 66.67% normally payable to a surviving spouse, divided equally among all eligible children.

NOTE: If you first commenced employment on or after April 6, 2010, each child under eighteen-years of age (or twenty-five in the case of a child attending an educational institution full-time) is entitled to 10% of the superannuation allowance you were receiving at the time of death (or, if you die in service, 10% of your pension calculated as if you qualified for an immediate unreduced pension), to a maximum of 40% for all children. If there are more than four children under the age of eighteen (or twenty-five, if applicable), the 40% will be split equally among them. The pension is payable to age eighteen (or age twenty-five if the child is attending an educational institution full-time).

If you do not have a surviving spouse at the time of your death, or upon your spouse's death if you predeceased your spouse, your children, under 18 years of age, would receive the 60% normally payable to a surviving spouse, divided equally among all eligible children.

Contributions

There are two rates of contribution. There is a lower rate, 8.4%, payable on salary up to and including the Year's Maximum Pensionable Earnings (YMPE), and a higher rate, 10.9%, payable on salary in excess of the YMPE. The YMPE is a figure established by the Canada Pension Plan (CPP) on January 1 of each year.

The YMPE for 2013 is $51,100. If you earn $120,000 in 2013, your contributions to the Public Service Superannuation Plan would be $11,802.50, and calculated as follows:

8.4% X $51,100 = $4,292.40
10.9% X ($120,000 - $51,100) = $7,510.10
Total Annual Contributions = $11,802.50

Pension Indexing

Indexing for Deputy Ministers is aligned with indexing paid to retired members of the Public Service Superannuation Plan. Effective April 6, 2010, indexing rules for the Public Service Superannuation Plan changed to a new method. These changes apply to ALL pensioners, present and future, including those retirees already receiving a pension, active members near to retirement, and any and all future retirees.

Effective April 6, 2010 the New Indexing Rules under the Public Service Superannuation Plan are as follows:

January 1, 2011 to December 31, 2015:

Indexing has been established at 1.25% per year, for the 5-year cycle starting January 1, 2011 to December 31, 2015.

January 1, 2016 to December 31, 2020:

Indexing for this 5-year cycle will depend upon the Plan's funded ratio as of December 31, 2014.

If the funded ratio of the Plan is 100% - 110%, the Trustee may provide Indexing so long as the Plan's funded ratio is not projected to fall below 100% at the end of the 5-year cycle.

If the funded ratio of the Plan is above 110%, indexing will be paid. A contribution rate decrease and other changes to the Plan may be implemented so long as the Plan's funded ratio is not projected to fall below 100% at the end of the 5-year cycle.

If the funded ratio of the Plan is less than 100%, indexing cannot be paid. Also the Trustee must implement a contribution rate increase and must consider any other necessary changes to the Plan in order to bring the funded ratio of the Plan to at least 100% (on a projected basis) within 10 years.

Indexing on Deferred Pensions

Indexing rules are also changing with regards to members who have terminated their employment, kept their accrued pension contributions in the Plan, and deferred their pension benefit to some future point in time. Currently, indexing is considered to be 'earned' while the Deferred Pension awaits activation or actual retirement, at some later date. This indexing is accrued and credited to the pension benefit, for the years the Pension 'waited' in the deferral period. Effective January 1, 2011, indexing will no longer be earned in the deferral period.

If you currently have a Deferred Public Service Pension or have terminated employment but not yet elected an option:

- You will retain any and all Indexing earned in the deferral period, up to January 1, 2011. This Indexing will be included in your pension benefit when you ultimately retire.
- Effective January 1, 2011, your Deferred Pension will not earn or accrue any further Indexing.
- If you terminate employment any time on or after January 1, 2011 and defer your Public Service Pension, your Deferred Pension will not earn or accrue any Indexing.

Disability Benefits

For information regarding long term disability benefits please contact:

NS Public Service LTD Plan Trust Fund
Halifax Professional Centre, 5991 Spring Garden Road, Suite 901, Halifax NS B3H 1Y6

Tel: 902-461-0421, Toll free: 1-877-461-0421, Fax: 902-466-3406, Email enquiries: comments@nsps-ltd.com

Legal Interpretation of this Document

Information provided in this document is premised on the rules and criteria which currently exist under the Public Service Superannuation Plan and Deputy Ministers' Supplementary Pension Rules and which are subject to amendment from time to time. The information presented in this document attempts to explain, in plain language, Deputy Ministers' pension coverage under the Public Service Act and the Public Service Superannuation Act. Deputy Ministers, beneficiaries and others who wish to determine their legal rights and obligations should refer to the governing legislation, regulations or other legal documents as appropriate. In the event of a discrepancy between this document and the legislation and/or legal documents previously mentioned, the latter shall prevail.

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