

January 2014 Pension Increase

An important benefit of your Plan is that pensions are indexed. Pensions are subject to increase each January. The increase for January 2014 will be 1.1%. Members who received their pension for the full 12 months in 2013 receive this increase. Those who started their pension part way through 2013, receive a partial increase.



Your annual pension increase is based on the change in the Canadian Consumer Price Index. The index is measured each September. The pension increase is normally subject to a 3% maximum.

Different pension plans may measure changes in the Consumer Price Index in different ways. This can cause year to year differences between pension plans in the amount of pension increase that is granted. A comparison of how increases from several major public sector pension plans have compared over the last five years is at www.nshepp.ca (click on "I'M A PENSIONER" and scroll down).

Is your pension safe?

One of the financial lessons learned in recent years is that nothing is completely safe. We learned from the United States that home values can plummet. We learned from Greece that government bonds can default. And many RRSP investors learned that their "low-risk" mutual funds actually had a rather high level of risk. As the world lurches from one financial crisis to another, it is reasonable for you to ask: "How safe is my pension?"

You have reason to feel good about the security of your Nova Scotia Health Employees' Pension Plan (NSHEPP). Our most recent audited financial statements indicated that we were in good financial shape, with a funded ratio of 108.7%. This is based on our actuary's "best estimate" assumptions, as detailed in the financial statements (*you can find a copy of these statements at www.nshepp.ca under the "Publications" tab*).

Your pension is also significantly protected under the Nova Scotia Pension Benefits Act (PBA). This is different than the situation for many public sector pension plans that aren't covered by the PBA. In most cases, the PBA prevents pension plans like ours from reducing

(Over)

Contact us:

Nova Scotia Health Employees' Pension Plan
2 Dartmouth Road, Bedford, NS B4A 2K7

(902) 832-8500 (local call in the Metro Halifax area) • 1-866-400-4400 (Toll Free)

(902) 832-8506 (Fax)

e-mail: pensionplan@nshepp.ca

pension benefits that have already been earned. While laws can be changed, in the pension world our benefits are about as secure as you can hope for. Ours is a defined benefit pension with a much stronger financial position than most. Most of our participating employers get their funding from government. And because contribution increases are shared between active members and employers, the risk for both groups is reduced.



As the saying goes, “nothing is guaranteed except death and taxes”. And it is always a good idea to have something extra put away for a “rainy day”. However, compared to most things that we financially depend on these days, your *Nova Scotia Health Employees’ Pension Plan is currently very safe.*

How Does Your Pension Measure Up?

Each September your Trustees monitor the competitiveness of your pension plan. They compare NSHEPP to the pension plans for health care workers in Ontario, Manitoba and Saskatchewan, as well as the NS Public Service Superannuation Plan.

So how did we compare this year? Contributions from active members are about average, and your benefits are a little better than average. This includes pending changes in the comparison plans.

The pension plans that your Trustees compare your pension to are all very good pension plans compared to what most Canadians participate in. They are all public sector, defined benefit pension plans. Statistics Canada indicates that only 17.2% (2006 data) of private sector employees participate in a defined benefit pension plan.

Annual Summary

In March 2014 we will publish our annual summary of key activities of NSHEPP’s Trustees and staff.

This summary and other plan documents can be found in the “Publications” section of www.nshepp.ca.

If you would like to receive a copy of the annual summary by mail, you can telephone us. Our number is at the bottom of the reverse side of this newsletter.