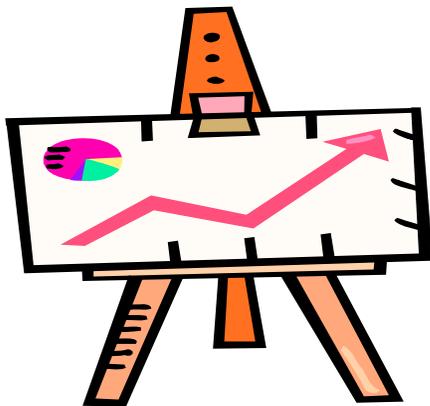


Inflation Adjustment

An important benefit of your pension is that it is subject to an inflation adjustment each January.

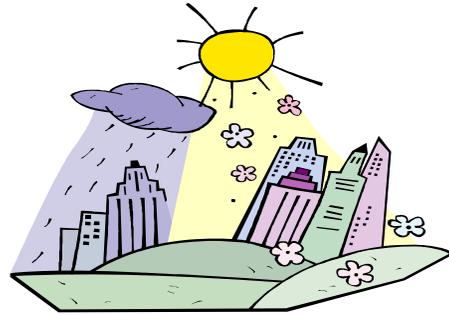
As explained below, this year inflation was negative. As a result, in January your pension won't increase as it usually does at the beginning of the year.



Your annual inflation adjustment is based on the change in the Canadian Consumer Price Index. The index is measured each September. For the year ending September 2009, the *inflation index decreased by 0.9%*.

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 inflation adjustment that is granted. A comparison of how adjustments from several major public sector pension plans have compared over the last five years is at www.nsaohopensionplan.ca (click on "I'M A PENSIONER" and scroll down).

Investment Market Turmoil – One Year Later



In last year's Newsletter we reported on the chaos that was occurring in the world's financial markets.

We explained at that time that there were several reasons we believed that our Plan would weather the storm relatively well.

This has turned out to be the case. We are still feeling the impact of 2008 but our investments have rebounded significantly. In fact, over the last 5 years our investment returns have averaged 7.16% per year (see note).

Note: 7.16% is net of all investment expenses and is for the period ending September 30, 2009. This is an estimate and subject to revision as valuation of some asset values is currently pending.

How Does Your Pension Measure Up?

How well does your pension plan compare with other pension plans? This is not an easy question to answer. There are several important areas to compare. There can be differences in the lifetime pension amount, the bridge benefit, how early you can retire and inflation protection. Any fair comparison must reflect all of these differences and contributions too.

To do this, we have calculated the total financial value of our benefits. We also calculated the value of other pension plans that our Trustees use as benchmarks.

Our results are set out in the following table (to simplify this table we have only included contributions below the Canada Pension Plan earnings threshold):

Pension Plan	Value compared to NSAHO pension	Contributions	
		Member	Employer
NSAHO Pension Plan	100%	7.0666%	8.4961%
Nova Scotia Provincial	111.9%	8.4%	8.4%
Ontario Health Care	92.9%	6.9%	8.694%
Manitoba Health Care	90.3%	6.8%	6.8%
Saskatchewan Health Care	92.4%	6.6%	7.392%
Median of comparison plans	92.6%	6.85%	7.896%

Note: The values in this table are based on "best estimate" actuarial assumptions as of August 2009. This includes the assumption that ad-hoc improvements (e.g. base year upgrades) that have regularly been made in the past will continue to be made in the future. The values are based on a current year of service for a 40-year-old member with 10 years of service and annual earnings of \$45,000.

You will see that our Plan's benefits are worth more than the median of the benchmark plans (100% vs. 92.6%).

The NSAHO Pension Plan benefits aren't the best or the cheapest of the plans in the above table, but we compare well.



You will note that the table in this article only compares provincially sponsored pension plans. All of these are very good pension plans compared to what most Canadians participate in. Only about 17% of the private sector participates in a defined benefit pension plan.

Annual Summary

In March 2010 we will publish our annual summary of key activities of the NSAHO Pension Plan Trustees and staff.

This summary and other plan documents can be found in the "Publications" section of www.nsahopensionplan.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 this page.

FORM: NSAHO PP

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