

In this Newsletter, we cover topics of interest to our Plan Members.

Base Year news

The Base Year is being improved from 2017 to 2018 effective January 1, 2020.

The Plan uses a “Base Year” to determine your annualized pensionable earnings for the earlier years of your plan membership. Annualized pensionable earnings are part of the formula that calculates your pension benefit. This will result in your annualized pensionable earnings before the Base Year being the same as your annualized pensionable earnings in 2018 for purposes of calculating your benefit for all of your credited service up to the end of 2018 (*unless an earlier Base Year provides a higher benefit*).

There is also an Income Tax restriction that if your average earnings over 3 consecutive years is lower than your Base Year earnings, that average is to be used in the Base Year calculation.

Stay tuned for changes to our website

Our current website is under going a complete rebuild. The new website will be modernized and will provide on-line member access to your annual statement and pension estimate calculators. The work is expected to be completed by the end of 2020 so stay tuned.



When will you receive your next pension statement?

Member pension statements are prepared on an annual basis.

We have started working with your Employer to collect your pension data so that we can prepare your annual statement for the 2019 calendar year. This statement will be sent to you in June of 2020.

Naming a Beneficiary

If you should pass away while an active member of the Plan, there are benefits that will be paid. Who receives the benefits depends on whether you have a spouse or not at your date of death.

Under pension laws in Nova Scotia, if you have a spouse at your date of death, that person is generally entitled to the death benefit from the Plan, **regardless of the designation of a different person as your beneficiary**. Your spouse may give up his/her right to these death benefits by completing a waiver form approved for this purpose under pension law. This would allow payment of a pre-retirement death benefit to a designated beneficiary other than your Spouse. To apply, the waiver form must be completed by your spouse and delivered to the NSHEPP before your death.

If you are unsure of who you have listed as your beneficiary or spouse for pension purposes, you can check this information under the Personal Data section of your Annual Pension Statement. If you need to change your information, you must complete an Employee Change of Information form for pension purposes. Your Employer can provide you with this NSHEPP form to complete.

Important Note: For beneficiary designation purposes, we require an original signed, dated and witnessed form. We are unable to accept faxed or scanned copies of the form.

What happens to my pension benefits, if my employment ends?

If your employment ends before you reach retirement, the benefits you are entitled to depend upon your age and service on your date of termination. Generally, the options will be as follows:

1. to leave your pension in the Pension Plan and start it once you reach a retirement age – this is called a deferred pension; or
2. to transfer the lump sum value of your pension to a locked-in retirement account – a few things to note here:
 - the monies are locked-in which means that you cannot withdraw any funds until you reach a retirement age – generally around age 55;
 - the funds must be turned into a stream of retirement income and cannot be cashed in once you do reach a retirement age.

Important Note:

If you are entitled to a pension at your date of termination, on either a reduced or unreduced basis, you will not be permitted to transfer your funds out of the Plan into a locked-in retirement account – generally you are eligible for a reduced pension at age 50 (provided you have at least 10 years of service) or are at least age 55 (regardless of your years of service).

If you take a job with an employer who has a registered pension plan, you will be also be permitted to transfer your funds to the pension plan of your new employer, provided your new employer's pension plan is willing to accept the funds. In order to make this happen, you will have to check with the pension plan of your new employer to see if they will permit the transfer and what forms you will have to complete at their end.

What if you work for more than one NSHEPP participating Employer

Did you know that there are 87 Employers across the Province of Nova Scotia who participate in NSHEPP?

These employers include most of the hospitals and nursing homes along with other health-related organizations. A complete list of our participating employers can be found on our website at www.nshepp.ca - see About Us.

If you work for more than one of our participating Employers (in a class of employees for which each employer maintains participation in NSHEPP), then you will be required to participate in NSHEPP with all employers.

You cannot receive a retirement or termination benefit until you have retired or terminated from all your NSHEPP Employers.

Can you withdraw or borrow funds from the Pension Plan?

Members sometimes contact us to ask if they can remove funds to purchase a house for example. Pension laws in Nova Scotia do not permit a Plan member to withdraw or borrow funds from the Plan at any time.

The only time benefits are paid from the Plan is when you terminate your employment, retire, or in the event of your death before retirement.

What do you do once you make your decision to retire?

A common question asked by our members as they approach retirement is "How do I start the retirement process?"

Once you have made the decision to retire, the first step is to advise your Employer. Your Employer will then provide you with the following forms for you to complete:

- a Declaration of Spousal Status at Retirement; and
- a Direct Deposit form – you will also need to provide a void cheque or deposit slip printed by your bank.

We will also require copies of the following documents from you:

- your proof of age (i.e. a copy of your birth certificate, passport or driver's license) along with proof of your spouse's age if you have a spouse at your date of retirement;
- your marriage certificate;
- your divorce decree, if applicable;
- your separation agreement or court order, if you have had a relationship breakdown with your spouse during your period of participation in the Pension Plan.

Your Employer will then send us formal notification of your retirement along with your documents. Once we receive all the information necessary to process your retirement, we will prepare a retirement option form and send it to you to sign.

In deciding when to end your employment and retire, it is important to keep in mind that retirements for pension purposes are always the first of the month following the date your credited service ends. For example, if your last day worked is December 14, your retirement date will be January 1st.

Interesting facts

- 87 Employers in health-related sectors across the Province of Nova Scotia participate in the Plan;
- Currently there are over 32,000 active members and 13,000 retirees receiving monthly pension payments;
- Retirement pensions in payment will be increasing by 1.9% effective January 1, 2020 (prorated for retirees who have been retired for less than one year).