

## Legal Interpretation of this Document

The foregoing is premised on the rules and criteria which currently exist under the Teachers' Pension Plan and which are subject to amendment from time to time. The information presented in this document attempts to explain, in plain language, Teachers' Pension Plan pension coverage under the Teachers' Pension Act and Regulations. Plan members, 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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# *Purchasing Pensionable Service*

## **Nova Scotia Teachers' Pension Plan**



## ***Purchasing Pensionable Service under the Teachers' Pension Plan***

Purchases of additional service are permitted under the Nova Scotia Teachers' Pension Plan. All purchases are subject to the rules of the Canada Revenue Agency (CRA).

### **1. Prior teaching service with the Province of Nova Scotia**

A member may buy back a prior period of pensionable service that was previously refunded or transferred from the plan.

Costing – (total of refund/transfer plus interest from the date of removal from the plan to the date the costing is calculated).

### **2. Periods of absence from employment as a teacher in Nova Scotia**

- Maternity leave – maximum period (85 days);
- Adoption leave – maximum period (175 days);
- Parental leave – maximum period (175 days);
- Study leave or an absence for taking an academic/profession course of study or

engaging in some activity considered to be equivalent – maximum period (2 years);

- Layoff – maximum period (2 years);
- Compassionate Care leave – maximum period (40 days);
- Leave of absence not otherwise specified – maximum not to exceed the limits prescribed by the Income Tax Act.

Costing – there are two options to pay for a Leave of Absence:

1. Within one year of returning to work, you may pay the total of missed contributions plus interest.
2. If you wait more than one year after the leave ends, you will pay either 50% or 100% of the actuarial cost of the service.

Actuarial Cost is the present value of the additional pension that will ultimately be paid as a result of making a purchase. It is determined using a number of assumptions, regarding mortality, salary increase, investment earnings, etc.

### **3. Outside Teaching Service – Service while teaching in another jurisdiction**

In order for a member to be eligible to purchase “Outside Teaching Service”, they must be vested

under the Nova Scotia Teachers' Pension Plan, having at least (2 years of service).

The service must be recognized by the Nova Scotia Department of Education.

Costing – actuarial cost.

### **Special Notes:**

Service pre-1992 may only be recognized if the funds remain in the former plan and are transferred directly from that former plan.

Service post-1991: Elections to purchase service post-1991 require that the Nova Scotia Pension Agency prepare a Past Service Pension Adjustment, which must be approved by Canada Revenue Agency (CRA).

Statements of cost are valid for two (2) months only from the date on the statement. After the two months have passed, either additional interest is applicable or in the case of an actuarial calculation, a new calculation must be prepared.

### **Methods of Payment:**

1. Transfer funds from a Registered Source, i.e. RRSP or former Registered Plan;
2. Lump sum cash payment - subject to income tax rules.