

Legal Interpretation of this Document

The information presented in this document attempts to explain, in plain language, Teachers' Pension Plan pension coverage under the Teachers' Pension Act. Teachers, 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.

Survivor Options under the Nova Scotia Teachers' Pension Plan

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Retirement is a new phase of life that requires some thought and planning. The Nova Scotia Pension Agency administers the Nova Scotia Teachers' Pension Plan, which covers public school teachers and some community college faculty and professional support staff.

Effective April 1, 2003 members of the Teachers' Pension Plan will be able to choose from a variety of options with regard to survivor pensions and guarantee periods.

Old Rules - (Still in effect)

No options. There is no minimum guarantee period for which your pension is paid. Your pension is paid to you for life; if you have a surviving spouse or dependant, he or she will get 60% of your pension, upon your death. Even though there are new rules, this old rule of 60% is still in effect and may be chosen.

New Rules - Survivor Options

Instead of the old rules (which remain in effect) you may choose to accept a slightly reduced lifetime pension in return for a guarantee or enhanced survivor's pension. In order to do this you may choose one or both of the following:

- A) Survivor pension as a percentage of your pension: 60% or 80% or 100%
- B) Guarantee period for which your pension will be paid: 0 years, 5 years, 10 years, 15 years

Survivor pensions are only payable if there is an eligible survivor. This is usually a spouse, but if there is no spouse, a survivor may be a child under 18 years of age (or under 25 if a full time student) or a parent or sibling dependant on you by reason of infirmity. If you have no spouse or other dependant, you would not choose an enhanced survivor pension.

The guarantee period refers to the minimum period for which your pension will be paid, regardless of when you die. Your pension is paid for your lifetime. That does not change. If you select one of the guarantee periods, the pension plan will continue to pay your pension at the rate at which it was originally paid to you, even if you die before the end of the guarantee period.

Example:

Assume that you choose an 80% survivor option and a 10-year guarantee and that you die four years after retirement. This means that your pension is paid to you for four years (until your death) and continues at 100% to your spouse for the next six years (the remainder of the guarantee period), and then continues to your spouse at 80% for the remainder of his or her life. If you die, say, twelve years after retirement, your pension is paid to you at 100% for twelve years and then continues at 80% to your spouse for the remainder of his or her life.

You are probably aware that your pension has two components: a lifetime pension and a bridge pension payable only until 65 years of age. It is important to note that the survivor option and guarantee period apply to both portions up until you reach or would have reached 65 and only to the lifetime portion after age 65. In other words, your guaranteed pension and the enhanced survivor pension are also integrated with Canada Pension.

You may be wondering who pays for these increased benefits. The member pays for the selected option by accepting a reduced pension at retirement. The actual amount of reduction is determined for each individual, based on his or her age at retirement and the spouse's age.

Rules & Conditions

1) You must make your choice within three months of retirement. You cannot choose an option several years before you retire. You will elect your option as

part of your application for a pension. Nor can you elect an option after you retire.

2) If you elect an option and die before your retirement, the election is still valid.

3) If you elect an enhanced survivor pension and your spouse dies before you retire, the election is cancelled. You then have up to one month after retirement to elect other options should you so wish.

4) You may revoke an election at any time up to retirement.

5) You may not revoke an election after retirement, regardless of circumstances. If you elect an enhanced survivor pension and your spouse dies before you, your pension remains at its reduced amount. It is not increased back to its original rate.

6) You may only elect an enhanced survivor pension with respect to your spouse at the time of retirement. If you elect an enhanced spousal pension and your spouse predeceases you, any subsequent spouse would be entitled to 60% of your reduced pension.

7) If you die leaving a spouse and dependant children, under the default (old) rules, your spouse gets 60% and each child gets 10%, provided that the total paid out is not more than 100%. If you elect an 80% survivor pension, that leaves 20% for dependant children; if you elect a 100% survivor pension, there would be no pension for dependant children.

8) An enhanced survivor pension is paid for the lifetime of your spouse.

9) You may designate a beneficiary to receive guarantee payments after your death if you have no spouse or dependant children.

10) Payments to spouses and/or dependant children are made monthly, just like your pension. Payments to an estate or other beneficiaries are made in one lump sum.