

Legal Interpretation of this Document

The foregoing is premised on the rules and criteria which currently exist under the Public Service Superannuation Plan and which are subject to amendment from time to time. The information presented in this document attempts to explain, in plain language, Public Service Superannuation Plan pension coverage under the Public Service Superannuation Act. 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.

Purchasing Pensionable Service

Nova Scotia Public Service Superannuation Plan



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Purchasing Pensionable Service under the Public Service Superannuation Plan

The Public Service Superannuation Act and Regulations permit purchases of additional service under the Public Service Superannuation Plan (PSSP). All purchases are subject to the rules of the Canada Revenue Agency (CRA).

Types of eligible service that may be purchased to increase a pension benefit are:

1. Prior Public Service with the Province of Nova Scotia:

- A member may re-establish a prior period of pensionable service by repaying the previous refund or transfer received from the Public Service Superannuation Plan (PSSP).
- Costing – this is the total amount of the refund/transfer plus interest from the date of removal from the plan to the date the costing is calculated.

2. Periods of service during which the member was not contributing to the

Pension Plan:

- Casual Service – must be a period of full-time service for six consecutive months or greater.

Costing is based on historical salaries, contribution and interest rates.

- Leave Without Pay is any authorized leave of absence from the employer

Costing is based on historical salaries, contribution and interest rates.

3. Service with other Pension Plans:

Former service with a recognized Public Authority may be purchased based on Income Tax Rules.

A Public Authority Service - Purchase Questionnaire Form (FORM.0047) must be completed. You may download the form from our website at www.novascotiapension.ca. Click Public Service Plan, Members, Forms.

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

Costing – The Actuarial value of the additional pension benefit is calculated using the Plan's

actuarial assumptions, the member's age, service, and salary at the date of calculation.

Special Notes:

Service post-1989: Elections to purchase post-1989 service require the Nova Scotia Pension Agency to prepare a Past Service Pension Adjustment (PSPA), which has to 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, either additional interest is applicable, or in the case of an actuarial calculation, a new calculation must be prepared.

Methods of Payment:

Payment may be made by one of these methods:

- Transfer funds from a registered source, i.e. RRSP or former Registered Plan;
- Lump sum cash payment (subject to income tax rules);
- Bi-weekly payroll deductions (subject to amortizing interest and income tax rules).