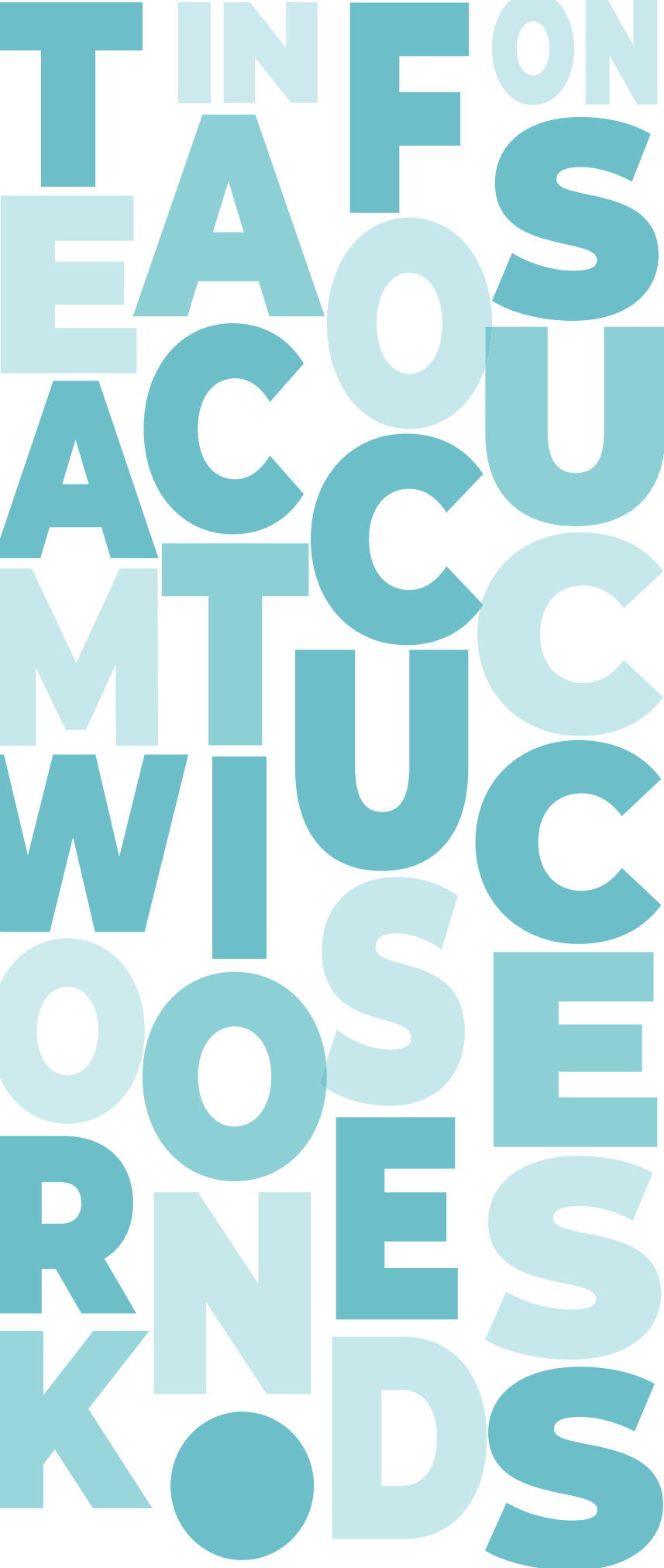


2024-2025 NS Pension Annual Report



Strengthening the retirement future of Nova Scotians

pension



2024-2025

NS Pension Annual Report

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www.novascotiapension.ca

About Us

Nova Scotia Pension Services Corporation (NS Pension) administers the pension benefits and investment assets of the Public Service Superannuation Plan (PSSP) and the Teachers' Pension Plan (TPP). We also provide pension administration services for a group of provincial pension arrangements, including those for Members of the Legislative Assembly, judges, deputy ministers, and three former Sydney Steel pension plans.

We are a non-profit corporation that provides a wide range of investment, pension administration, and compliance services for two of Nova Scotia's leading pension plans. In total, we manage \$14.4 billion in plan assets and serve over 81,800 active members, retirees, and survivors.*

NS Pension is jointly owned by Public Service Superannuation Plan Trustee Inc. (PSSPTI) and Teachers' Pension Plan Trustee Inc. (TPPTI).

We are accountable to our Board of Directors (Board), which consists of directors appointed by both PSSPTI and TPPTI. The Board ensures we maintain strong controls, use effective risk management practices, provide transparent reporting, and offer prudent management of pension plan expenses.

** Based on data as at March 31, 2025 for the PSSP and as at December 31, 2024 for the TPP.*

We serve over

81,800

plan members

We manage

\$14.4 b

in plan assets



pension

Who we serve

We support over 81,800 members of the PSSP, the TPP, the Members' Retiring Allowances and the three former Sydney Steel pension plans.

Plan membership breakdown



PSSP

45,255

PSSP members*



TPP

35,529

TPP members**



Former Sydney Steel
pension plans (SYSCO)

822

SYSCO members*



Members' Retiring
Allowances (MLA Plan)

220

MLA members*

* as at March 31, 2025

** as at December 31, 2024

2024-2025 Highlights

for the fiscal year ended March 31, 2025



We are proud to be a 2025 Top Employer In Atlantic Canada and Nova Scotia

This recognition highlights our continued focus on creating a supportive, empowering, and values-driven workplace, right here at home in Nova Scotia.

Thank you to our amazing team for the work you do every day to make NS Pension a great place to grow, contribute, and support the retirement future of Nova Scotians.



Message from the Co-chairs



John Rogers, KC, ICD.
Co-chair



Keiren Tompkins
Co-chair

On behalf of the Board of Nova Scotia Pension Services Corporation (NS Pension), we are pleased to provide you with our Annual Report for the fiscal year ending March 31, 2025.

NS Pension continued to successfully manage the investment strategies of the Public Service Superannuation Plan (PSSP) and the Teachers' Pension Plan (TPP). Combined assets under management were approximately \$14.4 billion*, a year-over-year increase of about \$781 million.

Plan Performance

The PSSP achieved a net return of 7.03 per cent for its 2024-2025 fiscal year. This performance surpassed the actuarial assumed rate of return of 6.50 per cent but was below the Plan's 9.21 per cent overall benchmark, primarily due to benchmarks for key asset classes like real estate, infrastructure, and private equity remaining historically high. The PSSP's diversified asset mix continued to serve the Plan well, however. As of March 31, 2025, the PSSP was 106.8 per cent funded, up 3.0 per cent from the previous year, with a surplus of \$525 million. In accordance with its prescribed funding policy, the PSSP Trustee was also able to grant indexing of 2.61 per cent to PSSP pensioners for the 5-year cycle running from January 1, 2026 to December 31, 2030.

The TPP's funded status increased to 81.1 per cent at the end of its fiscal year, December 31, 2024, compared to 78.1 per cent at the end of the prior fiscal year. The TPP achieved a net return of 9.76 per cent, below the 12.54 per cent overall benchmark for the Plan for the year but well above the actuarial assumed rate of return of 5.80 per cent. As with the PSSP, the TPP's benchmark for fiscal 2024 continued historically high, due significantly to the higher inflation-linked benchmarks for the real asset components of the portfolio. But, also in line with the PSSP, the TPP demonstrated strong absolute performance and the Plan's diversified asset mix proved its worth.

Plan Membership

Membership for both the PSSP and the TPP increased. As of December 31, 2024, the TPP had 35,529 members, an increase of 730 from the previous year. The PSSP had 45,255 members as of March 31, 2025, an increase of 1,533 from the previous year. The ratios of active members to pensioners improved for both plans over the course of their respective fiscal years. This continued a modest but encouraging trend that has emerged in the past several years.

Efforts to grow the PSSP membership continued, with legislation allowing private sector pension plans to transfer into the PSSP being proclaimed into force in early 2025 and with new levels of participation (PSSP VANTAGE) introduced into the PSSP in the Fall of 2024.

* Based on data as at March 31, 2025 for the Public Service Superannuation Plan, and as at December 31, 2024 for the Teachers' Pension Plan.

Co-chairs' Message continued...

Strategic Initiatives

Throughout the year, we undertook strategic initiatives focused on enhancing member services and ensuring the long-term sustainability of our plans. These included:

- completion of a records management (RM) initiative, on time and on budget, with all member records now imaged
- implementation of a new virtual internet-based phone system ('Talk-Desk') that enhances service staff's ability to work off-site and provide confidential telephone service to plan members (with 'Talk-Desk' going live early in fiscal 2024-2025 and smoothly integrated into NS Pension's operations over the course of the fiscal year)
- hosting of a joint education day in November 2024 for the PSSP and TPP Trustee Board members, along with some members of the Teachers' Pension Board, to promote collaborative learning and strategic alignment
- completion of asset-liability modelling studies for both the PSSP and the TPP (with these progressing through much of the fiscal year and being concluded in June 2025)
- commencement of build-out of new master trust structures for the PSSP and the TPP
- continuation of preparatory work regarding the introduction of new investment approaches for the PSSP and TPP portfolios

Governance and Compliance

Maintaining the highest standards of governance and regulatory compliance remains at the core of our operations. We continued to undertake comprehensive reviews of our policies and procedures to ensure they align with best practices and regulatory requirements. The NS Pension Board also continued to focus on strengthening internal controls and risk management processes to safeguard the interests of all plan members.

There continues to be a particular emphasis on cybersecurity, and this area remains a top priority for both NS Pension staff and the Board. A comprehensive security audit was completed by KPMG in 2023-2024 and the recommendations from that are the basis of ongoing work to strengthen NS Pension's cybersecurity defences.

Corporate Culture

NS Pension continued to position itself as an employer of choice by enhancing its profile in the job market and promoting a respectful, inclusive, congenial, and collaborative work environment. NS Pension was shortlisted for 2025 in the 'Canada's Top 100 Employers' competition and was selected for 2025 as both one of Atlantic Canada's Top Employers and one of Nova Scotia's Top Employers.

Acknowledgments

The Board thanks NS Pension staff for their consistent professional support of the Board and for their dedication to all plan members.

We also thank the Trustee Boards of the PSSP and the TPP for the continuing confidence they have in NS Pension's staff and Board.



- John Rogers, Co-chair
TPPTI Representative



- Keiren Tompkins, Co-chair
PSSPTI Representative

NS Pension Board of Directors

as at March 31, 2025

The Board of NS Pension oversees the overall operation and management of the Corporation. The Board sets the strategic direction of NS Pension, approves our operational budget, and makes key decisions.

The Board consists of four members appointed by PSSPTI and four members appointed by TPPTI. One director from PSSPTI is nominated by the Nova Scotia Government and General Employees Union (NSGEU), and one director from TPPTI is nominated by the Nova Scotia Teachers Union (NSTU). The Board is chaired by two directors acting as Co-chairs who alternate every six months.



John Rogers
Co-chair
Counsel
Stewart McKelvey
TPPTI Representative
Appointed: 2021



Keiren Tompkins
Co-chair
Retiree
PSSPTI Representative
Appointed: 2013



Toyin Akindoju
Executive Director, Finance and Admin., Department of Finance and Treasury Board
TPPTI Representative
Appointed: 2025



Corinne Carey
Pensions and Benefits Officer
NSGEU
PSSPTI Representative
Appointed: 2022



Kyle Marryatt
Staff Officer, Member Services, NSTU
TPPTI Representative
Appointed: 2018



Leo McKenna
Retiree
PSSPTI Representative
Appointed: 2019



Dionne Reid
Teacher
TPPTI Representative
Appointed: 2023



Claire Sanderson
Benefits Manager
Public Service Commission
PSSPTI Representative
Appointed: 2023



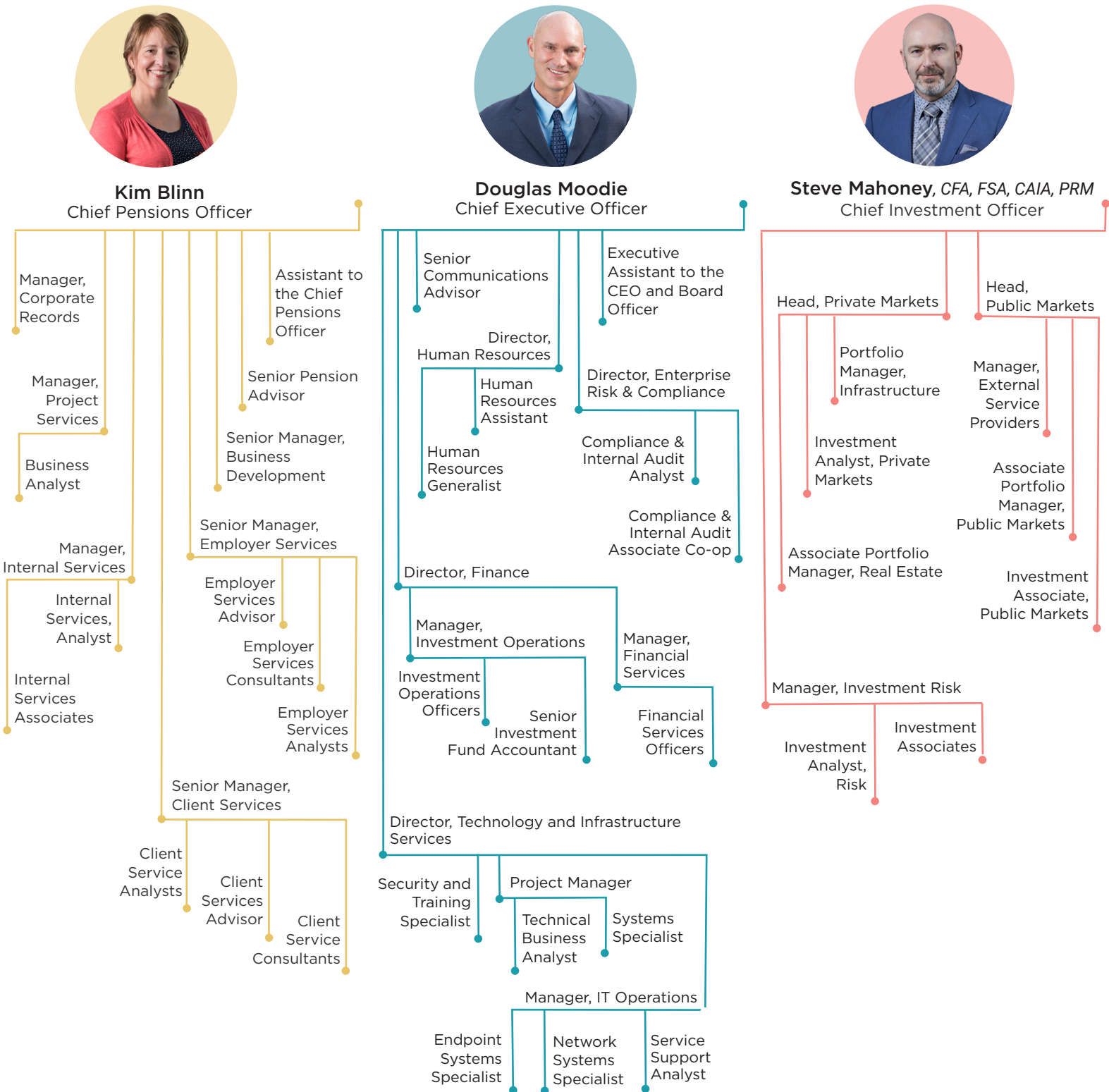
Sara Halliday
Associate Deputy Minister*
Department of Education and Early Childhood Development
TPPTI Representative
Appointed: 2023 | Resigned: 2024
* Currently the Associate Deputy Minister of Communities, Culture, Tourism and Heritage

For more information about the Board, please visit:
www.novascotiapension.ca/about

Our NS Pension Team *as at March 2025*

Our dedicated team of over 80 staff members is here to manage our plans' investments and provide high-quality pension administration services to all our plan members. We work closely with the Board to achieve our key strategic objectives and ensure we meet the service and investment targets set by our plan Trustees. We are committed to operating within the approved policies and budgets to serve our plan members fairly.

Our team is structured according to the following functions: Pension Services, Corporate Services, and Investment Services.



Diversity and Inclusion

At NS Pension, we believe in the importance of celebrating diversity, raising awareness and fostering an inclusive environment.

We are committed to fostering a workplace where all individuals feel valued, respected, and comfortable being at work. We recognize that diverse backgrounds, cultures, and experiences make our teams stronger.

Throughout the year, we honour important events such as International Women's Day, National Indigenous History Month, Diwali, African Heritage Month, Hanukkah, Pride, and Pink Shirt Day, among others.

We highlight these occasions as they are opportunities that allow us to reflect, learn, and grow.



Members of our team show support for Pink Shirt Day 2025.

Community Involvement

Giving Back

Through the dedication and hard work of NS Pension staff, we have regularly given back to our community.

In 2024-2025, our staff fundraising efforts continued throughout the year and supported local organizations such as:

- Souls Harbour Mission
- Out in the Cold
- Margaret House
- CNIB Foundation Guide Dogs



We also continued to contribute to Feed NS through employee donations.

We are very proud of the spirit of caring and sharing continually shown by the staff of NS Pension.

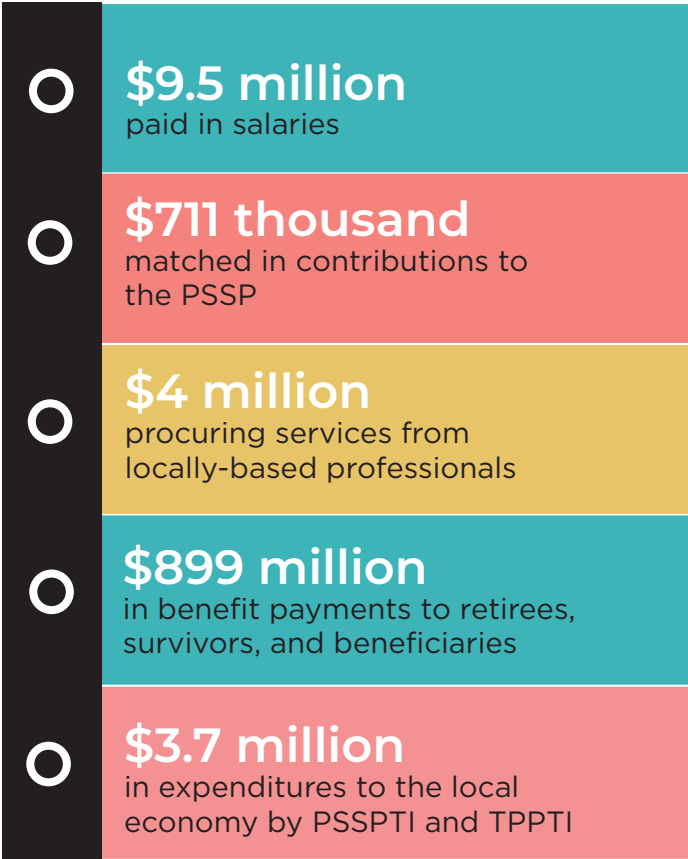
Supporting Local

We paid \$9.5 million in salaries to our employees and matched their contributions of \$711 thousand to the PSSP.

We spent over \$4 million procuring services from locally-based professional service firms, technology providers, and other local companies.

Our plans paid \$899 million in pension benefits to plan retirees, survivors, and beneficiaries, thus making a significant monetary injection into the Nova Scotia economy.

PSSPTI and TPPTI contributed to the local economy with expenditures of approximately \$3.7 million, including \$2.7 million of investment management fees paid to local managers.



Connecting with our members through *My Retirement Plan*

Our My Retirement Plan (MRP) website allows active plan members to have secure access to their personalized pension information online.

Key MRP features include:

- View your Annual Member Statement
- Use the Pension Projection Tool
- Explore helpful Retirement Planning Resources

Active plan members can access the MRP website at the following address: <https://nspensions.hroffice.com>

Retired members do not have access to the MRP website. If you are a retired member, please contact us for any pension-related inquiries.

By the numbers as at December 31, 2024



35,658

Total Account Holders

- 21,458 PSSP member profiles
- 14,147 TPP member profiles
- 53 MLA member profiles



36,094

Total Member Logins

- An increase of 4,135 (12%) logins from 2023.



1,337

Total Average users per month

- An increase of 212 (15.9%) users from 2023.



The Pension Projection tool was used **31,795** times.

- 23,145 PSSP members
- 8,642 TPP members
- 8 MLA members

An increase of 15% logins from 2023



The Annual Statement tool was used **17,231** times.

- 12,566 PSSP members
- 4,631 TPP members
- 34 MLA members

An increase of 15.9% logins from 2023



The Pension Profile was used **6,961** times.

- 5,208 PSSP members
- 1,748 TPP members
- 5 MLA members

An increase of 14.1% logins from 2023

Our Strategic Plan 2022-2025

Our Vision

To strengthen the retirement future of Nova Scotians



Our Mission

To provide outstanding pension services



Our Values

- Commitment: to provide the highest quality service
- Trust: to act with integrity and to make sound decisions
- Respect: to show consideration to our members and our colleagues
- Expertise: to build and retain a diverse and talented team
- Collaboration: to build mutually beneficial relationships



Our Key Strategic Objectives



Client Service: anticipate and respond to the changing retirement landscape

- Provide comprehensive, expert support to our clients
- Broaden education and promote retirement planning
- Adapt investment strategies to meet shifting challenges



Operational Excellence: create efficiencies and manage risk

- Continually improve the way we do business
- Foster a risk-aware and risk-responsible culture



Value Leadership: champion solutions that enhance sustainability

- Leverage existing relationships and seek beneficial new ones
- Always strive for meaningful results that have practical utility
- Seek value in everything we do without sacrificing quality



People: have the right people in the right jobs at the right time

- Provide a desirable place to work
- Forecast future resource needs
- Enable and develop our people
- Ensure roles remain relevant and impactful

Our Annual Scorecard measures our progress on Operational Excellence and People (page 19). The area of Client Service is measured by each of PSSPTI and TPPTI (page 20). The area of Value Leadership is assessed specifically and separately by the Board of NS Pension.



Client Service

- **continue to offer a variety of client service delivery options** (scheduled in-person, unscheduled in-person, virtual) to serve the needs of plan members
- **continue to provide cost-efficient administration** for the Province's SYSCO pension plans, the pension benefits of Members of the Legislative Assembly, and the specialized pension arrangements for judges of the Provincial Court and deputy ministers (for the last group, including conducting information session(s) via Executive Council Office regarding recent revisions to the 'deputy minister pension arrangement' that updated and streamlined the arrangement and incorporated associate deputies as a new participating group, and implement an improved system to track participation in such pension arrangement)
- **provide support to Justice and Finance and Treasury Board** as they finalize implementation of MLA regulations
- **continue development of a diverse suite of educational materials** (including online videos) focused on active members at different career stages, as well as retired members
- **organize November 2024 Joint Education Day for board members** of Public Service Superannuation Plan Trustee Inc., Teachers' Pension Plan Trustee Inc., and the Teachers' Pension Board
- **continue to support and advise PSSPTI in its membership growth initiatives**, with particular focus in 2024-2025 on admission into the PSSP of private-sector employers and employers in lower income sectors and industries
- **continue implementation of PSSP rule changes resulting from the 2022 PSSP Review and Recommendations**, including communications to members, ongoing staff training, systems adjustments, and a review and revision of all impacted website materials
- **continue to support and advise the Teachers' Pension Board**, with particular focus on matters relating to the report of the independent TPP Review Panel



Client Service continued...

Investments:

- **continue to build out portable alpha programs** utilizing the hedge fund portfolio, cash management and derivatives
- **continue to monitor the derivatives market** to transact funded swaps when in a value-add position
- **continue discussions on leverage with the trustees** with educational material, implementation outline, and peer comparisons for utilization
- **combine similar asset mixes between plans into asset class pools**, where applicable and advantageous
- **build out a portfolio management framework with assets in pools**
- **plan out 2025 ALM studies**, including market RFP for services and sourcing the consultant firm to conduct the work
- **prepare for one Investment Division retirement in 2026** by posting late in 2024 and hiring in 2025 for adequate overlap and training time
- **establish a securities class action monitoring program for each of the PSSP and TPP**
- **review custodian performance and service**, identifying opportunities to enhance the relationship
- **deliver our first development program for real estate** as we transition a piece of the portfolio into the value-add space
- **begin private equity program build-out for the TPP and continue enhancing the PSSP and TPP programs** with the use of in-house sourcing and adjust the external advisor 'separately managed accounts' program approach
- **continue to explore options to enhance internal fixed income management capabilities**
- **continue enhancing the sustainable investment monitoring and reporting program** given the rapidly evolving industry practices
- **continue evolving the private asset portfolios** to drive key relationships that deliver co-investment and direct deal flow at reduced cost



Client Service continued...

Pension Administration:

- **implement a virtual online phone system**, Talk Desk, which will greatly enhance the Pensions Division's ability to have both Internal Services and Client Services teams work from home, provide improved real-time service tracking, and minimize the risk of impacts to service due to weather or property events, and unplanned absences
- **finalize operational and contractual details regarding PSPPTA and the advent of private sector employers** (specifically, if/how the PSSP Trustee wishes to assess the financial viability of incoming employers, the nature of any up-front financial guarantee, and how we will manage problematic or delinquent employers); tailor both the transfer and new start agreements for private sector employers
- **consider adding a new role that will focus on our 'new business' streams** and take over the initial discussions, presentations, analysis and contract development for new employers; a marketing role will also be considered to manage the new employer application process, assist with member information sessions, develop online and hard copy onboarding materials, and support incoming employers through to the end of their onboarding process
- **assess the need for new, value-add roles in support of both private sector employers and other PSSP expansion initiatives** and to meet the rapidly changing needs of existing employers which continue to experience high rates of turnover and require re-training of their key payroll/HR staff
- **consider revising the current structure in the Client Services and Employer Services teams**, e.g. assess any value in creating 'traditional' versus 'more complex' service streams





Operational Excellence

- continue enhancing computer security incident management practices
- continue replacement of IT Helpdesk management system software
- complete implementation of vulnerability scanning capability and reporting metrics for same
- commence implementation of network security monitoring capability
- **support implementation of new telephone technology** to provide improved tracking of in-place productivity, improve quality of calls, and enhance the capability for remote work (which technology may include modernizing logon processes to incorporate biometrics and inclusion of a secure access service edge system (SASE))
- **continue reviewing system back-up and recovery strategies** (implementation of backup service for email and Office 365 services substantially complete); review of and updates to servers and shared drive still in progress)
- **complete review of positions in the Technology & Infrastructure Services department** commenced in fiscal 2022-2023, and finalize structuring changes and role enhancements
- continue improving 'new user' technical onboarding processes
- continue network redesign, phase 2
- continue intranet site redesign
- **begin to implement a technology-based privacy breach reporting system** to increase reporting efficiency and to align applicable record-keeping with the current corporate digital direction
- **perform an analysis (applying international professional standards) of NS Pension's current Compliance and Internal Audit Manual** and processes to improve the validity and effectiveness of the program
- **continue to enhance NS Pension's enterprise risk management program** by integrating additional quantitative, most notably cyber-risk related, metrics (requires improving the objective monitoring of cyber-risk)
- **continue to enhance the Financial Services team's processes** to improve efficiencies and controls, streamline banking, and improve financial reporting
- **continue to enhance the Investment Operations team** to support and administer new investment vehicles and investment strategies, and their related reporting



Value Leadership

- **review, analyze and prioritize recommendations from the 2023/2024 KPMG security audit;** anticipated to impact most of the Technology & Infrastructure Services department's existing objectives, add new ones, and prompt significant shifts in departmental priorities
- **continue to increase risk awareness within the NS Pension governance structure** by providing enterprise risk management program information from the KPMG security audit (including appropriate sessions with trustee board members)
- **continue to progress the records management (RM) project towards substantial completion** in the latter part of 2024, including: complete imaging of all member records, merge our existing service tracking and reporting system into M-Files, and complete all foundational work for NS Pension's new Electronic Document & Records Management System (EDRMS) M-Files
- **prepare for and enter into discussions with the Nova Scotia Government and General Employees Union (NSGEU) in the Fall of 2024 regarding a new collective agreement** (commencing April 1, 2025) for NS Pension's bargaining unit employees, and take all requisite steps to implement the new collective agreement by April 1, 2025





People

- **continue to assess flexible work arrangements for employees** (including Flexible Work Guidelines, work-from-home hours, and the Weather Event Policy which facilitates work-from-home during inclement weather events), thereby achieving a balance between necessary in-person, in-office work and evolving employee benefits in the market
- **continue follow-up on the results of the 2023 Employee Engagement Survey**, including providing regular updates to staff on the response plan that identified key themes for ongoing improvement
- **continue efforts to enhance communications within NS Pension**, including maintaining regular CEO briefings
- **continue to promote a respectful and collaborative work environment**, enhancing the overall physical and mental well-being of our employees
- **provide supportive in-house programs**, including in the areas of health, safety and wellness, change management, and diversity and inclusion
- **complete implementation of an enhanced performance management process** to help streamline and add more consistency to performance management efforts across the Corporation
- **continue to prioritize succession planning efforts**, including: scheduled bi-annual succession planning meetings among the CEO, HR Director, and Director, Enterprise Risk & Compliance; supporting skills development opportunities, including individualized development plans
- **commence planning for the retirement of NS Pension's Chief Pensions Officer in late 2025**, including preparing and running a position competition, attending to hiring details regarding the new Chief Pensions Officer, and dealing with all requisite transitional matters
- **senior leaders of the Investment Division (publics, privates and risk & research) will continue to work with the CIO to identify future leadership candidates and prepare succession plans** with a focus on advancing appropriate training and development
- **the Pensions Division will continue to hone succession planning**, with as many as four retirements of top talent anticipated in fiscal 2024-2025 and 2025-2026, and a long-term absence which requires imminent backfilling
- **continue 'Learning the Biz' information sessions for NS Pension staff** to explain team/department functions and roles across the Corporation
- **continue to position NS Pension as an employer of choice by enhancing our profile in the job market**
- **focus ongoing efforts to update recruitment, selection and hiring practices with emphasis on quality and volume of candidates, time to hire, and candidate experience**

NS Pension Scorecard

As of March 31, 2025

The NS Pension Board is responsible for approving our strategic goals, and monitoring our progress and performance in achieving them. Our Strategic Plan encompasses four strategic goals: Client Service, Operational Excellence, Value Leadership, and People.

The Board uses this Scorecard to measure and assess our progress and performance on Operational Excellence and People. Value Leadership is assessed specifically and separately by the Board. The remaining goal, Client Service, is measured separately as part of the Trustees' Scorecards (see page 20).

Below is a summary of our Annual Scorecard for the fiscal year 2024-2025:

Goals

Operational Excellence: Create efficiencies and manage risk

Score



People: Have the right people in the right jobs at the right time

Score



MEASUREMENT SCALE:				
1 – Did Not Achieve	2 – Partially Achieved	3 – Achieved	4 – Exceeds	5 – Exceptional

Our Performance

NS Pension is retained by PSSPTI and TPPTI to provide pension administration and investment management services for their respective plans. These services are fully described in detailed service agreements between each of the Trustees and NS Pension.

In addition to the identified objective metrics supporting the NS Pension Scorecard (see page 19), similar Trustee Scorecards are constructed for objective metrics specific to the Trustees. Those Scorecards are available on the plan websites and are also provided below.

PSSPTI Annual Scorecard of NS Pension *As of March 31, 2025*

Below is a summary of the PSSPTI Scorecard of NS Pension for the PSSP fiscal year 2024-2025:

Goal

Client Service: Anticipate and respond to the changing retirement landscape

Score

1

2

3

4

5

4.00

You can view PSSPTI's Annual Scorecard of NS Pension online at: www.nspssp.ca

TPPTI Annual Scorecard of NS Pension *As of December 31, 2024*

Below is a summary of the TPPTI Scorecard of NS Pension for the TPP fiscal year 2024:

Goal

Client Service: Anticipate and respond to the changing retirement landscape

Score

1

2

3

4

5

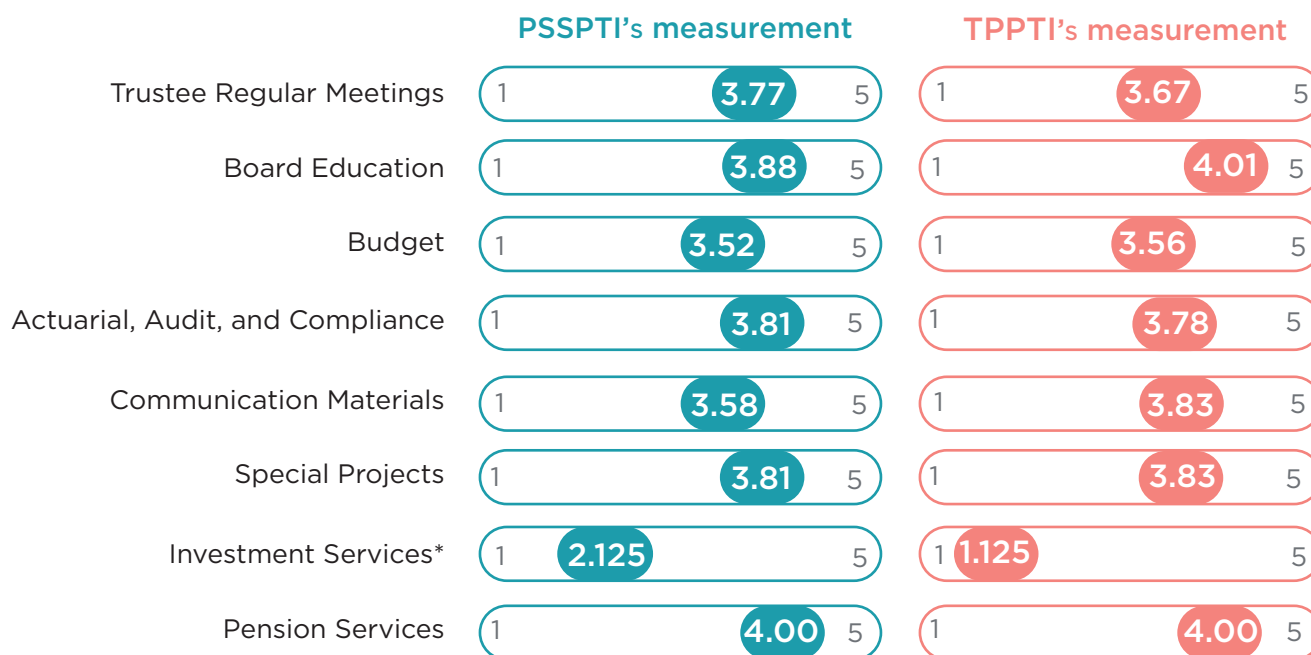
4.00

You can view TPPTI's Annual Scorecard of NS Pension online at: www.nstpp.ca

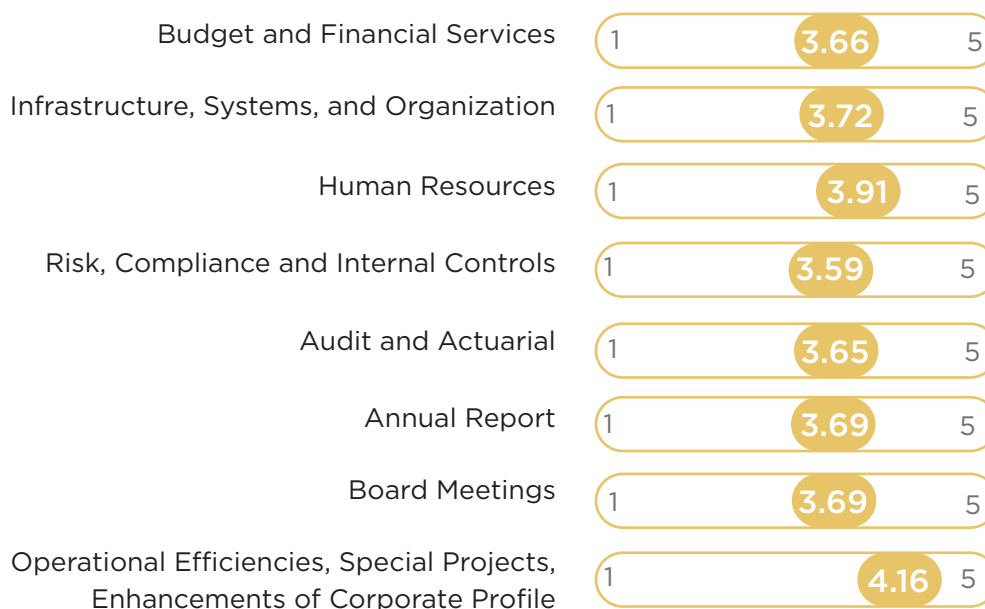
Our Performance continued...

Each of the plan Trustees and the NS Pension Board also completed year-end subjective assessments of NS Pension's performance in various categories.

The plan Trustee Boards' measurement of NS Pension:



The NS Pension Board's measurement of NS Pension:



MEASUREMENT SCALE:

1 - Did Not Achieve 2 - Partially Achieved 3 - Achieved 4 - Exceeds 5 - Exceptional

* Absolute returns for both plans were very strong but relative performance was below target because of historically high benchmarks.

Financial Summary

NS Pension operates on a cost-recovery basis. Expenses are allocated and charged to its Trustee clients based on the corporate budget. Allocation percentages are approved by the NS Pension Board, Trustee Boards, and the Province of Nova Scotia.

For the fiscal year ended March 31, 2025, NS Pension had total operating expenses of \$17.4 million, an increase of \$1.8 million over the previous year. Total salaries and benefits increased by \$926 thousand over the year which included an increase in staff, an economic adjustment of 5.50 per cent for the bargaining unit and various other increases. Investment fees increased by \$107 thousand related to establishing Master Trust Fund arrangements. Professional fees increased by \$101 thousand due to the ongoing implementation of an electronic document and records management system. Office and administration costs increased by \$581 thousand mainly due to pension system modifications to accommodate the PSSP's new participation rates.

For the year ended March 31, 2025, NS Pension's total expenses were within the budgeted targets set by the NS Pension Board and Trustee Boards.

Compliance and Internal Audit

NS Pension uses a systematic and detailed approach to evaluating, measuring, and monitoring NS Pension's compliance to applicable legislation, regulation, and internal policies and procedures. Compliance and internal audit reporting is provided quarterly by the Director, Enterprise Risk & Compliance to the NS Pension Board. The Director, Enterprise Risk & Compliance confirmed that, as at March 31, 2025, they were not aware of any material noncompliance in respect of legislative, regulatory or internal policy or procedural requirements under the scope of the NS Pension Compliance & Internal Audit program.

Enterprise Risk Management

NS Pension uses international risk management standards and materials as a guideline to assist NS Pension and the NS Pension Board with integrating risk management into governance and decision-making activities. The goal of the Enterprise Risk Management program is to create and continue to improve the value of NS Pension by looking to achieve the organization's risk objectives. Enterprise risk management reporting is provided quarterly by the Director, Enterprise Risk & Compliance to the NS Pension Board.

Strengthening Our Cybersecurity Framework

Cybersecurity remains a top priority for both NS Pension staff and the Board. We continue to strengthen our efforts in this area, guided by a comprehensive security audit conducted by KPMG in 2023-2024. KPMG's recommendations form the foundation of our ongoing work to enhance our cybersecurity defences.



Governance

NS Pension is a statutory corporation under the *Nova Scotia Pension Services Corporation Act*.

We are committed to the highest ethical standards. We do this by conducting our business with maximum integrity and by achieving full compliance with all applicable laws, rules, and regulations.

In line with this commitment, we have a Whistleblower Policy that provides an avenue for employees to raise concerns they may have and be assured that they will be protected from reprisal for raising any such concern in good faith.

NS Pension also has a Code of Business Ethics and Conduct, a Fair Hiring Policy, and a Respectful Workplace Policy. The Respectful Workplace Policy formally enshrines our steadfast commitment to a healthy, safe and supportive workplace and to providing a work environment that values diversity where all persons are treated with respect and dignity. It is of the utmost importance for NS Pension that all of our employees are able to work in an environment that is free from harassment, sexual harassment and discrimination.

To that end, our Respectful Workplace Policy specifically seeks to:

- Promote awareness for employees and create understanding as to what is considered offensive behaviour,
- Support a work environment that is free from all forms of offensive behaviour, and
- Provide a mechanism to address offensive behaviour and eliminate it from the workplace

Industry-Related Initiatives

NS Pension staff participate directly in a number of industry-related organizations and initiatives, including:

- Association of Canadian Pension Management (ACPM)
- Association for Intelligent Information Management (AIIM)
- Association of Records Managers and Administrators (ARMA)
- Benefits Canada
- Canadian Leadership Congress (CLC)
- Canadian Pensions and Benefits Institute (CPBI)
- Canadian Public Pension Leadership Council (CPPLC)
- Chartered Financial Analysts Institute (CFA Institute)
- Conference Board of Canada
- Pension Centre of Excellence (PCE)
- Pension Investment Association of Canada (PIAC)
- Public Sector Pension National Forum (PSPNF)

NS Pension also supports the members of the PSSPTI and TPPTI Boards in their participation in various organizations, including the International Foundation of Employee Benefit Plans (IFEBP) and the Institute of Corporate Directors (ICD).

Executive Compensation

The goal of the compensation philosophy and framework is to attract, motivate, reward, and retain a high-performing team. The framework is designed to promote a pay-for-performance culture by focusing employee efforts on the achievement of the vision, mission, values, and critical business performance targets of NS Pension.

The compensation framework is designed to be fair and reasonable to stakeholders. Compensation is benchmarked to Canadian pension funds of similar size and complexity and to similar roles within Atlantic Canada.

Elements of the framework include base salary, short-term incentive plan (STIP), and benefits. The STIP component of total compensation is 'at-risk' and linked to the performance of corporate, division, and individual objectives. The weightings for each of the three objectives vary by position to reflect roles and job responsibilities.

The Board approved STIP awards totalling \$1.3 million for 30 employees based on performance in the fiscal year ended March 31, 2025. The STIP awards are significantly affected by the annual assessment of our performance by the plan Trustees and the NS Pension Board. Details of the assessments are summarized on pages 19-21.

The Communications and Disclosure Policy for the NS Pension Board requires that the compensation of the Chief Executive Officer, the Chief Investment Officer, and the Chief Pensions Officer be disclosed. These details are provided below:

	Base Pay	Incentive Award	Total Compensation (excluding benefits)	
			March 31, 2025	March 31, 2024
Douglas Moodie Chief Executive Officer	\$471,011	\$216,651	\$687,662	\$627,894
Steve Mahoney Chief Investment Officer	\$380,222	\$191,898	\$572,120	\$540,393
Kim Blinn Chief Pensions Officer	\$233,324	\$96,160	\$329,484	\$310,530

Financial Statements of **Nova Scotia Pension Services Corporation** Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nova Scotia Pension Services Corporation

Opinion

We have audited the financial statements of Nova Scotia Pension Services Corporation (the Entity), which comprise:

- the balance sheet as at March 31, 2025
- the statement of earnings and retained earnings for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control

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as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to



Page 3

events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Halifax, Canada

June 25, 2025

Financial Statements

Balance Sheet

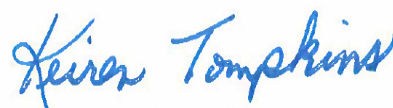
Year ended March 31, 2025, with comparative information for 2024	2025	2024
Assets		
Current assets:		
Cash	\$ 2,737,257	\$ 1,326,636
Accounts receivable (note 2)	3,482,608	3,602,544
Prepaid expenses	523,606	439,636
	6,743,471	5,368,816
Fixed assets (note 3)	1,783,726	2,083,318
Intangible assets (note 3)	-	-
	\$ 8,527,197	\$ 7,452,134
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 4,686,191	\$ 3,626,435
	4,686,191	3,626,435
Lease inducement (note 7)	692,469	792,585
Future benefits liability (note 6)	3,148,537	3,033,114
	3,841,006	3,825,699
Shareholders' equity:		
Common shares (note 9)	-	-
	-	-
Commitments (note 11)		
	\$ 8,527,197	\$ 7,452,134

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:



Kyle Marryatt, Director



Keiren Tompkins, Co-chair

Financial Statements

Statement of Earnings and Retained Earnings

Year ended March 31, 2025, with comparative information for 2024	2025	2024
Revenue (note 10)	17,368,765	15,531,599
Total increase in assets	17,368,765	15,531,599
Expenses:		
Salaries and benefits	11,180,778	10,255,156
Office and administration	3,279,607	2,698,747
Investment services	933,612	826,717
Professional services	840,425	739,168
Office lease	696,337	660,339
Amortization	436,389	348,012
Impairment loss on disposal of fixed assets	1,112	2,337
Interest	505	1,123
	17,368,765	15,531,599
Net earnings, being retained earnings, end of year	\$ -	\$ -

Certain comparative amounts have been reclassified to conform to the current period's presentation and do not affect the previously reported net earnings. These reclassifications were made to better reflect the nature of transactions and improve comparability.

The accompanying notes are an integral part of these financial statements.

Financial Statements

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024	2025	2024
Cash flows from operating activities:		
Net earnings	\$ -	\$ -
Items not involving cash:		
Amortization	436,389	348,012
Impairment loss on disposal of fixed assets	1,112	2,337
Lease inducement	(100,116)	(100,116)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	119,936	(1,460,228)
Increase in prepaid expenses	(83,970)	(213,967)
Increase in accounts payable and accrued liabilities	1,059,756	776,217
Increase in future benefits liability	115,423	205,260
Net cash provided by operating activities	1,548,530	(442,485)
Cash flows from investing activities:		
Purchase of fixed assets	(137,909)	(87,596)
Net cash used in investing activities	(137,909)	(87,596)
Increase (decrease) in cash	1,410,621	(530,081)
Cash, beginning of year	1,326,636	1,856,717
Cash, end of year	\$ 2,737,257	\$ 1,326,636

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2025

Nova Scotia Pension Services Corporation (“NS Pension”) is a private enterprise, incorporated on April 1, 2013 under the laws of Nova Scotia under *Bill No. 17 (Financial Measures Act (2012))* dated April 12, 2012).

Under the *Nova Scotia Pension Services Corporation Act* (the “Act”), NS Pension was devolved from the Nova Scotia Pension Agency, a government agency of the Province of Nova Scotia. NS Pension has issued an equal number of shares to the Teachers’ Pension Plan Trustee Inc. and the Public Service Superannuation Plan Trustee Inc. All assets, liabilities, and obligations of the Nova Scotia Pension Agency as at March 31, 2013 were transferred to NS Pension on April 1, 2013.

The purpose of NS Pension is to provide pension administration and pension investment services for the Public Service Superannuation Plan and Teachers’ Pension Plan, Ancillary Plans of the Province of Nova Scotia (Sydney Steel Corporation Superannuation Fund, Members’ Retiring Allowances Plan and Members’ Supplementary Retiring Allowances Plan established under the *Members’ Retiring Allowances Act*, Deputy Ministers’ Supplemental Pension as set out in the *Public Service Act*, Judges’ Supplemental Pension as set out in the *Provincial Court Act*, and Supplemental Employee Retirement Plan pursuant to the *Public Service Superannuation Act* and the *Teachers’ Pension Plan Act*) and any other pension plan or arrangement that retains the services of NS Pension and is approved by the Board of Directors (“the clients”).

NS Pension operates on a cost recovery basis as provided for in the Act. NS Pension is a not-for-profit organization and, as such, is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

1.

Significant accounting policies

a. Basis of presentation

NS Pension’s financial statements are prepared in accordance with Part II – Accounting Standards for Private Enterprises of the CPA Canada Handbook.

b. Fixed assets

Fixed assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Computer hardware	Straight-line	2-5 years
Furniture	Straight-line	5 years
Leasehold improvements	Straight-line	Lease term

The carrying amount of an item of fixed assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset’s carrying amount is not recoverable and exceeds its fair value.

Significant accounting policies (continued)

c. Intangible assets

Intangible assets represent deferred development costs related to corporate systems. Development activities are recognized as an asset provided they meet the capitalization criteria, which include NS Pension's ability to demonstrate: technical feasibility of completing the intangible asset so that it will be available for use or sale; NS Pension's intention to complete the asset for use; NS Pension's ability to use the asset; the adequacy of NS Pension's resources to complete the development; NS Pension's ability to measure reliably the expenditures during the development; and NS Pension's ability to demonstrate that the asset will generate future economic benefits. Development expenditures that do not meet the capitalization criteria and expenditures for research activities are expensed as incurred. Intangible assets are measured at cost less accumulated amortization and are amortized on a straight-line basis over their useful lives of 5 years.

The amortization of project costs related to corporate systems commences upon completion of the systems. As the assets are amortized, an amount equal to the amortization will be charged back to the clients using those systems.

The basis to account for internally generated intangible asset costs is the aggregation of all intangible costs that can be directly identified as being part of the production of the asset. These costs include the salary costs of specific employees based on their time spent working on project-related tasks.

d. Employee future benefits

NS Pension has an obligation to provide future benefits to its employees in respect of post-retirement health benefits, public service awards and a supplemental employee retirement plan. The benefits are based on years of service and final average salary.

Post-retirement health benefits are available to all retirees whereas the public service award is only available to bargaining unit employees. The supplemental employee retirement plan benefits are based on years of service and salary level – being available only to employees above a defined salary. NS Pension accrues its obligations under the benefit plans as the employees render the services necessary to earn the benefits on an annual basis.

The obligation at the end of the year is determined based on the most recent actuarial valuation report prepared for accounting purposes. The measurement date of the obligation coincides with NS Pension's fiscal year-end. The date of the most recent actuarial valuation of the obligation prepared for accounting purposes is March 31, 2025 (2024 – Mar 31, 2022 extrapolated to March 31, 2024).

e. Revenue recognition

Revenue is recognized when services are provided and the customer assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Significant accounting policies (continued)

f. Expense allocation

The net operating costs, amortization and income are charged to clients based on the clients' usage rate of the services provided by NS Pension. Wherever practical, these costs are matched to the client based on their use of specific services.

g. Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. NS Pension has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, NS Pension determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount NS Pension expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

h. Related party transactions

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

i. Use of estimates

The preparation of NS Pension's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the assumptions used in measuring the future benefits liability. Actual results could differ from those estimates made.

2. Accounts receivable

The following amounts were due to the Corporation as at March 31, 2024:

	2025	2024
Public Service Superannuation Plan	\$ 2,068,513	\$ 1,788,331
Teachers' Pension Plan	1,410,361	1,530,828
Province of Nova Scotia	1,242	281,750
Other	2,492	1,635
	\$ 3,482,608	\$ 3,602,544

3. Fixed and intangible assets

2025	Cost	Accumulated amortization	Net book value
Fixed assets:			
Computer hardware	\$ 648,928	\$ (446,966)	\$ 201,962
Furniture	519,305	(326,417)	192,888
Leasehold Improvements	1,999,136	(610,260)	1,388,876
	3,167,369	(1,383,643)	1,783,726
Intangible assets:			
Systems	6,108,172	(6,108,172)	-
	6,108,172	(6,108,172)	-
Total	\$ 9,275,541	\$ (7,491,815)	\$ 1,783,726

2024	Cost	Accumulated amortization	Net book value
Fixed assets:			
Computer hardware	\$ 650,251	\$ (412,292)	\$ 237,959
Furniture	512,507	(229,174)	283,333
Leasehold Improvements	1,972,961	(410,935)	1,562,026
	3,135,719	(1,052,401)	2,083,318
Intangible assets:			
Systems	6,236,511	(6,236,511)	-
	6,236,511	(6,236,511)	-
Total	\$ 9,372,230	\$ (7,288,912)	\$ 2,083,318

4. Accounts payable and accrued liabilities

	2025	2024
Accounts payable and accrued liabilities	\$ 4,293,981	\$ 3,264,244
Harmonized sales tax payable	392,210	362,191
	<u>\$ 4,686,191</u>	<u>\$ 3,626,435</u>

5. Related party transactions

a. Public Service Superannuation Plan Trustee Inc. as trustee of Public Service Superannuation Plan

NS Pension entered into an agreement with the Public Service Superannuation Plan Trustee Inc. on April 1, 2013, to provide pension and investment services to the Public Service Superannuation Plan. The amount charged to the Public Service Superannuation Plan for the year ended March 31, 2025, was \$9,546,128 (2024 - \$8,387,268) (note 10). As at March 31, 2025, NS Pension has a receivable of \$2,068,513 (2024 - \$1,788,331) from the Public Service Superannuation Plan for services provided (note 2).

Employees of NS Pension are members of the Public Service Superannuation Plan. During the year, NS Pension made contributions of \$711,050 (2024 - \$632,371) to the plan (note 8).

b. Teachers' Pension Plan Trustee Inc. as trustee of Teachers' Pension Plan

NS Pension entered into an agreement with the Teachers' Pension Plan Trustee Inc. on April 1, 2013, to provide pension and investment services to the Teachers' Pension Plan. The amount charged to the Teachers' Pension Plan for the year ended March 31, 2025, was \$7,550,481 (2024 - \$6,895,251) (note 10). As at March 31, 2025, NS Pension has a receivable of \$1,410,361 (2024 - \$1,530,828) from the Teachers' Pension Plan for services provided (note 2).

c. Premises

NS Pension bases its operations in Purdy's Wharf, Tower II. The building is partially owned by both TPP Investments I Inc., a related subsidiary of the Teachers' Pension Plan, and PSS Investments I Inc., a related subsidiary of the Public Service Superannuation Plan. Employees of NS Pension serve as directors of both TPP Investments I Inc. and PSS Investments I Inc. The lease amount paid to the landlord for the year was \$696,337 (2024 - \$660,339).

Related party transactions (continued)

d. Province of Nova Scotia

During the year, the Province of Nova Scotia provided services to NS Pension and its clients. The significant related party purchases from the Province of Nova Scotia were as follows:

	2025	2024
Payroll services	\$ 225,000	\$ 225,000
Other	61	6,282
	\$ 225,061	\$ 231,282

The amount due to the Province of Nova Scotia as at March 31, 2025 for services provided to NS Pension was \$225,000 (2024 - \$227,771).

The Province of Nova Scotia, NS Pension's payroll service provider, pays amounts to NS Pension's staff and retirees, and recovers the gross payroll, premiums for post-retirement benefits in-pay, and supplementary retirement benefits in-pay from NS Pension. The amount due to the Province of Nova Scotia as at March 31, 2025 for recovery was \$1,585,564 (2024 - \$715,752).

During the year, NS Pension provided pension administration services to the Province of Nova Scotia and its Ancillary Plans. The significant related party purchases by the Province of Nova Scotia were as follows:

Services provided to the Province of Nova Scotia:	2025	2024
Members' Retiring Allowances Act Plans	\$ 130,000	\$ 120,000
Sydney Steel Corporation Superannuation Fund	100,000	95,000
Other Ancillary Plans and services	41,815	31,518
	\$ 217,815	\$ 246,518

The amount due to NS Pension for services provided to the Province of Nova Scotia as at March 31, 2025 was \$1,242 (2024 - \$281,750).

In all cases the measurement basis of related party transactions has been the value of cash received or paid between parties and the value of invoices raised for services between parties.

e. NS Pension Master Trust Funds

NS Pension has entered a master trust agreement as investment manager, the custodian as trustee and administrator, and the Public Service Superannuation Plan Trustee Inc. and the Teachers' Pension Plan Trustee Inc. as participants, to create unitized pooled master trust funds to pool assets and provide investment income to the participants. Investment income is allocated pro-rata to each participant at each valuation date. All costs incurred by NS Pension to manage the master trusts are recovered at cost directly from the participants. The following table shows the fair values of the master trust funds as at March 31:

	2025	2024
NS Pension Private Equity Fund	\$ 203,098,354	\$ -
	\$ 203,098,354	\$ -

6.

Future benefits liability

Upon retirement, employees of NS Pension will receive post-retirement health benefits, and where eligible, the Public Service Award and benefits under a Supplemental Employee Retirement Plan. The future benefits liability of NS Pension was calculated as at March 31, 2025 (2024 - March 31, 2022 extrapolated to March 31, 2024), under Section 3463 of Part III of the CPA Canada Handbook – Accounting by Eckler Limited. In determining liabilities under CPA 3463, the method required is the projected unit credit method prorated on services (i.e. benefits are projected with salary increases to retirement and then prorated based on service).

	2025	2024
Discount rate	4.70% per annum	4.00% per annum
Salary	2.50% per annum plus merit (under age 30 - 2% per annum, age 30 to 45 - 1.5% to 0.5% per annum, age 45 plus - 0.0% per annum)	2.75% per annum plus merit (under age 30 - 2% per annum, age 30 to 45 - 1.5% to 0.0% per annum)
Retirement age	• 10% at age 59 • 20% at age 60 • 10% at age 61-64 • 50% at age 65-69 • 100% at age 70 However, 20% each year on or after earliest unreduced retirement date, if greater; plus an additional 40% at 35 years of service	• 10% at age 59 • 20% at age 60 • 10% at age 61-64 • 50% at age 65-69 • 100% at age 70 However, 20% each year on or after earliest unreduced retirement date, if greater; plus an additional 40% at 35 years of service
Mortality	120% of Canadian Public Sector Mortality Table with future mortality improvements in accordance with Scale B	120% of Canadian Public Sector Mortality Table with future mortality improvements in accordance with Scale B
<i>Income Tax Act</i> maximum pension	\$3,756.67 per year of service in 2025, increasing at 2.50% per annum after 2025	\$3,420 per year of service in 2022, increasing at 2.75% per annum after 2022

Future benefits liability (continued)

The future benefits liability as at March 31, 2025 is calculated as follows:

	2025	2024
Supplemental Employee Retirement Plan	\$ 2,094,770	\$ 1,904,707
Post-retirement health benefits	1,009,575	1,085,681
Public Service Award	44,192	42,726
	\$ 3,148,537	\$ 3,033,114

7.

Lease inducement

Effective March 1, 2022, lease extension and amending agreements were signed by NS Pension and its landlord, reflecting a change in office location from Purdy's Landing to Purdy's Wharf, Tower II for a 10-year term. The landlord paid NS Pension a one-time contribution of \$1,001,160 towards the final cost of the initial leasehold improvements for the new office location. The lease inducement is accounted for as a reduction of the monthly office lease expense on a straight-line basis over the lease term. At March 31, 2025, the remaining lease inducement is \$692,469 (2024 - \$792,585) which is recorded as a liability on the balance sheet.

8.

Employee pension plan

Permanent employees of NS Pension participate in the Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan, which provides pension benefits based on length of service and earnings.

Contributions to the Plan are required by both the employees and the employer. NS Pension's contributions range from 8.4% to 10.9% of an employee's salary. Total employer contributions for 2025 were \$711,050 (2024 - \$632,371) and are recognized in salaries and benefits expense in the Statement of Earnings and Retained Earnings.

NS Pension is not responsible for any under-funded liability, nor does NS Pension have access to any surplus that may arise in this Plan.

9.

Share capital

The share capital of NS Pension is 100,000 common shares of one class without par value. The shares do not carry a dividend; they are not redeemable and are not convertible. On April 1, 2013, 100 shares were issued, 50 to the Public Service Superannuation Plan Trustee Inc. and 50 to the Teachers' Pension Plan Trustee Inc. at \$nil value..

10.

Revenue

Revenue is as follows:

	2025	2024
Public Service Superannuation Plan	\$ 9,546,129	\$ 8,387,268
Teachers' Pension Plan	7,550,481	6,895,251
Province of Nova Scotia:		
Members' Retiring Allowances Act Plans	130,000	120,000
Sydney Steel Corporation Superannuation Fund	100,000	95,000
Other Ancillary Plans and services	41,815	31,518
Other	340	2,562
	\$ 17,368,765	\$ 15,531,599

11.

Commitments

As at March 31, 2025, NS Pension was contractually obligated under various operating and occupancy leases. Future minimum annual lease payments over the next five years are as follows:

2026	\$ 1,542,974
2027	1,562,873
2028	1,565,186
2029	1,506,674
2030	1,384,267



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