



Department of Finance

Province proceeds with previously announced increases to Tobacco Taxes, Pension Plan Contributions

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Two finance measures already announced by the previous government are going ahead, Finance Minister Graham Steele said today, June 22.

Effective midnight tonight, tobacco taxes will increase by five cents per cigarette, tobacco stick and per gram of fine cut tobacco. The increase is expected to generate \$21 million in revenue in 2009-10.

"This will generate revenue to fund important programs and services for Nova Scotians," said Mr. Steele. "It will also help decrease smoking rates in Nova Scotia."

As well, members of the Public Service Superannuation Plan will see a contribution increase, effective July 5. The increase is required to address shortfalls in the plan's long-term funded status. An increase was previously announced, but had not taken effect. Employees will see the new deduction rates on July 30 pay statements.

As the employer, the province is obliged to match pension contributions made by employees. However, the additional contributions benefit the province's finances by reducing overall liability for the pension plan.

Legislation will be introduced at a later date to give effect to the tobacco and pension measures.

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Mr. Steele says the increase will generate revenue and encourage Nova Scotians to stop smoking.

As well, members of the Public Service Superannuation Plan will see a contribution increase, effective July 5th. An increase was previously announced, but had not taken effect.

The increase is required to address shortfalls in the plan's long-term funded status. The province matches the contribution increases.

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Media Contact:

Cathy Shaw

Department of Finance

902-424-8787

E-mail: shawcm@gov.ns.ca