



Department of Finance

## Changes to Public Service Plan and MLA Plan (via Financial Measures Act)

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Finance Minister Graham Steele introduced the Financial Measures Act today, April 13, containing key measures in the 2010-11 budget to get the province's finances back to balance.

Amendments to five pieces of legislation will allow government to make changes to public pensions and implement key tax measures.

"We are taking on the hard work needed to ensure government gets back to balance and lives within its means," said Mr. Steele. "The important measures introduced today allow us to keep our commitment and make life more affordable for Nova Scotians throughout the province."

Proposed amendments provide the authority for tax measures to assist low-income Nova Scotians, seniors and small businesses, including the Nova Scotia Affordable Living Tax Credit, the Poverty Reduction Credit and reduction in the small business tax rate.

Changes to the Sales Tax Act will allow the implementation of new point-of-sale rebates on family essentials announced in the 2010-11 provincial budget.

Other amendments to the Income Tax Act suspend the surtax and add a fifth personal income tax bracket until the province returns to a balanced fiscal position.

The Financial Measures Act also amends the Public Service Superannuation Act to restore the pension plan to financial health. Future increases are guaranteed at 1.25 per cent for the first five years, and will then be tied to the health of the plan. The changes are designed to ensure the plan is about 100 per cent funded on Jan. 1, 2011.

Amendments to the act also introduce modified pension benefits for those who will be employed by the province on or after April 6, 2010. The changes affect their date of eligibility for retirement and the value of survivor benefits.

Changes to the Members' Retiring Allowances Act, which covers pensions for members of the legislative assembly, mirror those made in the public sector plan.

The Financial Measures Act also provides the authority for amendments to the Public Service Act to clarify the relationship between the Public Service Commission (PSC) and Workers' Compensation Board (WCB).

The Financial Measures Act provides the legislative and regulatory authority for measures in the annual provincial budget.

FOR BROADCAST USE:

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Amendments to five pieces of legislation will allow government to make changes to public pensions and implement key tax measures.

The act gives the government the authority to implement tax measures announced in the budget.

It also changes indexing provisions for the largest public pension plan, to keep costs down in future.

Other measures introduced will clarify the relationship between the Public Service Commission and Workers' Compensation Board.

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