

## TEACHERS' PENSION PLAN CHANGES

The Teachers' Pension Board, sponsor of the Teachers' Pension Plan, has agreed to amend the *Teachers' Pension Plan Regulations* to:

- a) *increase contribution rates, and*
- b) *remove the provision for future disability pensions from the pension plan; providing future disability support through the Union Long Term Disability Insurance plan*

The Teachers' Pension Board includes representation from the Nova Scotia Teachers' Union (NSTU) and the Province of Nova Scotia (Province).

## CONTRIBUTION RATE INCREASE

The Plan Sponsors will be implementing an *increase to both member and matching employer contribution rates by 1 per cent per year for the next three years:*

- *Effective August 1, 2014*, contribution rates below/above the YMPE will be increasing by 1 per cent.
  - On salaries below the YMPE, contribution rates will be increasing from 8.3% to 9.3%
  - On salaries above the YMPE, contribution rates will be increasing from 9.9% to 10.9%
- *Effective August 1, 2015*, contribution rates below/above the YMPE will be increasing by an additional 1 per cent:
  - On salaries below the YMPE, contribution rates will be increasing from 9.3% to 10.3%
  - On salaries above the YMPE, contribution rates will be increasing from 10.9% to 11.9%
- *Effective August 1, 2016*, contribution rates below/above the YMPE will be increasing by another 1 per cent:
  - On salaries below the YMPE, contribution rates will be increasing from 10.3% to 11.3%
  - On salaries above the YMPE, contribution rates will be increasing from 11.9% to 12.9%

## How will this change affect your pay?

Increase:	Example of the impact on a member's pay:
<b>August 1, 2014</b> Member contribution rates will increase from: <ul style="list-style-type: none"> <li>• 8.3% to <b>9.3%</b> (below the YMPE), and</li> <li>• 9.9% to <b>10.9%</b> (above the YMPE)</li> </ul>	For a member whose <b>annual gross salary is \$70,000</b> , the increase will be approximately <b>\$700.00 per year or \$26.92 per pay.</b>
<b>August 1, 2015</b> Member contribution rates will increase from: <ul style="list-style-type: none"> <li>• 9.3% to <b>10.3%</b> (below the YMPE), and</li> <li>• 10.9% to <b>11.9%</b> (above the YMPE)</li> </ul>	For a member whose <b>annual gross salary is \$70,000</b> , the increase will be approximately <b>\$1,400 per year or \$53.85 per pay.*</b>
<b>August 1, 2016</b> Member contribution rates will increase from: <ul style="list-style-type: none"> <li>• 10.3% to <b>11.3%</b> (below the YMPE), and</li> <li>• 11.9% to <b>12.9%</b> (above the YMPE)</li> </ul>	For a member whose <b>annual gross salary is \$70,000</b> , the increase will be approximately <b>\$2,100 per year or \$80.77 per pay.*</b>

\*compared to current contribution rates

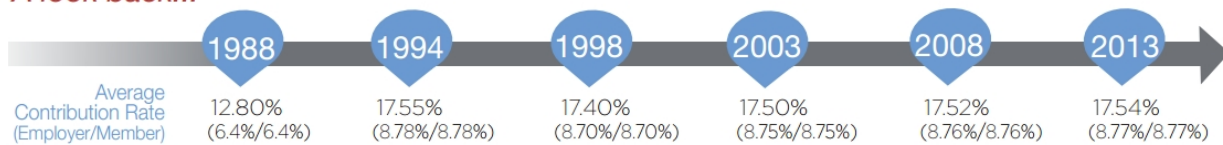
## When was the last contribution rate increase?

The last contribution rate increase was over 20 years ago in 1993. At the time, the matching member/employer contribution rate was increased from:

- 5.92 per cent to 8.3 per cent (below the YMPE)
- 7.52 per cent to 9.9 per cent (above the YMPE)

The chart below highlights the average blended contribution rate (below and above YMPE) over the past 26 years.

*A look back...*



### Active Members

All information presented in this document is premised on the Plan rules and criteria which currently exist under the Teachers' Pension Act and the Regulations made thereunder. This document explains in plain language aspects of the rules and criteria of the Plan that exist at the time of publishing this document. Plan members, beneficiaries, and others who wish to determine their legal rights and obligations under the Plan should refer to the Plan text. In the event of a discrepancy between the information provided in this document and the Plan text, the latter takes precedence.

## **How will these contribution rate increases improve the Plan's funded status?**

For every additional \$15 million the Plan receives in contributions, the Plan's funded status will improve by approximately 0.24 per cent.

## **CHANGE TO DISABILITY PENSIONS**

The Plan Sponsors also agreed to make changes to disability pensions currently provided from the pension plan. Rather than providing disability pensions from the pension plan itself, effective August 1, 2014, all disability support for teachers will be provided from the Union Long Term Disability Insurance plan.

For teachers who are already on unpaid sick leave as of June 30, 2014, they remain able to apply for a disability pension, payable from the pension plan, for two years ending August 1, 2016.

For teachers whose sick leave begins after June 30, 2014, they may apply for disability support through the Union Long Term Disability Insurance plan.

## **How does this affect me if I go on disability via the Union Long Term Disability Insurance plan?**

If you are approved under the Union Long Term Disability Insurance plan (LTD) and start receiving disability benefits on or after August 1, 2014, you will now be able to make contributions to the pension plan and continue to accrue pensionable service, and your employer will match those contributions.

## **Will I be able to purchase service for any time that I am not covered?**

A teacher who commences receiving LTD benefits on or after August 1, 2014 may also purchase pensionable service for time when the member was absent from duty on unpaid sick leave. Contingent upon your being approved to receive LTD benefits, you will be able to purchase this service without having to return to work for 50 days, which was a prior condition.

For teachers wishing to purchase service, but who have not been approved to receive LTD benefits, they will still be required to return to work for 50 days prior to being able to purchase that service.