



Notes for a Submission

by
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On behalf of

Jason MacLean
President
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To the
Law Amendments Committee
On
Bill 55 -
Municipal and Other Authorities Pension Plan Transfer Act

November 7, 2016

I'd like to thank the Chairperson and members of the Committee for this opportunity to speak to you about Bill 55 – *Municipal and Other Authorities Pension Plan Transfer Act*. Our President Jason MacLean is unable to be here with us today. I am here to speak on his behalf about this Bill. My name is Corinne Carey and I work as the Pension and Benefits Officer with the Nova Scotia Government and General Employee's Union (NSGEU). One of my responsibilities with the Union is to assist our members in understanding the type of pension plan they participate in and what they will receive at retirement.

The NSGEU is the largest union in the province representing approximately 31,000 workers across the public sector in the provincial government, corrections, health care, public schools, community colleges, universities, municipalities, and community organizations.

Our members currently participate in over 20 different pension plans. Currently, 93% of our membership participates in defined benefit pension plans; 2% participate in defined contribution pension plans; 3% participate in Group RRSPs and less than 2% have no workplace pension at all. The highest pension plan participation is in the Nova Scotia Health Employees' Pension Plan and the Public Service Superannuation Plan.

I am here today to speak in favour of Bill 55.

Similar to Bill 102 - *University Pension Plan Transfer Act* which was enacted on May 11, 2015 to facilitate the transfer of university pension plans to the Public Service Superannuation Plan. Bill 102 allowed first Acadia University and then University of King's College and Université Sainte-Anne to participate in the Public Service Superannuation Plan. Bill 55 is similar enabling legislation which will also allow Municipalities and other Authorities the opportunity to participate in the Public Service Superannuation Plan.

This Bill will allow smaller pension plans either defined benefit or defined contribution the ability to participate in a substantially larger and more stable pension plan.

As an example, I was involved in the transfer of the Université Sainte-Anne to the Public Service Superannuation Plan. I can tell you from experience that this transfer was a benefit for all parties involved.

Like many other Pension Plans in Nova Scotia the Université Sainte-Anne Pension Plan was subject to the *Nova Scotia Pension Benefits Act and Regulations* although the Université had received full and permanent solvency funding they were still dealing with a significant funding deficit in the Plan. It is important to note that the Public Service Superannuation Plan has its own Act and Regulations.

When Bill 102 was enacted, Université Sainte-Anne retained an actuarial firm to determine the feasibility of participating in the PSSP. After receiving the favourable report, the Université determined that it would be feasible to join the PSSP with the agreement of the Plan members.

There were a number of conditions which were imposed at the time of the transfer to the PSSP:

1. Neutrality. This means that the funding ratio of the PSSP must be maintained.
2. Alignment of Plan assumptions. The Université of Sainte-Anne actuarial and other assumptions would be required to match those of the PSSP.
3. PSSP benefits would apply to all service.

Our members were provided with a comparison of the benefits offered under each Plan as well as a statement which estimated their entitlement under both

plans. All members retained their accrued pension under the Université Sainte-Anne Plan at the date of transfer. This is especially important because the PSSP is integrated with the Canada Pension Plan at age 65. We wanted to ensure that even after the transfer occurred, there would be no loss in accrued pension for any member at any age. The transfer to the PSSP further allowed the retirees access to indexing or a cost of living increase of which they had not seen under their own plan in a number of years.

Bill 55 will fill the gap left by Bill 102 in that it enables Municipalities and Other Authorities the opportunity to transfer to the PSSP. Further, it has the potential to bring retirement security to many Nova Scotians.