

MLA

Nova Scotia Members of the Legislative Assembly

Pension Plan Member Guide



About your Pension Plan

The Members of the Legislative Assembly Pension Plan (MLA Plan) provides retirement benefits to Members of Nova Scotia's Legislative Assembly. The Plan is governed by the *Members' Retiring Allowances Act (MRAA)* and the *Members' Retiring Allowances Regulations*.

There are two MLA plans: the Members' Retiring Allowances Plan (the Registered Plan) and the Members' Supplementary Retiring Allowances Plan (the Supplementary Plan). They work together as one plan; however, when you retire, the pension income from each will be reported in separate boxes on your T4A slip.

This Member Guide:

This Member Guide is designed to give you a better understanding of your MLA Plan and how it will provide you with a lifetime pension benefit when you retire.

Please read it carefully as it includes important information about your pension plan and retirement planning.

This Guide provides general information only. Should anything in this Guide conflict with the governing legislation, the legislation shall apply.

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All information presented in this document is premised on the MLA Plan rules and criteria which currently exist under the Members' Retiring Allowances Act (the "MRAA") and the Regulations made thereunder. This document explains in plain language aspects of the rules and criteria of the MLA Plan. Plan members, beneficiaries, and others who wish to determine their legal rights and obligations under the MLA Plan should refer to the MRAA, the Plan Regulations, or other legal documents as appropriate. In the event of a discrepancy between the information provided in this document and the legislation and/or legal documents, the latter takes precedence.

Plan Membership

Your service in the MLA Plan begins to accrue on the first day of the month in which you are elected to the House of Assembly, regardless of which day of the month the election is held.

You are credited with a full year of pensionable service for each twelve calendar months regardless of the number of days the House of Assembly sits. Months of service are credited as a fraction of a year.

You stop accruing pensionable service on the last day of the month in which you cease to be a Member of the Legislative Assembly (MLA) or reach the maximum total accrual.

If you resign as a MLA, your last month is the month in which your resignation is effective. If you do not contest an election, or are unsuccessful in an election, your pensionable service ceases on the last day of the month in which the election is held.

- You may only be credited with a maximum of 20 years of pensionable service, to a maximum total of 70% of your 3-year highest average annual Indemnity* (and annual Salary*, if applicable)



* annual Indemnity

means the annual indemnity or “base pay” payable under the House of Assembly Act to a member.

** annual Salary

means the additional salary payable to a member for serving in one of the following positions:

- Premier
- A member of the Executive Council
- Leader of the Opposition
- Leader of a recognized party
- Speaker or Deputy Speaker
- Ministerial Assistants (Effective December 1, 2024)

*** additional payments

- Select Miscellaneous Payments (Effective January 1, 2025)
- Committee Fee Payments (Effective January 1, 2025)

Contributions

10%

Your required contributions are 10 per cent of your annual Indemnity (plus 10 per cent of your annual Salary, if applicable).

Your contributions are paid on each component for a maximum of 20 years, or until you have reached the maximum total accrual of 70 per cent.

At age 71, your contributions cease, and you are entitled to start drawing a pension even if you are still serving as a MLA. This is the maximum age that the Canada Revenue Agency (CRA) permits pension contributions to be made.

Your contributions go into the Province's General Revenue Fund, from which pension benefits are paid.

The Province pays the difference between member contributions and the total cost of pension benefits.



Retirement Eligibility and Formula

Eligibility and Reduced/Unreduced Distinction

There are two components to eligibility:



Your Pensionable Service:

- If you were a MLA on November 1, 2013 or became a MLA subsequent to that date: you must have at least two years of service to be eligible for pension benefits.
- If you were not a MLA on November 1, 2013 and did not become a MLA subsequent to that date: you must have at least five years of service and have been elected at least twice, i.e. two general elections or a by-election and a general election, to be eligible for pension benefits.

Your Age:

- To be eligible for an unreduced pension, you must be at least 55 years of age.
- A reduced pension is payable as early as age 50. The reduction factor is 0.5% for each month from your actual age to age 55.

If you were first elected on or after October 8, 2013:

- To be eligible for an unreduced pension, you must be at least 55 years of age with at least 2 years of service
- To be eligible for a reduced pension, you must be at least 50 years of age with at least 2 years of service.



NOTE: A MLA can retire on their birthday, when eligible for a pension, and the pension is pro-rated for that month. If they do not retire on their birthday, they must retire at the end of a month.

Retirement Eligibility and Formula

Calculating your pension:

For service prior to October 2013:

5% **X** years of Indemnity Service **X** 3 year highest average Indemnity

5% **X** Additional Service (Executive Council)* **X** 3 year highest average Additional Salary (Executive Council)*
**If applicable*

For service after September 2013:

3.5% **X** years of Indemnity Service **X** 3 year highest average Indemnity

3.5% **X** Additional Service (Executive Council)* **X** 3 year highest average Additional Salary (Executive Council)*
**If applicable*

Notes:

- Your MLA Plan pension benefits are paid on a monthly basis on the third-last banking day of each month.
- The accrual rate for the month of October in 2013, for members who were reelected, was 3.84% (i.e. 0.32% for the month).

Your MLA pension is integrated with the Canada Pension Plan (CPP)

Your pension benefit is made up of two components, your lifetime pension and your bridge benefit.

Your lifetime pension is payable for life. It is calculated at:

- 5.0% for service prior to October 2013, and
- 3.5% for service after September 2013 prior to the election held in May 2017.

This applies to both your annual indemnity and your highest average Additional Salary (Executive Council).

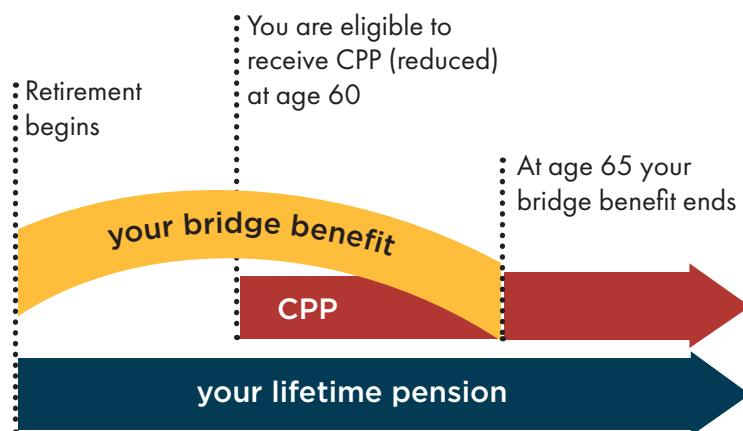
For service after the May 2017 election, your lifetime pension is calculated at:

- 2.8% up to the average YMPE* during the 3 years in which your annual indemnity was its highest, plus
- 3.5% on the portion of your average annual indemnity during that same period, plus
- 3.5% on your highest average Additional Salary (Executive Council).

Your bridge benefit is payable until age 65 and it is calculated at 0.7% for service after the May 2017 election, up to the average YMPE during the 3 years in which your annual indemnity was its highest.

Your bridge benefit is payable from the date you start receiving your pension until age 65. The bridge benefit is designed to supplement your income until unreduced benefits are payable from the Canada Pension Plan (CPP) at age 65. A reduced CPP may be drawn as early as age 60.

The chart below explains how CPP works with your bridge benefit:



FACT:

If you retire before age 65 and decide to begin receiving a reduced CPP benefit, you will still receive the bridge benefit until age 65.

For more information on CPP benefits, please contact CPP at 1-800-277-9914.

**YMPE (Year's Maximum Pensionable Earnings) – is a figure set annually by CPP. The average YMPE is calculated based on the YMPE during the three years in which your annual indemnity was the highest during your career. For 2022, the YMPE is \$64,900.*

Termination

If a vested MLA terminates or resigns:

- If they are eligible for a pension, they may choose to start their pension immediately.
- If they are not yet eligible for a pension, they must defer their pension until they are eligible to receive it.

If a non-vested MLA terminates or resigns:

They will receive a refund of their contributions plus interest. This can be taken as cash with income tax deducted or transferred to a personal RRSP.

Vested:

To be eligible for a pension under the Plan, you must be vested. You are vested if:

- you were a member on November 1, 2013 or became a member subsequent to that date, and served for at least two years, or
- you were not a member on November 1, 2013 and did not become a member subsequent to that date, but you served for at least five years during at least two General Assemblies



Survivor Options

When thinking about survivor benefits for your loved ones, it is important to know who is eligible and what options are available. This section explains who receives survivor benefits in the event of your death.

Your surviving spouse, eligible children * (subject to age restrictions) or dependants ** (as defined in the Plan) may be automatically entitled to receive a survivor pension. You do not have to designate them as your beneficiary(ies).

**An eligible child is a child of a Plan member who is under the age of 18 (or 25 if in continuous full-time attendance at a post-secondary institution).*

*** A dependant must be a relative who is dependent on the Plan member by reason of mental or physical infirmity.*

Death after retirement

The following explains the order of who receives your survivor pension benefit and the percentage paid in the event of your death:

If you have a surviving spouse and eligible children:

- Your surviving spouse would receive a lifetime pension equal to 60% of your accrued pension.
- Your surviving eligible children* would each receive 10% of your accrued pension. If there are more than 4 eligible children, 40% of your pension benefit is divided equally among them.

Note - If you were first elected prior to April 6, 2010:

- Your surviving spouse would receive a lifetime pension equal to 66 2/3% of your accrued pension.
- Your eligible children would each receive 10% of your accrued pension. If there are more than 3 eligible children, 33 1/3% of your pension benefit is divided equally among them.

If you do not have a surviving spouse but have eligible children:

- Your eligible children would receive a pension equal to 60% of your accrued pension for as long as they are eligible, divided equally among them (or split the pension that would have been paid to your spouse). This would replace their benefit of 10% each.

Note - If you were first elected prior to April 6, 2010:

- Your eligible children would receive a pension equal to 66 2/3% of your accrued pension for as long as they qualify, divided equally among them (or split the pension that would have been paid to your spouse). This would replace their benefit of 10% each.

If you do not have a surviving spouse or eligible children:

Your dependant is entitled to a 50% survivor's benefit (divided equally if there is more than one dependant). In order for your dependant to qualify for a pension, they would need to be claimed as a dependant for tax purposes. You may forward us a copy of the confirmation from CRA.

We recommend that you contact our office to inform us of your dependants.

Survivor Options contined...

Death of a deferred member

If you die before commencing your pension, the following will occur:

1. Your surviving spouse is entitled to receive a refund of your contributions plus interest.
2. If there is no surviving spouse, the refund is paid to the member's personal representative.

If you die in service before accruing two years of service, your spouse, children or dependants would be entitled to receive a survivor's benefit calculated as if you had accrued two years of service, provided that pension contributions for the remainder of the period up to two years would be deducted from the survivor allowance(s).

Marriage Breakdown

Your pension can be one of your most valuable assets. Whether you are entering a new spousal relationship (such as getting married or a new common law relationship), ending a spousal relationship, or getting a divorce, you will need to inform us.

If you have or had a spouse, common law partner, or registered domestic partner, and you have been living separate and apart with no reasonable prospect of resuming cohabitation, the pension benefit you earned during the period of marriage or cohabitation may be subject to division, pursuant to a court order. Up to one half of the pension benefit earned may be awarded.

Marriage breakdown is calculated according to the rules of the *Pension Benefit Act*.

Cost-of-Living Adjustment

The rules regarding cost-of-living adjustments (also known as COLA or indexing) are the same as the indexing rules as provided for by the Public Service Superannuation Plan (PSSP).

COLA for the PSSP is determined by Public Service Superannuation Plan Trustee Inc. (PSSPTI). *The Public Service Superannuation Act (PSSA)* requires PSSPTI to conduct a funded health review of the PSSP every 5 years. The purpose of the review is to determine the PSSP's capacity to afford future COLA for the next 5 years and to review the adequacy of contribution rates.

PSSPTI completed a Funded-Health Review in 2020. The 2020 Funded-Health Review was based on the Plan's funded status as at December 31, 2019, which was 98.5%. As the Plan's funded status was below 100%, indexing is mandated to be zero for the next 5-year cycle (starting January 1, 2021 and ending December 31, 2025).

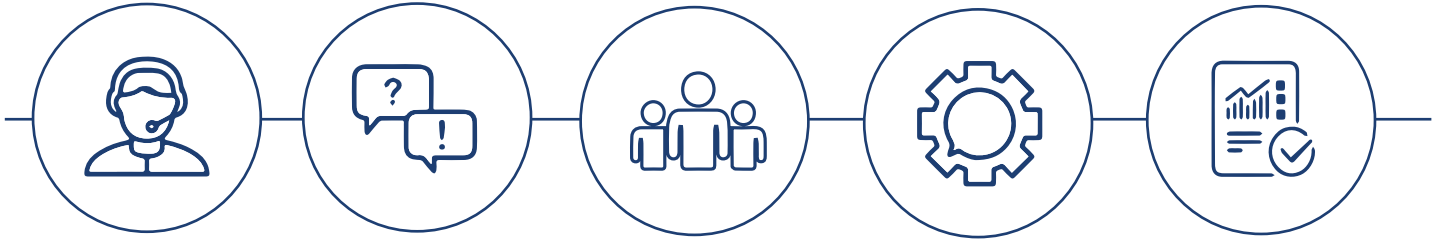
Under the PSSA's funding policy, when the funded status is below 100% on a stipulated valuation date there can be no indexing paid during the following 5-year cycle.

PSSPTI's next review of the PSSP's funded health will be in 2025, for the 5-year cycle starting January 1, 2026 to December 31, 2030. The stipulated valuation date for that review is December 31, 2024.

For more information on the PSSPTI's Funded-Health review of the PSSP, please visit:
www.nspssp.ca

Nova Scotia Pension Services Corporation

Nova Scotia Pension Services Corporation's (NS Pension) Client and Employer Services teams are responsible for providing pension services to Plan members, retirees, and employers. When a Plan member retires, NS Pension client and employer services teams manage pension payments and provide assistance throughout the retirement process. NS Pension also assists Plan members with support in making informed retirement decisions.



Our services include:

- Providing pension estimates
- Explaining retirement options
- Updating pension payment information
- Publishing Plan member communication material and Member Statements
- Assisting employers with payroll and data
- Providing retirement and educational seminars

visit mlapp.novascotiapension.ca

At mlapp.novascotiapension.ca you will find helpful information about your pension plan and resources that include:

- Updates about your pension plan
- Financial Statements
- Your Member Guide
- Plan Governance

visit novascotiapension.ca

At novascotiapension.ca you will find information about NS Pension, the services we offer, and the plans we administer.

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 1-800-774-5070 (toll-free)
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