

# 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)*.

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).

If you resign as an 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.

### Important!

- *If you were first elected before October 8, 2013, you may only be credited with a maximum of 20 years of pensionable service, **to a maximum of 75 per cent** of your 3-year highest average annual Indemnity\* (and annual Salary\*\*, if applicable).*
- *If you were first elected on or after October 8, 2013, you may only be credited with a maximum of 20 years of pensionable service, **to a maximum of 70 per cent** 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.



## 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 (75 per cent if first elected before October 8, 2013).

At age 71, your contributions cease, and you are entitled to start drawing a pension even if you are still serving as an MLA.

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

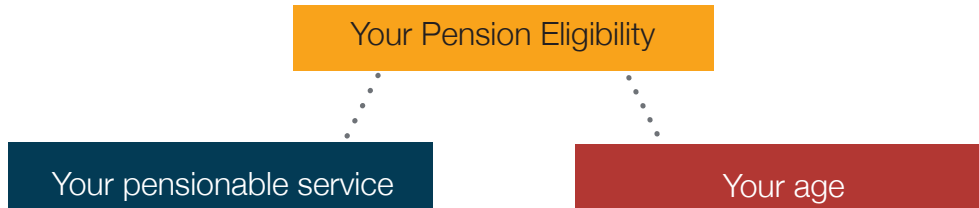
The Province pays the difference between member contributions and the total cost of pension benefits.



# Retirement Eligibility and Formula

## Eligibility and Reduced/Unreduced Distinction

There are two components to eligibility:



### Your Pensionable Service:

- *If you were an MLA on or after November 1, 2013*, you must have at least two years of service to be eligible for pension benefits.
- *If you were not an MLA on or after November 1, 2013*, 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.

### Important!

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.

## Retirement Eligibility and Formula

### Calculating your pension

For service prior to October 2013:

**5%**

**X**

your years of  
annual Indemnity

**X**

your 3 years  
highest average  
annual Indemnity

**5%**

**X**

your years of  
annual Salary\*

**X**

your 3 years  
highest average  
annual Salary\*

*\*If applicable*

For service after September 2013:

**3.5%**

**X**

your years of  
annual Indemnity

**X**

your 3 years  
highest average  
annual Indemnity

**3.5%**

**X**

your years of  
annual Salary\*

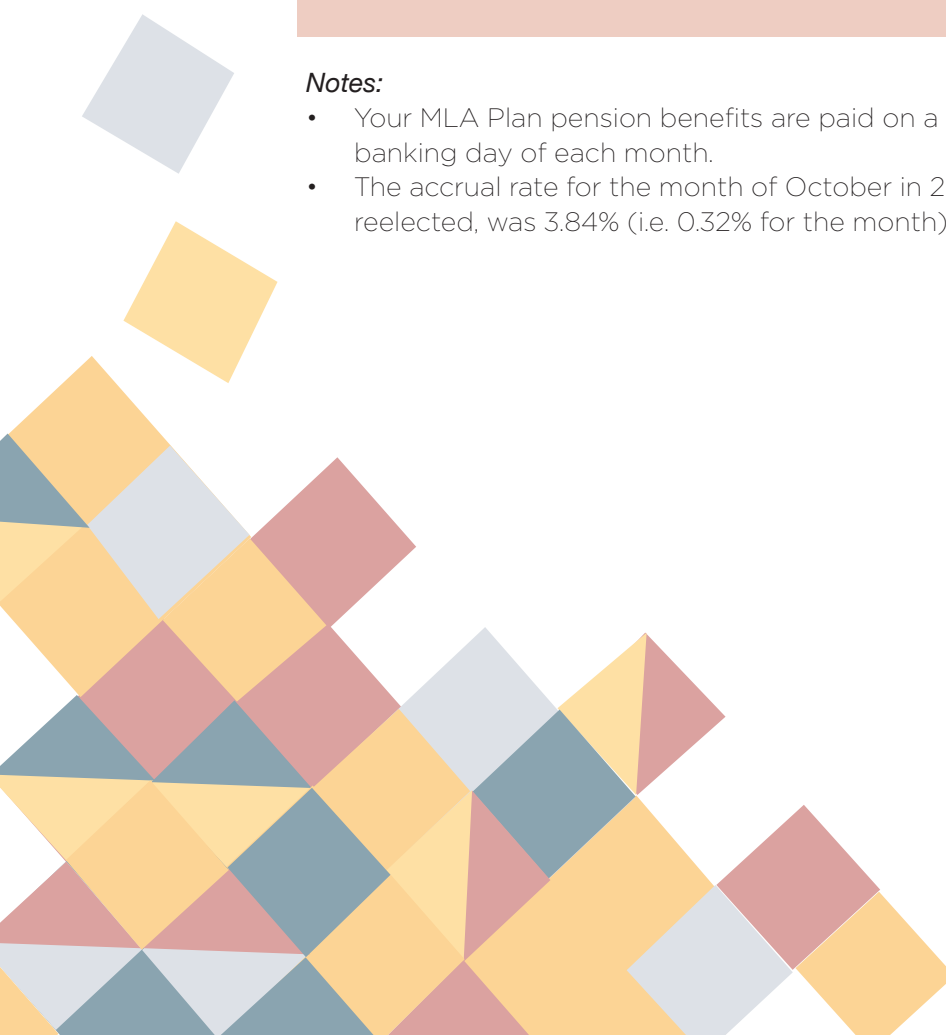
**X**

your 3 years  
highest average  
annual Salary\*

*\*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).



## Integration with Canada Pension Plan

Following the next general election, your MLA pension will start to be integrated with the Canada Pension Plan (CPP). What this means is that at age 65, your pension will be adjusted to reflect the fact that age 65 is the age at which your CPP pension would normally commence.

The adjustment will apply only to service following the next election. Further details regarding integration with the CPP will not be known until the regulations under the *MRAA* are approved; however, it is expected that the reduction will be 0.7% multiplied by years of service (following the next election) multiplied by the 3-year average YMPE.\*

\*The YMPE, or Year's Maximum Pensionable Earnings, is a figure set annually by the CPP. For 2017, the YMPE is \$55,300.

### Important!

CPP may be drawn at age 65 or taken as early as age 60.

If you decide to draw CPP benefits early, you would receive a reduced amount calculated by the CPP.

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



## 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).

### If you have a spouse and children...

#### *And 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 surviving eligible children\* would each receive 10% of your accrued pension.

**Note:** If there are more than 3 eligible children, 33 1/3% of your pension benefit is divided equally among them.

#### *And were first elected after April 6, 2010:*

- 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.

**Note:** If there are more than 4 eligible children, 40% of your pension benefit is divided equally among them.

### If you have children and no surviving spouse (or if your spouse dies)...

#### *And were first elected prior to April 6, 2010:*

- Your surviving eligible children\* would receive a pension equal to 66 2/3% of your accrued pension for as long as they are eligible\*, divided equally among them (or split the pension your spouse was receiving, if your spouse dies). This would replace their benefit of 10% each.

#### *And were first elected after April 6, 2010:*

- Your surviving 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 your spouse was receiving, if your spouse dies). This would replace their benefit of 10% each.

\*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).

### If you have no spouse and no children...

A pension of 50% is payable upon your death to your dependants\* (split equally between them if there are more than one).

\*A dependant is a parent, sibling, or child who at the date of death of a Plan member was dependant on the member due to mental or physical infirmity.



# Survivor Options

## What happens if you die before retirement?

If you die before retirement, survivor benefits are for the most part identical to survivor benefits payable if you die after retirement.

## Death before vesting

If you served as an MLA for less than two years (or less than five years and/or had not been elected at least twice and if you were not an MLA on or after November 1, 2013):

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 other eligible survivors.
3. If there is no surviving spouse and no other eligible survivors, the refund is paid to your personal representative.

## Additional Option:

- If you had served for less than two years, a surviving spouse or eligible children or dependants may receive a survivor's pension calculated as if you had served two years, provided that the additional contributions that would have been made by you are deducted from the survivor pension(s). You must be a sitting MLA at the time of your death for this option to be available.



## Cost-of-Living Adjustment

Effective April 6, 2010, cost-of-living adjustment (also known as COLA or indexing) rules for the MLA Plan changed to match indexing credited to allowances payable under the Public Service Superannuation Plan (PSSP).

These changes apply to all pensioners, present and future. This includes retirees already receiving a pension, active members, and any and all future retirees.

COLA for the PSSP is determined by the Public Service Superannuation Plan Trustee Inc. (PSSPTI). The *Public Service Superannuation Act (PSSA)* requires the 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.

COLA for the PSSP has been set at 0.85 per cent per year for the 5-year cycle starting January 1, 2016 to December 31, 2020.

The PSSPTI's next funded health review of the PSSP will be in 2020, for the 5-year cycle starting January 1, 2021 to December 31, 2025.

For that period, applicable COLA will be dependent upon the PSSP's funded ratio as of December 31, 2019. COLA may only be provided if the PSSP is fully funded and if determined to be prudent by the PSSPTI. The guidelines used to determine the level of approved COLA are detailed in the funding policy of the PSSA.

For more information on the PSSPTI funded health review of the PSSP, please visit: [www.nspssp.ca](http://www.nspssp.ca)



# Nova Scotia Pension Services Corporation

Nova Scotia Pension Services Corporation's (Pension Services Corp.) service teams are responsible for providing pension services to Plan members and retirees. When a Plan member retires, Pension Services Corp. manages pension payments and provides assistance throughout the retirement process.

## Our services include:

- *Providing pension estimates*
- *Explaining retirement options*
- *Maintaining contact and beneficiary information*
- *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](http://mlapp.novascotiapension.ca)


At [mlapp.novascotiapension.ca](http://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](http://novascotiapension.ca)


At [novascotiapension.ca](http://novascotiapension.ca) you will find information about Pension Services Corp., the services we offer, and the plans we administer.

## Pension Services Corp. contact information:

 1-800-774-5070 (toll free)  
902-424-5070

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