



PENSION ADMINISTRATION ***BULLETIN***

Reference No. 2009-05 Date: October 1, 2009

**TO: All Pension Administration Contact Persons at
Contributing Member Organizations**

RE: NSAHO Pension Plan Amendment – Base Year Upgrade

We are pleased to announce that our Pension Plan's Base Year is being improved from 2006 to 2007 effective immediately. This improvement would typically have been announced last fall, but as explained in Bulletin 2008-06 was deferred because of the declines that occurred in last year's investment markets. It is still too early to tell whether the Base Year will be improved again at the end of 2009, but we will update you on this possibility by mid-November.

When a Base Year upgrade is granted in our Plan, it usually does not result in a recalculation of benefits for those former members who have terminated their membership in the Plan. However because this improvement was deferred, it is being applied retroactively to the beginning of this year for members who were receiving a pension from the Plan on September 30, 2009 and who were also actively accruing benefits as of December 31, 2008.

Some quick facts about Base Year

- The Plan's Base Year affects the way a Member's career earnings are taken into account when calculating their pension benefits.
- When the Base Year is upgraded, it means that a Member's previous annualized pensionable earnings for years before the new Base Year are "upgraded" to the same level as their annualized pensionable earnings in the new Base Year.
- When a Member's annualized pensionable earnings in the new Base Year are higher than those in the previous Base Year, it results in a higher pension benefit than would have occurred if the previous Base Year had not been changed.
- As always, in those cases where using an earlier Base Year than the current one results in a higher pension for the Member, that Base Year will be used in that Member's pension calculation instead.

Action Required:

The Nova Scotia Pension Benefits Act regulations require that all employees who are Plan Members be notified of this Plan amendment. The Plan needs your timely assistance to meet this information and compliance requirement promptly since:

- Some Plan Members may be considering retirement, or terminating their employment, and the Base Year improvement may impact the timing of their decision.

We have prepared the attached Notice that you can use in announcing the Plan amendment to your employee members. We recommend that you copy and circulate this notice to the appropriate employees via your internal mail system, your internal e-mail, as an insert in pay stub envelopes, and/or post it on bulletin boards throughout your facility. If you anticipate any logistical difficulties related to distributing this information on a timely basis, please let us know right away and we will attempt to assist you. We appreciate your cooperation in helping the Plan to meet its legal compliance requirements in this matter.

Please call us if you have any questions about this Bulletin.

NSAHO Pension Plan
October 1, 2009

Attachment – Notice for employees who are Plan Members



Notice to all active Members Regarding Base Year Improvement

Base Year Improvement:

Effective September 30, 2009, the Plan has been amended to upgrade the Base Year from **2006 to 2007**. This improvement would typically have been announced last fall, but was deferred because of the declines that occurred in last year's investment markets.

Some quick facts about Base Year

- If you are thinking about retiring or terminating your employment in the near future, you should take note of the following information. A change in the Base Year usually only applies to retirements and terminations of employment that occur after the improvement. *It is still too early to tell whether the Base Year will be improved again at the end of 2009.* In case this occurs you may wish to postpone your departure until January. We will update you on this possibility by mid-November.
- The Plan's Base Year determines the earnings that we use when calculating your pension benefits.
- When the Base Year is upgraded, it means that your previous annualized pensionable earnings for years *before* the new Base Year are improved to the same level as your *new* Base Year annualized earnings.
- When your annualized earnings in the new Base Year are higher, you will receive a higher pension benefit.
- The current Base Year is used unless a prior Base Year provides a higher pension benefit for you.

If you have any questions or comments about these changes, please contact us at:

- Write: NSAHO Pension Plan, 2 Dartmouth Road, Bedford, NS, B4A 2K7
- Telephone: (902) 832-8500 for local calls; 1-866-400-4400 for long distance toll free
- Fax: (902) 832-8506
- E-mail: pensionplan@nsaho.ns.ca

NSAHO Pension Plan

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