

**Examples Comparing the SSRCE Support Staff Pension Plan to the NS
Public Service Superannuation Plan
For SEIU and Non-Union Plan Members**

Following the comments below are three examples that compare the SSRCE Support Staff Pension Plan to the Public Service Superannuation Plan (PSSP) – for SEIU and Non-Union Plan Members. These examples are in addition to the example provided at the Eckler presentations in January of 2019. Each of the examples below are theoretical and do not represent real active members. The examples have been prepared by an actuarial firm and are meant to assist members in their process of deciding whether they would like to transfer their pension to the PSSP. Each example compares the SSRCE Support Staff Pension Plan retirement benefits compared to the PSSP (no indexing) and the PSSP (assumed indexing) – at three different retirement ages. The retirement age a member chooses can have a significant impact on which plan could be financially better for that member.

Members must be aware that the SSRCE Support Staff Pension Plan and the Public Service Superannuation Plan are two very different pension plans. Looking at them from a strictly retirement income perspective, some may point to the SSRCE Support Staff Pension Plan as being a better plan because the pension benefit accumulation factor is 2.0% while the PSSP factor is 1.3%. This could be a faulty conclusion as this is only one factor to consider, as there are several important beneficial aspects of the PSSP that must be taken into consideration including:

1. It is possible to retire early from the PSSP without penalty – as early as age 55.
2. The PSSP has a bridging benefit from your retirement date to age 65.
3. The PSSP is a best five year average plan, while the SSRCE plan is a career average plan.
4. The PSSP has the real possibility of having pension benefits indexed after retirement (while the SSRCE plan does not).

If a member can benefit from one or more of these factors (as well as any benefits already accumulated in the SSRCE Support Staff Pension Plan being transferred to the PSSP) – the PSSP could provide a better retirement income to the member.

To know which plan may end up providing a better retirement benefit over the long term for an active member is very difficult, if not impossible to determine. Every individual member is unique in respect of factors such as their age, earnings history, and service period. In addition, no person can foresee into the future with absolute certainty as to such factors as how long they will work, what their earnings will be, what choices they will make, and how long they will live. In addition, no person can foresee if or what changes may come to the SSRCE Support Staff Pension Plan, or the PSSP. It is possible that there could be significant changes to one or both of these pension plans.

Another factor that can add to the complexity of this decision is that a member may be able to retire prior to the age of 65 and collect a pension, and have the option of working with another employer either part time or full time while collecting pension benefits. Alternatively, the member could chose to continue to work at SSRCE and build their accrued pension benefit.

For retired members, the financial factors are not nearly as complex. They all have the opportunity to benefit from possible future indexing of the PSSP plan. The examples provided below do not relate to retired members.

In my opinion, both active and retired members should also give appropriate consideration to the fact the PSSP is a far larger pension plan in terms of the number of members and assets managed. As such, it has the benefit of economies of scale, and the benefit of the NS Pension Services Corporation staff that are specialized professionals, devoted 100% to the oversight and management of pension plan issues. SSRCE staff on the other hand are involved in many issues focusing primarily around Education of our students. SSRCE does not have nearly as many resources for pension plan management and oversight as the NS Pension Services Corporation.

If you have further questions after having reviewed the examples below, please contact me at wtattrie@ssrce.ca or 902-541-3032.

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SSRCE

SSRCE Support Staff Pension Plan Compared to Public Service Superannuation Plan - SEIU and Non Union Members

Key Assumptions:

Salary at January 1, 2020:	\$32,500	
Assumed future salary increase:	2% per annum	(also past salary increases to get to \$32,500 in 2020)
Assumed future PSSP post-retirement indexing:	0.85% per annum	(same as indexing in 2016-2020; actual future indexing subject to plan's funding and PSSP Trustee approval)

Scenario #1: New member on January 1, 2020, age 25 at start

PSSP Earliest Unreduced Retirement (Rule of 85):

Age 55

<u>Retirement Age</u>	55	60	65
SSRCE Pension	18,458	32,496	39,261
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 553,754	\$ 812,410	\$ 785,226
PSSP Pension to age 65	33,297	42,890	
PSSP Pension from 65	21,643	27,879	30,780
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 765,839	\$ 772,022	\$ 615,604
Impact of PSSP Indexing at 0.85% per annum			
PSSP Pension at age 55	33,297		
PSSP Pension at age 60	34,737	42,890	
PSSP Pension at age 65	23,555	29,084	30,780
PSSP Pension at age 70	24,573	30,341	32,111
PSSP Pension at age 75	25,635	31,653	33,499
PSSP Pension at age 80	26,744	33,021	34,947
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 842,706	\$ 834,941	\$ 656,684

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Assumed future PSSP post-retirement indexing:	0.85% per annum	(same as indexing in 2016-2020; actual future indexing subject to plan's funding and PSSP Trustee approval)

Scenario #2: Member age 45 at January 1, 2020, with 15 years of service

PSSP Earliest Unreduced Retirement (Rule of 80):

Age 55

<u>Retirement Age</u>	55	60	65
SSRCE Pension	10,829	19,593	24,145
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 324,856	\$ 489,819	\$ 482,906
PSSP Pension to age 65	18,673	24,740	
PSSP Pension from 65	13,207	16,393	20,714
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 450,877	\$ 451,555	\$ 414,284
Impact of PSSP Indexing at 0.85% per annum			
PSSP Pension at age 55	18,673		
PSSP Pension at age 60	19,481	24,740	
PSSP Pension at age 65	14,374	17,101	20,714
PSSP Pension at age 70	14,995	17,841	21,610
PSSP Pension at age 75	15,643	18,612	22,544
PSSP Pension at age 80	16,319	19,416	23,518
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 497,427	\$ 488,552	\$ 441,930

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Key Assumptions:

Salary at January 1, 2020:	\$32,500	
Assumed future salary increase:	2% per annum	(also past salary increases to get to \$32,500 in 2020)
Assumed future PSSP post-retirement indexing:	0.85% per annum	(same as indexing in 2016-2020; actual future indexing subject to plan's funding and PSSP Trustee approval)

Scenario #3: Member age 57 at January 1, 2020, with 27 years of service

PSSP Earliest Unreduced Retirement (Rule of 80):

Age 55

<u>Retirement Age</u>	57	60	65
SSRCE Pension	11,349	15,830	19,420
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 317,784	\$ 395,750	\$ 388,394
PSSP Pension to age 65	16,544	19,508	
PSSP Pension from 65	13,841	15,109	17,574
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 409,169	\$ 399,713	\$ 351,480
Impact of PSSP Indexing at 0.85% per annum			
PSSP Pension at age 57	16,544		
PSSP Pension at age 60	16,970	19,508	
PSSP Pension at age 65	14,810	15,762	17,574
PSSP Pension at age 70	15,451	16,443	18,334
PSSP Pension at age 75	16,119	17,154	19,126
PSSP Pension at age 80	16,815	17,896	19,953
Total Retirement Benefits to Age 85 (nominal dollars)	\$ 450,456	\$ 433,812	\$ 374,935