

**Reference No. 2005-01**

January 12, 2005

**TO:** All Contact Persons at  
Contributing Member Organizations  
of the NSAHO Pension Plan

**RE: NSAHO Pension Plan Amendment - Base Year Upgrade**

Further to our memo (*Reference Number – 2004-10*) dated December 2, 2004, we are pleased to advise you that the Plan has been amended effective **January 1, 2005**, to upgrade the Base Year from **2002 to 2003**.

When the Base Year is upgraded like this, it means that all Members' annualized pensionable earnings before the new Base Year are "upgraded" to the level of their annualized pensionable earnings in the new Base Year, which are typically higher. The result—pension amounts will be higher than if the previous Base Year had remained unchanged. As always, in those cases where using an earlier Base Year results in a higher pension for the Member, that Base Year will be used in the pension calculation.

While a benefit improvement like a Base Year upgrade increases overall Plan costs, the Plan continues to be financially sound compared to other Canadian pension plans. In managing the plan to ensure sufficient funds are available to deliver the promised pension benefits, the Trustees must continually assess the adequacy of contribution levels. This matter is now under review and the Trustees expect that an increase to current rates will become necessary. Any changes to contribution rates will be announced to Members when they are required.

**Please note--Action Required:** The Nova Scotia Pension Benefits Act requires that all Members be notified of this Plan amendment and we ask for your assistance to meet this requirement. We have prepared the attached notice that you can use in announcing the Plan amendment to your Employees who are Members of the Plan. We recommend that you circulate this notice to the appropriate employees via your internal mail system, your internal E- mail, and/or post it on bulletin boards throughout your facility.

This Plan amendment is *effective January 1, 2005*. We will automatically review all benefit calculations completed so far in 2005, ensure that any necessary adjustments are made, and advise those affected Members.

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

Sincerely,



Judy Paul  
Director, Pension Client Services

attachment



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## Base Year Upgrade Announced

NSAHO Pension Plan announces the Plan has been amended to upgrade the Base Year from **2002 to 2003**, effective January 1, 2005.

When the Base Year is upgraded like this, it means that your annualized pensionable earnings before the new Base Year are “upgraded” to the level of your annualized pensionable earnings in the new Base Year, which are typically higher. The result—your pension amount will be higher than if the previous Base Year had remained unchanged. As always, in those cases where using an earlier Base Year results in a higher pension for you, that Base Year will be used in your pension calculation.

While a benefit improvement like a Base Year upgrade increases overall Plan costs, the Plan continues to be financially sound compared to other Canadian pension plans. In managing the plan to ensure sufficient funds are available to deliver the promised pension benefits, the Trustees must continually assess the adequacy of contribution levels. This matter is now under review and the Trustees expect that an increase to current rates will become necessary. Any changes to contribution rates will be announced to Members when they are required.

If you have any questions, please contact your human resources or payroll department. You can contact the NSAHO Pension Plan directly as follows:

- Address: NSAHO Pension Plan, 2 Dartmouth Road, Bedford, NS B4A 2K7
- Telephone: (902) 832-8500 (local calls) or 1-866-400-4400 (long distance -Toll Free)
- Fax: (902) 832-8506
- E-mail: [pensionplan@nsaho.ns.ca](mailto:pensionplan@nsaho.ns.ca)

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