

Reference No. 2005-03

February 7, 2005

To: All Contact Persons
at Member Organizations
of the NSAHO Pension Plan



Subject : Reminder—Process for determining eligibility for Optional Enrollment for Part-time employees who are not yet in the Plan

This is to remind you that the Plan, in compliance with the requirements of the Nova Scotia Pension Benefits Act (PBA), requires that employees of a group that is included in the Plan who work less than full-time (see definition below), and who are not yet a Member of the Plan, must be offered *optional* participation in the Plan once they satisfy specific earnings and/or hours worked criteria.

Background:

For *purposes of the NSAHO Pension Plan*,

- an “Employee” is a person who is in a class of employees (‘employees of the CUPE bargaining unit’ is one example of a class of employees) for which the Employer maintains participation in the Plan.
- a “Full-Time Employee” is an Employee who is employed on a regularly-scheduled basis in eligible classes of employment by one or more Employers and whose total hours worked (when combined as applicable) are equal to 50% or more of the total hours in a regularly scheduled pay period.
- a “Part-Time Employee” is an Employee who is employed by one or more Employers but who does not satisfy the definition of a “Full-Time Employee”.

To recap, eligibility for participation in the Plan for the above two groups of Employees is as follows:

- For a “Full-Time Employee”, participation in the Plan is *compulsory* upon completion of 3 months of Continuous Service. Note well: the Plan allows this employee to choose to start participation immediately, without waiting 3 months.
- For a “Part-Time Employee” — participation in the Plan is *optional*, subject to meeting each of the following criteria:
 - The “Part-time Employee”, at the time of optional enrollment,
 1. has completed 24 months of continuous service; and
 2. has, in each of the two consecutive calendar years immediately preceding enrolment in the Plan,
 - either 700 hours of employment, or
 - earnings equal to at least 35% of the Years Maximum Pensionable Earnings under the Canada Pension Plan (YMPE).

The following definition of earnings and hours applies in determining eligibility for optional participation for “Part-Time Employees”:

Earnings: the total amount of the employee’s taxable employment income in the year

Hours: the total of all hours employed in the year.

Please establish earnings and hours using the above definitions when determining an Employee’s right to be offered optional participation in the Plan.

Action Required: As the Employer, you are responsible on at least an annual basis to:

1. perform the tests needed to determine which of your Employees qualify for optional participation in the Plan;
2. advise those employees on a timely basis of their right to exercise their option; and,
3. maintain a permanent record of the employee’s choice in the employee’s file. ...2

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The following is an example of the test that would be done in 2005:

Example: A “Part-time Employee” who has had continuous employment for more than 2 years.

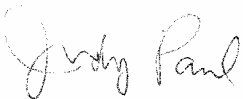
	<u>Earnings</u>	<u>Hours</u>
2003 (YMPE= \$39,900 *35%= \$13,965)	\$12,000	870
2004 (YMPE= \$40,500 *35%= \$14,175)	\$14,400	920

This employee is eligible to choose to join the Plan right away. The employee does not meet the earnings criteria in 2003 but exceeds the 700 hours minimum required for that calendar year. The employee exceeds *both criteria* in 2004

Whenever you offer optional enrollment to an Employee, please have them complete the attached form, send one copy to us and retain a copy in the Employee’s file indefinitely.

If you have any questions on this or any other pension plan administration matter, our Pension Officers are here to assist you. Please contact our office at 832-8500 (local calls) or 1-866-400-4400 (toll free) or by E-mail at pensionplan@nsaho.ns.ca. Thank you.

Sincerely,



Judy Paul
Director, Pension Client Services

Attachment

Visit our Website at: www.nsahopensionplan.ca

