



PENSION ADMINISTRATION ***BULLETIN***

Reference No. 2006-05

Date: August 8, 2006

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

Re: Revisions to Past Service Purchase Program

Late in 2002, the past service purchase program was introduced providing plan members with the ability to purchase certain periods of past service. Since that time, staff has been extremely busy responding to members' requests for past service quotations. However, there have been few actual purchases.

As a result, the Trustees are amending the Plan to streamline the past service purchase rules. These changes were announced at the May Administrators' session, and plan members were informed of these changes in the Spring Newsletter that was distributed with their 2005 pension statement.

We need to also advise new plan members enrolling in 2006 of these changes since they did not receive a newsletter. Therefore we are asking you to distribute the attached bulletin with the enrolment card for employees who join the plan during the balance of the year. Please also post this notice on staff bulletin boards and via internal mail for the benefit of employees who have joined the plan this year. This will also serve as a reminder to other plan members who were advised of these changes in the newsletter.

This memo and attachment is also available on the Plan's website at www.nsahopensionplan.ca

If you have any questions, please contact us. Thank you.

Attachment – Notice for employees who are Plan Members



ARE YOU A NEW PENSION PLAN MEMBER IN 2006? DO YOU HAVE A PRIOR PERIOD OF SERVICE, THAT YOU MAY BE INTERESTED IN PURCHASING? IF YES, THIS NOTICE MAY BE OF INTEREST TO YOU.

Since 2002, active members of the NSAHO Pension Plan have been able to purchase certain periods of past service that had not been credited under the Plan. Many members have asked about the cost of purchasing past service but there have been few actual purchases. Each request for information about past service purchases consumes Plan resources, even when the member decides not to complete the purchase.

To improve the efficiency of our administrative services and to ensure Plan resources are used for the greatest benefit of all members, the Trustees are amending the plan effective December 31, 2006 to streamline the past service purchase rules. After December 31, 2006, only the following types of service purchases will be available:

1. service (including any mandatory waiting period) under another pension plan if you no longer have benefits under that plan. Cost: actuarial cost;
2. service with an NSAHO employer before the employer participated in the NSAHO Pension Plan. Cost: actuarial cost;
3. service that was credited under the NSAHO Pension Plan before an earlier termination of employment if you were re-employed with an NSAHO employer that participates in the Plan within 5 years of your earlier termination. Cost: return of funds paid out plus interest; and
4. approved leaves of absence, layoff and maternity and parental leaves. Cost: actuarial cost.

Service purchase under categories #1, #2 and #3 (if you elected a transfer value upon your earlier termination) ***must be completed within one year of the date you join the Plan.*** All purchases are subject to Income Tax Act limits that may result in further restrictions.

The current rules will continue to apply to quotation requests made before December 31, 2006, if you proceed with the purchase on the quoted basis within six months of the date your quotation is provided.

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: pastservicepurchases@nsaho.ns.ca

NSAHO Pension Plan

August 8, 2006

Reference No. 2006-05