

PENSION ADMINISTRATION

BULLETIN

Reference No. 2012 – 07

Date: October 22, 2012

TO: All Pension Administration Contact Persons at Contributing Member Organizations

RE: Nova Scotia Health Employees' Pension Plan – Treatment of Employees Who Work for Multiple Employers – REMINDER

As many of our Plan Members work for multiple Employers, we have prepared this bulletin to remind Employers about the treatment of these Employees for Pension Plan purposes.

Plan Rules:

The frequency of Employees working for multiple Employers has continued to grow steadily through the years. The continued addition of participating Employers under our Plan has contributed to this as well.

The Plan rules require that an Employee, who is already a Member of the Plan in respect of service with an Employer, must immediately participate in the Plan on the date she commences service as an Employee with another Employer.

Of particular note, the Employee must *also be in a class eligible for Plan membership with the new Employer*. While the majority of our Employers have all groups of Employees participating in the Pension Plan, a number of new Employers who joined the Plan in recent years have chosen to limit Pension Plan participation to only certain groups of Employees. For example, only members of a particular union participate in the Plan at certain facilities.

If the Employee joins a new Employer who does not offer participation to that group, the Employee would not participate in the Pension Plan for any hours worked at that new Employer even if the Employee is already in the Plan with another Employer. To illustrate:

- Sue works part-time at Facility A and participates in the Pension Plan there.
- Sue accepts a second position with Facility B where only members of a certain union are eligible to participate in the Pension Plan at that facility.
- Sue is not in the union that is enrolled in Facility B, therefore, she only contributes to the Plan on earnings at Facility A.

Additional Notes – if in an eligible class at both facilities:

- There is no option for the Plan Member to contribute on hours at one facility but not on hours at another facility. The Plan requires Employees to contribute on all pensionable hours to ensure that the Employee receives full pensionable service under the Plan each year.
- The possibility of over contributions in this situation by the Employee and Employer is unavoidable. However, this is always resolved during reconciliation of the Employers' year-end contribution report.

Administrative Practices to follow:

With New Hires:

Each Employer is responsible to determine if a new Employee already participates in the Pension Plan with another Employer.

The Employer should discuss Pension Plan participation with all new hires even though they may not appear to qualify for pension plan participation at your organization. This would be the case for part-time Employees and casuals.

The first place to start is to ask the Employee. Pension Plan staff can confirm the information as well. If it is confirmed that the Employee already participates in the Pension Plan with another Employer, then you must deduct pension contributions on all pensionable hours worked at your facility as well.

Important note:

If you are an Employer who has limited participation in the Plan to certain groups of Employees, you must determine if the new hire is in an eligible class of Employees that have been enrolled at your organization.

With All other Employees who do not participate in the Pension Plan at your facility:

It is important for an Employer to continue to monitor participation for all Employees who are not enrolled in the Pension Plan at your facility. Why?

- Because an Employee can have a change in employment status with another Employer that requires compulsory participation in the Plan with the other Employer; or
- New Employers continue to join the Plan.

Non-Participating Employee Report:

To assist Employers with identifying Employees who are already a member of the Pension Plan and to avoid having to collect missed contributions, we ask Employers to provide us with a list of Employees who do not participate in the Pension Plan at your facility on a regular basis. Only the Employee name and SIN is required in an Excel spreadsheet from you. We then will return a report to you called a "Non-participating Employees Report" that will identify each Employee's Current Status in the Pension Plan, the Member's other facility code (if applicable), the date of registration (if applicable) and the Termination or Retirement date (if applicable).

We recommend that Employers submit these reports to the Pension Plan on a bi-weekly or monthly basis to ensure that no contributions are missed.

If you have any questions on an Employee's eligibility, please contact Pension staff to assist you.