

## January 2008 Pension Increase

An important benefit of your Plan is that pensions are indexed. Pensions are subject to increase each January. The increase for January 2008 will be 2.5%. Members who received their pension for the full 12 months in 2007 receive this increase. Those who started their pension part way through 2007, receive a partial increase.



Your annual pension increase is based on the change in the Canadian Consumer Price Index. The index is measured each September. The pension increase is normally subject to a 3% maximum.

Different pension plans may measure changes in the Consumer Price Index in different ways. This can cause year to year differences between pension plans in the amount of pension increase that is granted. A comparison of how increases from several major public sector pension plans have compared over the last five years is at [www.nsaohopensionplan.ca](http://www.nsaohopensionplan.ca) (click on "I'M A PENSIONER" and scroll down).

## Member Survey Results

With last year's Newsletter you may have been asked to complete a short survey. A random sample of 2000 retired members was asked to complete this survey. If you completed one, thank-you!



Here are the survey findings. The percentages that are provided are the proportion that either agreed or strongly agreed with each question (not including those who didn't know):

- |  |                                       |
|--|---------------------------------------|
| a) My pension plan compares well with other pension plans:   | 81.6%                                 |
| b) Do you have access to the internet?   | Yes: 43.4%                            |
| c) I am comfortable using <a href="http://www.nsaohopensionplan.ca">www.nsaohopensionplan.ca</a> as a source of information about my pension plan: | 75.6% (of those with internet access) |
| d) The enclosed Newsletter contains more useful information than has been provided to me in prior years:   | 91.6%                                 |
| e) I am satisfied with the frequency of information I receive about my pension plan:   | 88.5%                                 |

We are pleased with these positive responses. However, many members (25.9%) responded to a) that they didn't know. To address this, the next article compares our pension plan to a sample of other plans.

## How Does Your Pension Measure Up?

How well does your pension plan compare with other pension plans? This is not an easy question to answer. There are several important areas to compare. There can be differences in the lifetime

pension amount, the bridge benefit, how early you can retire and inflation protection. Any fair comparison must reflect all of these differences and contributions too.

To do this, we have calculated the total financial value of our benefits. We also calculated similar results for a sample of other pension plans.

Our results are set out in the following table (to simplify this table we have only included contributions below the Canada Pension Plan earnings threshold):

Pension Plan	Value compared to NSAHO pension	Contributions	
		Member	Employer
NSAHO pension	not applicable	5.95%	7.24%
Nova Scotia (PSSP)	111%	7.4%	7.4%
Nova Scotia Teachers	86%	8.3%	8.3%
New Brunswick	87%	5.8%	7.8648%
PEI	88%	6.95%	6.95%
NFLD	75%	6.8%	6.8%
HOOPP (Ontario)	93%	6.9%	8.694%

Let's look at an example of how to interpret the above table. Comparing with the Province of New Brunswick pension plan, we see that their plan has an overall value that is only 87% as good as ours. However, the New Brunswick plan has slightly lower member contributions than ours.

The NSAHO Pension Plan benefits aren't the best or the cheapest of the plans in the above table but we are close to it.

You will note that the above table only compares provincially sponsored pension plans. All of these are very good pensions compared to what most Canadians participate in. Only about 21% of the private sector participates in a defined benefit pension plan.

*Note: The results in this article are based on "best estimate" actuarial assumptions as of December 31, 2006. This includes the assumption that ad-hoc improvements that have regularly been made in the past will continue to be made in the future. The values are based on a current year of service for a 40 year old member with 10 years of service and annual earnings of \$45,000.*

### Annual Summary

In March 2008 we will start publishing an annual summary of key activities of the NSAHO Pension Plan Trustees and staff. Send us your email address if you would like to receive this summary by email. Simply email us at [lane@nsaho.ns.ca](mailto:lane@nsaho.ns.ca) along with your name.



If you prefer to receive a copy by mail you can telephone us. Our number is at the bottom of this page.

This summary and other plan documents can be found in the "Publications" section of [www.nsahopensionplan.ca](http://www.nsahopensionplan.ca)

FORM: NSAHO

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