



PENSION ADMINISTRATION ***BULLETIN***

Reference No. 2008 - 06

Date: October 30, 2008

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

RE: NSAHO Pension Plan – Deferral of Base Year improvement

Base Year improvement deferred

We wish to inform you that the Pension Plan Trustees have deferred their recommendation for a Base Year improvement to a later date. Therefore until further notice, the NSAHO Pension Plan's Base Year continues to be 2006.

Some quick facts about the Base Year

- The Plan's Base Year affects the way a Member's career earnings are taken into account when calculating their pension benefits.
- When the Base Year is upgraded, it means that a Member's previous annualized pensionable earnings for years before the new Base Year are "upgraded" to the same level as their annualized pensionable earnings in the new Base Year.
- When a Member's annualized pensionable earnings in a new Base Year are higher than those in the previous Base Year, it results in a higher pension benefit.
- In those cases where using an earlier Base Year than the current one results in a higher pension for the Member, that earlier Base Year will be used in that Member's pension calculation instead.
- Note: When a Base Year upgrade is granted in our Plan, it does not result in a recalculation of benefits for those former members who have terminated their membership in the Plan. Pension benefit calculations always reflect the Base Year that is applicable to the Member at the date of the event (termination of employment, retirement, or death).

Action Required:

The Plan needs your timely assistance to distribute this information promptly. Changes in the Base Year are only effective for retirements and terminations of employment on and after the effective date of such changes. Therefore, Plan members may wish to postpone their departure to see if the Base Year will be improved in the near future. Whether it is feasible and financially advantageous to postpone retirement or termination will depend on each member's specific circumstances. For example, there will be very little (if any) Base Year advantage for members who did not have an increase in earnings in 2007. Similarly, this will tend to be less important for members who have a relatively short period of service. You should discuss this with your employees if they are considering retiring or terminating their employment since a Base Year improvement may affect the timing of their departure.

We have prepared the attached Notice that you can use with your employee members. We recommend that you copy and circulate this notice to the appropriate employees via your internal mail system, your internal e-mail, as an insert in pay stub envelopes, and/or post it on bulletin boards throughout your facility. If you anticipate any logistical difficulties related to distributing this information on a timely basis, please let us know right away and we will attempt to assist you. We appreciate your cooperation in helping us communicate this information.

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

NSAHO Pension Plan
October 30, 2008

Attachment – Notice for employees who are Plan Members



Notice to all active Members Regarding deferral of Base Year improvement

An improvement to the Base Year is typically announced in the fall of each year. Unfortunately, this year the improvement is being deferred. The declines in the investment markets over the past few months have led to this decision.

It is not possible to estimate how long it will be until the Base Year is improved. The Trustees plan to reconsider this matter about every two months. This way the improvement can be made just as soon as prudently possible. Until an improvement is made, the Base Year continues to be 2006.

When a decision is made to improve the Base Year, we will inform you immediately. This will be done on the Plan's web-site (www.nsahopensionplan.ca) and by employer distributed bulletin. We can also let you know personally if you email us with the subject line: "Base Year Alert Request".

Some quick facts about the Base Year

- If you are thinking about retiring or terminating your employment in the near future, this could be important to you. When a change in the Base Year is made, it will only apply to retirements and terminations after that date. Therefore, you may wish to postpone your departure to see if the Base Year will be improved in the near future. Whether you are better off to wait will depend on your specific situation. For example, did you have an increase in your annualized earnings in 2007 compared to 2006?
- The Plan's Base Year determines the earnings that we use when calculating your pension benefits.
- When your annualized earnings in the new Base Year are higher, you will receive a higher pension benefit.
- The current Base Year is used unless a prior Base Year provides a higher pension benefit for you.

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: pensionplan@nsaho.ns.ca

NSAHO Pension Plan

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