

Contribution Rate Change Public Service Superannuation Plan

Government is proceeding with the Public Service Superannuation Pension Plan (PSSP) contribution rate increase exactly as announced earlier this year.

Plan members will contribute more to their pensions on each pay, starting on July 30. They will pay an extra 1 % to 1.3% of their pay, depending on their earnings.

This increase is needed to improve the financial health of the plan, which currently has a large funding shortfall. Additional financial measures may be needed at a later date.

How will this change affect employee pay

This increase maintains the proportional difference between the 'above' and 'below' YMPE contribution percentages, at a ratio of 1.30 to 1.0. Thus, it fairly distributes the impact of the increase across the two salary groups in a manner that reflects the benefits to members.

If you earn \$46,300 or less, your contribution will increase by 1 per cent of salary from, 7.4 to 8.4 per cent. If you earn more than this amount, your contribution will increase by 1.3 per cent of salary, from 9.6 to 10.9 per cent on earnings above the \$46,300.

	Current Contribution Rate	New Contribution Rate	Increase in Contribution Rate
Salaries Below the YMPE*	7.4 %	8.4 %	1.0 %
Salaries Above the YMPE*	9.6 %	10.9 %	1.3 %

* Note: YMPE is Year's Maximum Pensionable Earnings = \$46,300.

For someone who earns \$40,000, the increase per pay would be calculated as follows:
 $(0.01 \times \$40,000) / 26 \text{ pay periods} = \$ 15.38 \text{ per pay}$
 Total Increase Amount = \$ 15.38 per pay – this results in a yearly increase of \$399.88.

For someone who earns \$65,000, the increase per pay would be calculated as follows:
 \$46,300 $(0.01 \times \$46,300) / 26 \text{ pay periods} = \17.81 per pay
 \$65,000 $[0.013 \times (\$65,000 - \$46,300)] / 26 \text{ pay periods} = \9.35 per pay
 Total Increase Amount = \$ 27.16 per pay– this results in a yearly increase of \$706.16.

**For further information, please contact:
 The Nova Scotia Pension Agency (NSPA)
 pensionsinfo@gov.ns.ca
 (902) 424 5070
 1-800-774-5070**