

July 31, 2008

**Via Electronic Mail**

Pension Review Board  
C/O Nova Scotia Labour and Workforce  
Development Policy Division  
PO Box 697  
Halifax, NS B3J 2T8

Dear Sirs:

**Re: Pension Benefits Acts Discussion Paper**

We thank you for giving the Nova Scotia Association of Health Organizations (NSAHO) the opportunity to make this submission in response to the Discussion Paper dated May 28, 2008.

**I. Nova Scotia Association of Health Organizations**

NSAHO is a non-profit organization established by legislation. Its members include District Health Authorities, individual hospitals, Homes for Special Care, and other organizations involved in the delivery of healthcare. Our objects specifically include the administration or provision of administration of a pension plan or plans for employees of the Association and of our members. The number of member organizations of NSAHO at present totals over one hundred.

Attached as Appendix "A" is a list of current members which demonstrates the breadth of involvement of NSAHO in healthcare in Nova Scotia. As noted in the submission of Calvin Jordan, CEO of the NSAHO Pension Plan, the NSAHO Plan is Nova Scotia's largest pension plan regulated by the Pension Benefits Act and at present there are 66 participating member organizations, with active membership in the plan presently being at 22,541.

Through its Board of Directors, NSAHO appoints the Trustees of the Plan. The governance of the Plan is undergoing significant change and will include a more significant role for representatives of the trade unions who represent the majority of the active members in the Plan.

This submission is provided to the Review Panel as representative of the Plan Sponsors – Member Organizations of NSAHO. The views expressed herein are from that perspective and are intended to supplement the submission made by Mr. Jordan.

**II. Overriding Concerns**

NSAHO considers that there are two key concerns that it would request the Review Panel keep in mind in making any recommendations for changes to the Pension Benefits Act:

1. **Attraction and retention of Health Human Resources** – It is becoming increasingly difficult for healthcare to both attract and retain sufficient, qualified employees to service Nova Scotia residents and this concern will only increase in the future. The NSAHO Pension Plan is a significant benefit which can help to achieve recruiting and retention objectives; however, the legislation must allow the greatest flexibility possible so that the Plan does not become a negative. Specifically, it is noted that healthcare has a significant number of temporary or short term employees, there are increasing efforts to attract mid-career healthcare professionals who may already be covered by a pension plan elsewhere and retired employees are being actively recruited to return to employment on a full or part-time basis. While many of our concerns can be addressed by Plan design, it follows, of course, that the Act and its Regulations should support these objectives to the extent possible; and
2. **Jointly funded and sponsored Plan** – As noted above and as commented upon by Mr. Jordan in his submission, the NSAHO Plan is unique due to the multiplicity of the member employers, but there is an absence of any recognition of this unique nature in either the Act or the Regulations. The Plan is not considered as a “multi-employer pension plan” and I would hasten to add that the NSAHO is not suggesting that it be so considered. However, special recognition should be given in the legislation to provide for the unique nature of such a plan, particularly in areas with respect to retroactivity of contribution increases and funding implications of a partial windup.

These concerns are of an overriding nature and are made to highlight both the challenges facing healthcare employers in Nova Scotia as well as the unique multi-employer nature of the NSAHO pension plan.

### **III. Specific comment**

Again, Mr. Jordan has made many valuable, specific and technical submissions to the Pension Review Plan and it is not the intention of NSAHO to comment in such detail. However, the following general comments are made with respect to the Discussion Paper:

1. **Encouragement for Plan Sponsors** – Any changes made should be to encourage employers to establish both Defined Benefit as well as Defined Contribution Plans. Legislative changes in the past have unduly increased risks to plan sponsors and various Court Decisions have significantly added to that risk. NSAHO would encourage innovative steps to encourage both the maintenance of existing registered plans as well as the establishment of new plans;
2. **Funding Risks** – The funding risks associated with Defined Benefit Plans should be reduced for Plan Sponsors and contributing Employers; at the same time, caution must be exercised to ensure the appropriate level of security for plan members. Nova Scotia, like other jurisdictions, should not hesitate to provide through legislation the appropriate sharing of risk, notwithstanding the import of certain judicial decisions. As many of

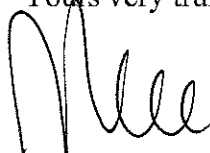
those decisions note, the Courts are applying in many cases the specific requirements of trust law and have encouraged Legislators to develop, where appropriate, different solutions;

3. **Grow-in Benefits** – This is a matter that should be left to employers in conjunction with their employees and their bargaining agents as it is in all other provinces other than Nova Scotia and Ontario. Grow-in benefits should not be a statutory benefit. The NSAHO specifically points to the “unintended consequences” for other employers (like NSAHO) of specific legislation dealing with the closure of the Trenton CarWorks;
4. **Partial Plan Wind-ups** – Nova Scotia should amend its legislation (like certain other jurisdictions), to make it clear that no surplus distribution is required on a partial plan wind-up. While the NSAHO does not consider it likely the Plan would ever be wound up in its entirety, there does exist the possibility of partial plan wind-ups relating to the closure of a member facility. In our environment, we may very well choose to distribute the surplus but, for our very small organizations, the professional fees associated with determining the surplus could be far greater than the surplus itself. Therefore, we respectfully request that the distribution of a surplus on a partial wind up be left at the discretion of the governing body; and
5. **Funding Rules** – While it is understood that the limits on funding of pension plans is regulated by the Federal Government, consideration should be given to working in consultation with other jurisdictions to have the Federal Government consider greater flexibility in funding limits, particularly for non-profit organizations such as NSAHO.

#### IV. Conclusion

In closing, we look to the Pension Review Panel for a balanced and reasoned review of all submissions. Retirement savings must be encouraged for both employers as well as employees, but, at the same time, disincentives should be reviewed and changed. We would be pleased to comment further, either directly to the Review Panel or following its next Report.

Yours very truly,



Mary Lee  
President and CEO, NSAHO

## APPENDIX "A"

### NSAHO Member Organizations

- Alderwood Rest Home
- All Saints Springhill Health Care Foundation
- Annapolis County Adult Residential Centre
- Annapolis Valley District Health Authority (Annapolis Valley Health)
  - Annapolis Community Health Centre
  - Eastern Kings Memorial Community Health Centre
  - Soldiers Memorial Hospital
  - Valley Regional Hospital
  - Western Kings Memorial Health Centre
- Annapolis West Health Foundation
- Atlantic Assisted Reproductive Therapies
- Bay Side Home
- The Birches
- Braemore Home
- Brigadoon Children's Camp Society
- Cape Breton County Homemakers Association
- Cape Breton District Health Authority
  - Buchanan Memorial Community Health Centre
  - Cape Breton Regional Hospital
    - Cape Breton Regional Hospital
    - New Waterford Consolidated Hospital
      - Waterford Heights
    - Northside General Hospital
      - Taigh Solas
  - Glace Bay Healthcare Facility
    - Taigh Na Mara Facility
  - Inverness Consolidated Memorial Hospital
    - Aite Curum
  - Sacred Heart Community Health Centre
  - Victoria County Memorial Hospital
- Cape Breton Regional Hospital Foundation
- Capital District Health Authority (Capital Health)
  - Cobequid Community Health Centre
  - Dartmouth General Hospital
  - East Coast Forensic Hospital
  - Eastern Shore Memorial Hospital
  - Hants Community Hospital
    - Haliburton Place
  - Musquodoboit Valley Memorial Hospital
  - Nova Scotia Environmental Health Centre
  - Nova Scotia Hospital
  - QEII Health Sciences Centre
  - Twin Oaks Memorial Hospital
- Caregivers Nova Scotia Association
- Cobequid Multi-Service Centre Foundation
- Colchester East Hants Health Authority
  - Colchester Regional Hospital
  - Lillian Fraser Memorial Hospital
- College of Licensed Practical Nurses of Nova Scotia
- College of Physicians and Surgeons of Nova Scotia

- College of Registered Nurses of Nova Scotia
- Colonial Community Services
  - Lynden Rest Home
  - Harbour Glen
  - Southwood Villa
- Cumberland Health Authority (CHA)
  - All Saints Springhill Hospital
  - Bayview Memorial Health Centre
  - Cumberland Regional Health Care Centre
  - North Cumberland Memorial Hospital
  - South Cumberland Community Care Centre
- Cumberland Health Care Foundation
- Dartmouth General Hospital Foundation
- Duncan MacMillan Nursing Home Society
- Dykeland Lodge
- East Cumberland Lodge
- Evergreen Home for Special Care
- EKM Health Foundation
- Foyer Pere Fiset
- GEM Health Care Group Limited
  - Centennial Villa
  - Gables Lodge
  - Glades Lodge
  - Melville Lodge
  - Mira
  - Northhills Nursing Home
- Glace Bay Physiotherapy
- Glen Haven Manor, Home for Special Care
- Grand View Manor
- Guysborough Antigonish Strait Health Authority (GASHA)
  - Eastern Memorial Hospital
  - Guysborough Memorial Hospital
  - St. Martha's Regional Hospital
  - St. Mary's Memorial Hospital
  - Strait Richmond Hospital
- Halifax Obstetrics & Gynaecology Office Services
- Harbour View Haven
- Harbourside Lodge
- Health Services Foundation of the South Shore
- High-Crest Enterprises Limited (Springhill Facility)
- Highland Visions Society
- HomeBridge Youth Society
- Inverary Manor
- IWK Health Centre
- Kings Regional Rehabilitation Centre
- Laing House Association
- Lunenburg County Home Support Services Society
- MacDonald Hall Society
- MacGillivray Guest Home
- MacLeod Group
  - Annapolis Royal Nursing Home
  - Mahone Nursing Home
  - Port Hawkesbury Nursing Home
  - Shiretown Nursing Home

- Surf Lodge Nursing Home
  - Victoria Haven Nursing Home
- Maple Hill Manor
- Maritime Odd Fellows Home
- Mental Health Foundation of Nova Scotia
- Milford Haven
- Mountain Lea Lodge
- Musquodoboit Valley Home for Special Care
- New Waterford Consolidated Hospital Charitable Foundation
- North Queens Nursing Home
- North End Community Health Centre
- Northside Community Guest Home
- Northside Hospital Foundation
- Northwoodcare Incorporated
  - Northwood Homecare Limited
- Nova Scotia Gaming Foundation
- Nova Scotia Health Organizations Protective Association
- Nova Scotia Health Research Foundation
- Nova Scotia Hearing & Speech Clinic
- Oakwood Terrace
- Ocean View Manor
- Pictou County Health Authority
  - Aberdeen Hospital
  - Sutherland Harris Memorial Hospital
- QEII Health Sciences Centre Foundation
- Queens Manor
  - Queens Home Support
- QUEST
- Richmond County Home Support Services Society
- Richmond Villa
- Riverview Home Corporation
- R.K. MacDonald Nursing Home
- Rosedale Home for Special Care
- Roseway Manor
- Saint Vincent's Nursing Home
- Scotia Nursing Home
- Seaview Manor
- Shannex Health Care Management
  - Arborstone Enhanced Care
  - Cedarstone Enhanced Care
  - Harbourstone Enhanced Care
  - Maplestone Enhanced Care
  - Parkstone Enhanced Care
- Sisters of Charity Retirement Residence
- Shoreham Village
- South Shore District Health Authority (South Shore Health)
  - Fishermen's Memorial Hospital
  - Queen's General Hospital
  - South Shore Regional Hospital
- South West Nova District Health Authority
  - Digby General Hospital
  - Roseway Hospital
  - Yarmouth Regional Hospital
- St. Anne Community and Nursing Care Centre

- Sunset Residential & Rehabilitation Services
- Tidal View Manor
- Tideview Terrace
- Valley Regional Hospital Foundation
- Valley View Villa
- Victoria Park Guest House
  - Hants Community Homes
  - Kendall Lane Housing Society
- Villa Acadienne
- Villa St. Joseph-du-Lac
- VON Canada--Eastern Region
  - VON Annapolis Valley
  - VON Antigonish
  - VON Cape Breton Metro
  - VON Colchester East Hants
  - VON Cumberland
  - VON Greater Halifax
  - VON Pictou
  - VON Lunenburg
  - VON Queens
  - VON Tri-County
- Western Kings Memorial Health Society
- Willow Lodge
- Windsor Elms
- Yarmouth Argyle Home Support Services
- Yarmouth Hospital Foundation