

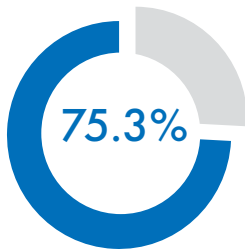


your PENSION NEWS

A newsletter for Teachers' Pension Plan Active Members

The 2018 TPP Annual Report is now available!

The 2018 Teachers' Pension Plan (TPP or Plan) Annual Report provides you with interesting statistics about your TPP and its audited financial statements. It also includes information on the TPP's 2018 investment performance and its financial status at year-end December 31, 2018.



Plan Funded Ratio

The Plan's funded ratio decreased to 75.3 per cent from 78.4 per cent in 2017. A funded ratio of 100 per cent or more would mean that the Plan is fully funded.

0.42%
the Plan

-0.03%
benchmark

Investment Return

The Plan achieved a positive return on investments of 0.42 per cent for the year ending December 31, 2018. The investment return is reported gross of investment management fees.

\$6.556
billion
Liabilities

Going Concern Actuarial Plan liabilities increased to \$6.556 billion

Retirees and survivors who began receiving their pension prior to August 1, 2006 account for the greatest portion of Plan liabilities.



Keep your information up-to-date!

Is your marital status changing or are you moving in 2019? If so, it is important to keep your records up to date.

- If your marital status is changing, please contact us.
- If you are moving, please contact your employer to update your address

Your 2018 Member Statement

2018 Member Statements were mailed this spring. Your Statement includes important information about the pension benefits that you have accumulated as at July 31, 2018.

If you have not yet received your Member Statement, or if you notice any incorrect or missing information, please contact us.

Membership facts

Average age

43.4 70.8

Working
Teacher

Retired
Teacher

Average pensionable
earnings

\$73,673

Active members

Retirees* over 100
years of age

36

*Includes survivors

Average lifetime pension

\$29,203

Retirees

You can view the full Report on our website at: www.nstpp.ca/teachers/members/publications/annual-reports

The TPP Review

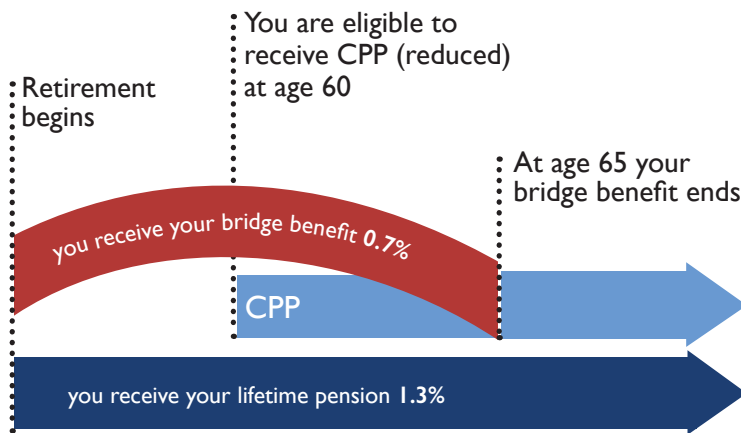
Teachers' Pension Plan Trustee Inc. (Trustee) and the Plan Sponsors (the NSTU and the Province) have commenced a joint initiative, which includes the retention of an independent pension consultant, to identify meaningful changes in order to improve the long-term financial sustainability of the TPP and increase the retirement security of its members. The report of the independent pension consultant is anticipated to be completed later in 2019, and the Trustee will be encouraging the Plan Sponsors to implement Plan amendments based on the report's recommendations.

How the Canada Pension Plan (CPP) is integrated with your TPP:

Your TPP benefit is made up of two parts:

1. Your lifetime pension is payable from the date you start receiving your pension until death. Your lifetime pension is calculated at 1.3%* of your highest average salary (best 5 years).
2. The bridge benefit is payable from the date you start receiving your pension until age 65. Your bridge benefit is calculated at 0.7%** of your highest average salary (best 5 years). The bridge benefit component of your pension benefit is designed to supplement your income until unreduced benefits are payable from CPP at age 65.

The chart below explains how CPP is integrated with your TPP:



* If your highest average salary is greater than the average year's maximum pensionable earnings (YMPE), the portion of your salary above the YMPE is calculated at 2.0% and remains in force for life.

** Up to the average YMPE.

If you retire before age 65 and decide to begin receiving a reduced CPP benefit, you will still receive the bridge benefit until age 65.

For more information about your pension benefit formula, visit our website at:
www.nstpp.ca/teachers/members/mid-career/pension-benefit/pension-benefit-formula

IMPORTANT REMINDER ABOUT YOUR ADULT CHILDREN AND YOUR SURVIVOR PENSION BENEFIT!

The *Income Tax Act* states that children between the ages of 18 and 25 attending university must be continuously enrolled, and in full-time attendance, at a post-secondary educational institution in order to continue to receive a survivor benefit.



My Retirement Plan website nspensions.hroffice.com

Log on to the My Retirement Plan website to view your Member Statement, use the Pension Projection Tool to obtain an estimate; and to view retirement planning resources.

We appreciate your feedback. If you have a comment or a suggested topic, please contact:

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All information presented in this document is premised on the Plan rules and criteria which currently exist under the Teachers' Pension Act ("Act") and the Regulations made thereunder. This document explains in plain language aspects of the rules and criteria of the Plan that exist at the time of publishing this newsletter. Plan members, beneficiaries, and others who wish to determine their legal rights and obligations under the Plan should refer to the Act and Regulations. In the event of a discrepancy between the information provided in this document and the Act and Regulations, the latter takes precedence.