

Nova Scotia Teachers' Pension Plan Trustee Inc.

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FOR IMMEDIATE RELEASE

Nova Scotia Teachers' Pension releases results

Halifax, NS, April 20, 2009 – Results for 2008 indicate the Nova Scotia Teachers' Pension Plan performed as well as, or better than, other large Canadian pension plans. The Nova Scotia Teachers' Pension Plan had an investment return of -16.8 per cent for the year ended December 31, 2008., while some of the biggest Canadian pension plans had average investment returns of -18.4 per cent for 2008*.

“We have experienced the worst equity markets in more than 30 years, which have affected the plan's performance. But the investments are diversified and have always been managed in a disciplined fashion with a long term focus,” said Pat O'Neil, Chair of the Nova Scotia Teachers' Pension Trustee Inc. the board that oversees investment of the Plan's assets. “We closely monitor the funds to minimize risk and ensure the investments are positioned to take advantage of a market rebound when it happens.”

The funding level of the Nova Scotia Teachers' Pension Plan has decreased to 70.8 per cent, meaning those who retired after August 1, 2006 will not receive indexing this year. These retirees will continue to receive the same regular pension payments from the Teachers' Pension Fund.

Except for the pre-August 1, 2006 pensioners who chose the variable pension option, teachers who retired prior to August 1, 2006 are not affected by the change in the funding level. These pensioners will receive indexing on July 1, 2009 at a rate of Consumer Price Index (CPI) minus one per cent.

“According to the 2005 agreement between the Province and the Nova Scotia Teachers Union, pensioners who retired after August 1, 2006 can not receive indexing when the plan's funding level drops below 90 per cent,” said O'Neil. “The Nova Scotia Teachers Union and the provincial government have an agreement to only offer indexing when the plan is at least 90 per cent funded.”

As part of the 2005 agreement, the Province will make a contribution to the Nova Scotia Teachers' Pension Fund equal to the actuarial value of indexing not paid. This amount is estimated to be \$3.5 million.

“In the context of large pension plans, this contribution is relatively small,” said Alexis Allen, President of the Nova Scotia Teachers Union. “We do remain confident with how the plan’s investments are managed and believe returns on investment will improve as the economy begins to recover.”

The Nova Scotia Teachers’ Pension Trustee Inc. received its actuarial valuation results on April 15 and will publish its financial statements and annual report in May. More information about the Nova Scotia Teachers’ Pension is available at www.novascotiapension.ca/teachersplan .

About the Nova Scotia Teachers’ Pension Trustee Inc.

The Teachers' Pension Plan Trustee Inc. is a board of representatives who act as trustee of the fund and are responsible for directing and monitoring investment of fund assets. The Nova Scotia Pension Agency administers and invests the pension assets at the direction of the Trustee. There are currently nearly 14,000 active members of the plan and approximately 11,000 pensioners.

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*RBC Dexia DB Plans with assets over \$1 billion.

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