

# *Nova Scotia Teachers' Pension Plan Trustee Inc.*

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## **Nova Scotia Teachers' Pension Plan releases 2011 Results**

**Halifax, NS, April 27, 2012** -- The Nova Scotia Teachers' Pension Plan has released its results for 2011. The Plan had a 0.83 per cent return on investment for the 12 months ended December 31, 2011. The funded ratio of the Nova Scotia Teachers' Pension Plan is 70.9 per cent. Since the Plan's funded ratio remains below 90 percent, indexing (cost of living adjustment) will not be available to pensioners who retired on or after August 1, 2006.

"This year's results, while disappointing, certainly reflect the very challenging investment environment that the Plan is faced with," said John Carter, Chair of the Nova Scotia Teachers' Pension Plan Trustee Inc. "We continue to see unprecedented levels of market volatility, similar to the last three years, which continue to impact the Plan's returns. Meanwhile, diminished investment returns along with record low interest rates have reduced the Plan's funded ratio. That said, the Plan performed in line with other Canadian Pension Plans."

The Plan's unfunded liability exceeded \$1.655 billion at December 31. The Plan, however, is not at risk of running out of cash today and is fully able to meet its obligations to retirees and members for many years to come.

"The problems that the Plan faces are long term in nature and require forward-thinking solutions," said Carter. "To that end, we have made significant changes to asset allocations intended to reduce the impact of volatility and we have been working with the Plan Sponsors to look for ways to improve the long term health of the Plan. "

As part of its 2005 Agreement with the Nova Scotia Teachers' Union, the Province will make a contribution to the Nova Scotia Teachers' Pension Plan equal to the actuarial value of indexing not paid. This amount will be determined after July 1, 2012.

“While the results may seem discouraging in the short term, we know that the Trustee has been diligent and proactive,” said Alexis Allen, president of the Nova Scotia Teachers’ Union. “The Trustee has spent a great deal of time on analysis and has changed the investment portfolio mix to reduce plan liabilities and limit risk. We understand that public plans across Canada are experiencing similar challenges – and as they are, we too will be reviewing funding policies and benefit structures as a result.”

The Teachers’ Pension Plan financial statements and annual report are posted on the Nova Scotia Pension Agency’s website:

[www.novascotiapension.ca/teachersplan/publications/annualreport](http://www.novascotiapension.ca/teachersplan/publications/annualreport) .

#### **About the Nova Scotia Teachers’ Pension Plan Trustee Inc.**

The Teachers' Pension Plan Trustee Inc. is responsible for directing and monitoring investment of Plan assets and for operation of the Plan. At December 31, 2011 there are currently 13,525 active members of the Plan, 5,488 inactive members, and 12,014 pensioners.

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#### **For more information, please contact:**

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