

Public Service Superannuation Plan

Special Q&A Bulletin—October 2005

CASUAL PENSIONABLE SERVICE PURCHASES CALCULATED SINCE APRIL 1ST, 2002

You may have recently heard that anyone in the Public Service Superannuation Plan who purchased casual pensionable service since April 1st, 2002, may be entitled to receive a refund of a portion of that purchase.



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Q.1 What has brought this about?

- A.1. Effective April 1, 2002 the costing method for purchases of casual pensionable service was changed to be at full actuarial cost, paid solely by the employee and without any matching employer contributions. After a review of the legislation in the summer of 2005 this approach has been determined to be inconsistent with the Public Service Superannuation Act.

A recent audit was conducted to determine the employees who may be affected by this. It was found that some of the calculations done for purchases of past casual pensionable service were inaccurate. As a result, those affected members would be entitled to receive a refund for a portion of their payment made to purchase that service.

Q.2 Will future purchases of casual pensionable service be calculated differently?

- A.2 Yes. To comply with the Act, effective immediately, purchases of casual pensionable service will be calculated on the basis of contributions plus interest. Additionally, this must be on a cost-shared basis—meaning 50% is paid for by the employee and 50% is paid for by the employer.

Q.3 (a) How will I know if I qualify for a refund? (b) How will I be notified?

- A.3 (a) You would only qualify for a refund if you purchased casual pensionable service since April 1, 2002.
- (b) 1st notification: In the month of October 2005, Department of Finance, Pension Services Group will notify you in writing if you are one of the individuals affected.
- 2nd notification: About 3 weeks after that first notification, you will receive in writing details including the exact amount you will be refunded and what refund options you have.

Q.4 I purchased service but not casual service. Do I get a refund?

- A.4 No, the change only applies to purchases of past casual service. Maternity calculations and other leaves, as well as purchases of previously refunded service are not affected.