August 2002

Report on the Actuarial Valuation For Funding Purposes as at December 31, 2001

Nova Scotia Teachers' Pension Plan

MERCER
Human Resource Consulting

MMC Marsh & McLennan Companies

Table of Contents

Summary of Results

Going Concern Financial Position	31-Dec-2001	31-Dec-2000
Actuarial value of assets	$3,629,375,000	$3,786,749,000
Actuarial liability	$4,197,692,000	$3,998,940,000
Funding excess (unfunded liability)	($568,317,000)	($212,191,000)
Funded ratio	86.5%	94.7%

Funding Requirements	12 Months Following 31-Dec-2001	12 Months Following 31-Dec-2000
Total current service cost	$88,696,000	$91,138,000
Estimated teachers' required contributions	$50,295,000	$51,253,000
Estimated matching Government contribution	$50,295,000	$51,253,000
Excess contributions	$11,894,000	$11,368,000
Total current service cost as a percentage of payroll	15.40%	15.54%
Total contributions as a percentage of payroll	17.46%	17.48%

Introduction

Report on the Actuarial Valuation as at December 31, 2001

To The Teachers' Pension Partners' Board

At your request, we have conducted an actuarial valuation of the Nova Scotia Teachers' Pension Plan as at December 31, 2001. We are pleased to present the results of the valuation.

The purpose of this valuation is to determine and examine:

- the funded status of the plan as at December 31, 2001 on a going concern basis, and
- the funding requirements from December 31, 2001.

This valuation reflects the provisions of the plan as at December 31, 2001. The plan has been amended since the date of the previous valuation. However, the nature of the amendments will not impact the valuation. A summary of the plan provisions as at December 31, 2001 is provided in Appendix D.

The next actuarial valuation is required for purposes of the *Income Tax Act* on or before December 31, 2004.

We have used the same going concern valuation assumptions and methods as were used for the valuation as at December 31, 2000, with the following exceptions:

Changes in Assumptions

We have changed the retirement assumption to 60% of members retire at his/her earliest unreduced retirement date with the remainder retiring at the earliest of:

- age 65;
- 35 years of service; or
- age 60 with 10 years of service.

The effect of this change is to increase going-concern liabilities by $50,609,000 and to increase the current service cost by $2,995,000

Changes in Methodology

We have changed the accrual of future service for each member to be based on the percentage of full-time service in the valuation year rather than a full year of service.

The effect of this change is to decrease going-concern liabilities by $10,413,000 and to decrease the current service cost by $3,860,000.

All assumptions are described in detail in Appendix B.

We have not considered the downturn in the equity markets which has occurred since the valuation date. After checking with representatives of the Pension Services Group, Province of Nova Scotia, to the best of our knowledge there have been no other events subsequent to the valuation date which, in our opinion, would have a material impact on the results of the valuation.

Respectfully submitted,

Calvin Jordan
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

September 10, 2002
Date

Philip Churchill
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

September 10/2002
Date

Section 1 ¾ Financial Position of the Plan

Valuation Results — Going Concern Basis

When conducting a valuation on a going concern basis, we determine the relationship between the respective values of assets and accumulated benefits, assuming the plan will be maintained indefinitely.

Financial Position

The results of the valuation as at December 31, 2001, in comparison with those of the previous valuation as at December 31, 2000, are summarized as follows:

Financial Position ¾ Going Concern Basis

	31-Dec-2001	**31-Dec-2000**
Actuarial value of assets	$3,629,375,000	$3,786,749,000
Actuarial liability		
Present value of accrued benefits for:		
▪ active teachers	$1,965,743,000	$1,887,054,000
▪ pensioners and survivors	$2,179,390,000	$2,072,497,000
▪ inactive teachers	$52,559,000	$39,389,000
Total liability	$4,197,692,000	$3,998,940,000
Funding excess (unfunded liability)	($568,317,000)	($212,191,000)
Funded ratio	86.5%	94.7%

Reconciliation of Financial Position

The plan's financial position, an unfunded liability of $568,317,000 as at December 31, 2001, is reconciled with its previous position, an unfunded liability of $212,191,000 as at December 31, 2000, as follows:

Reconciliation of Financial Position

Funding excess (unfunded liability) as at 31-Dec-2000	($212,191,000)
Interest on funding excess (unfunded liability) at 7.38% per year to 31-Dec-2001	($15,660,000)
Investment experience, net of expenses	($341,693,000)
Salary increases less than expected	$40,704,000
Contributions in excess of the current service cost	$11,640,000
Mortality experience	$2,328,000
Retirement experience (excluding disability retirements)	($12,517,000)
Impact of changes to assumptions	($50,609,000)
Impact of changes in methods	$10,413,000
Net impact of other elements of gains and losses	($732,000)
Funding excess (unfunded liability) as at 31-Dec-2001	($568,317,000)

Impact of Plan Wind-up

In our opinion, the value of the plan's assets would be less than its actuarial liabilities if the plan were to be wound-up on the valuation date. The liability on a wind-up basis is less than the liability on a going concern basis and greater than the market value of assets.

Section 2 ¾ Funding Requirements

Current Service Cost

The estimated value of the benefits that will accrue on behalf of the active members during the upcoming year, in comparison with the corresponding value determined in the previous valuation as at December 31, 2000, is summarized below:

Current Service Cost

	31-Dec-2001	31-Dec-2000
Present value of benefits expected to be accrued in respect of service in the following year	$88,696,000	$91,138,000
Estimated teachers' required contributions	$50,295,000	$51,253,000
Estimated Government required contribution	$50,295,000	$51,253,000
Current service funding excess	$11,894,000	$11,368,000
Total current service cost as a percentage of payroll	15.40%	15.54%
Total Contributions as a percentage of payroll	17.46%	17.48%

The plan has an unfunded liability of $568,317,000 as of December 31, 2001, on the basis of the assumptions and methods described in this report. The terms of the plan specify that the Province will match the required contributions made by members. However, from an actuarial perspective and assuming members and the Province contribute as described above, there is an expected excess contribution of $11,894,000 compared to the present value of benefits expected to be accrued in respect of service in the year following December 31, 2001. This excess contribution will be applied against the unfunded liability.

Notwithstanding the current service funding excess, it is expected that the unfunded liability will increase over the next year. It is anticipated that, barring any other experience gains or losses, the unfunded liability will increase by approximately $30,050,000 during 2002.

As the total current service funding excess amounts up to the next valuation are less than the unfunded liability, we believe that, in accordance with subsection 147.2 (2)(c) of the *Income Tax Act*, the contributions required by the Government would be eligible contributions under the *Income Tax Act*.

In certain circumstances, member contributions may be in excess of the limits prescribed by the *Income Tax Act*. We have relied on information provided by the Pension Services Group that member contributions would be acceptable under the *Income Tax Act*.

Actuarial Opinion with Respect to the Actuarial Valuation as at December 31, 2001 of the Nova Scotia Teachers' Pension Plan

Based on the results of this valuation, we hereby certify that, as at December 31, 2001,

- The plan's current service cost for 2002 and subsequent years, up to the next actuarial valuation should be calculated as 15.40% of teachers' pensionable earnings.

- The estimated teachers' required contributions and matching Government contributions are expected to be $50,295,000 each, which will exceed the current service cost for the 12 months following the valuation date, $88,696,000, by $11,894,000 which will be applied against the unfunded liability.

- The plan would be fully funded on a going-concern basis if its assets were augmented by $568,317,000

- In our opinion,
  - the data on which the valuation is based are sufficient and reliable for the purposes of the valuation,
  - the assumptions are, in aggregate, appropriate for the purposes of determining the funded status of the plan as at December 31, 2001 on a going concern basis and determining the funding requirements, and
  - the methods employed in the valuation are appropriate for the purposes of determining the funded status of the plan as at December 31, 2001 on a going concern basis and determining the funding requirements.

- This report has been prepared, and our opinions given, in accordance with accepted actuarial practice.

- All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

Calvin Jordan	Philip Churchill
Fellow, Canadian Institute of Actuaries	Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries	Fellow, Society of Actuaries
September 10, 2002	September 10/2002
Date	Date

Appendix A ¾ Plan Assets

Sources of Plan Asset Data

The pension fund is held in trust by the Minister of Finance and is invested in accordance with the investment policy.

We have relied upon information provided by the Department of Finance, for the period from December 31, 2000 to December 31, 2001.

Reconciliation of Plan Assets

The pension fund transactions, on a cash basis, for the period from December 31, 2000 to December 31, 2001 are summarized as follows:

Reconciliation of Plan Assets (Market Value)

	2001
January 1	$3,575,982,000
PLUS	
Teachers' contributions – matched	$50,164,000
Teachers' contributions – not matched	$2,617,000
Government contributions – matched	$50,164,000
Schedule B Contribution	$16,798,000
Contribution re: ERP	$28,000
Adjustment for contributions recognized in prior period, received this period	$3,878,000
Investment income and realized / unrealized gains and losses	($59,340,000)
	$64,309,000
LESS	
Benefits paid	$193,934,000
Net transfers to/from other plans	$1,553,000
Expenses	$7,079,000
	$202,566,000
December 31	$3,437,725,000

In addition, there are a number of scheduled payments to be made by the Province of Nova Scotia to the fund in accordance with Schedule B of the Regulations of the Nova Scotia Teachers' Pension Act. Also, there are scheduled payments to be made by various school boards in respect of an early retirement program which ended on July 31, 1998. There are also a number of payables and receivables due from / to the fund.

The value of assets used for the purposes of this valuation equals the market value of the assets in the pension trust fund, adjusted for the net receivables / payables plus the present value of the remaining payments from the province under Schedule B of the Act and the present value of the remaining payments by the school boards under the early retirement program.

In March 2002, the outstanding payments under the early retirement program were contributed to the pension fund. A cash payment of approximately $72,800,000 was made in respect of payments due on and before March 31, 2002. The province has taken responsibility for future payments and will be making the payments on a monthly basis.

Therefore, the actuarial value of assets is equal to:

Fund value at December 31, 2001	$3,437,725,000
Receivables from school boards re: Early Retirement Program	$171,430,000
Present value of Schedule B payments	$30,657,000
Other receivables	$26,563,000
Other payables	($37,000,000)
Actuarial Value of Assets	$3,629,375,000

The return on plan assets (net of expenses) since the last valuation at December 31, 2000 was -1.8%. This rate was less than the assumed investment return of 7.38% by 9.18% and contributed an experience loss of $341,693,000.

Actuarial Valuations Methods — Going Concern Basis

Valuation of Assets

For this valuation, we have used the market value of plan assets, adjusted as described in Appendix A.

Valuation of Actuarial Liabilities

Over time, the real cost of a pension plan is the sum of the benefits and expenses paid, less investment earnings on the sums invested. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going concern valuation, we have continued to use the *projected unit credit actuarial cost method*. Under this method, we determine the actuarial present value of benefits accrued in respect of service prior to the valuation date, including ancillary benefits, based on projected final average earnings. This is referred to as the *actuarial liability.* For each individual plan member, accumulated contributions with interest are established as a minimum actuarial liability.

The *funding excess* or *unfunded liability*, as the case may be, is the difference between the actuarial value of assets and the actuarial liability.

Current Service Cost

The *current service cost* is the actuarial present value of projected benefits to be paid under the plan with respect to service during the year following the valuation date.

The current service cost has been expressed as a percentage of the teachers' pensionable earnings to provide an automatic adjustment in the event of fluctuations in membership and/or covered earnings.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the teachers' pensionable earnings, can be expected to remain stable as long as the average age of the group remains constant.

Actuarial Assumptions — Going Concern Basis

The actuarial value of benefits is based on economic and demographic assumptions. At each valuation, we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them if necessary.

In this valuation, we have used the same assumptions as in the previous valuation except as noted below. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations. For this valuation, we have used the following assumptions:

Economic Assumptions

- ***Investment Return***
  We have assumed that the investment return on the actuarial value of the fund, net of expenses charged to the fund, will be 7.38% per year over the long term. This is based on an assumed inflation rate of 3% per year compounded with a real rate of return of 4.25% per year.

- ***Expenses***

  The assumed Investment Return reflects an implicit provision for expenses.

- ***Increases in Pensionable Earnings***
  The benefits ultimately paid depend on each teacher's final average earnings at either retirement, termination, death or disability.

To determine the final average earnings, we have taken the teachers' annualized earnings during the 2000 – 2001 school year, increased by 0.7% to reflect the increases effective August 1, 2001 and assumed that earnings will increase by 3.5% plus a promotional scale. For those teachers who joined the plan after July 31, 2001, we have annualized the member's earnings from August 1, 2001 to December 31, 2001. The total annual salary increases after the valuation date are detailed in the table below:

Total Annual Increases in Teachers' Pensionable Earnings

Age Group	Annual Increase
less than 30	6.25%
30 – 34	5.75%
35 – 39	5.25%
40 –44	4.75%
45 – 49	4.25%
50 – 59	3.75%
60 plus	3.5%

- ***Increases in the YMPE***

  Since the benefits provided by the plan depend on the final average Year's Maximum Pensionable Earnings (YMPE) under the Canadian Pension Plan, it is necessary to make an assumption about increases in the YMPE for this valuation. We have assumed the YMPE will increase at the rate of 3.5% per year from its 2001 level of $38,300.

Demographic Assumptions

- ***Retirement Age***

  It was assumed that 60% of the active teachers would retire at the earliest age at which they would be eligible for an unreduced pension. The remainder are assumed to retire at the earliest of:

  – age 65;
  – 35 years of service; or
  – age 60 with 10 years of service.

At the last valuation, the age 60 with 10 years of service criterion was not used.

Teachers who had already attained their normal retirement age (age 65) were assumed to retire immediately.

Inactive teachers are assumed to retire at their earliest unreduced retirement date.

- ***Termination of Employment***

  We have made an allowance for future reductions or increases, if any, in liabilities which occur as teachers terminate their employment before retirement for reasons other than death.

  We have assumed that teachers would terminate at the rate of 5% per annum in each of the first two years of membership.

- ***Mortality***

  The actuarial value of the pension depends on the lifetime of the member. We have assumed mortality rates, both before and after retirement, in accordance with the 1994 Group Annuitant Mortality (GAM) Table projected to 2000 using Scale AA. According to this table, the life expectancy at age 65 is 18.4 years for a man and 21.6 years for a woman.

- ***Disability***

  We have made an allowance for the possibility that teachers may receive a disability pension. The rates are the same for males and females and have been applied only to teachers between the ages of 35 and 59. Disability rates scale from 0.05% at age 35 to 1.5% at age 59. The table below summarizes the disability rates:

Disability Rates

Age	Annual Rate of Disability
35	0.05%
40	0.10%
45	0.15%
50	0.4%
55	1.0%
59	1.5%

- ***Family Composition***

  Benefits in case of death, before and after retirement, depend on whether the teacher has an eligible spouse at the time of death.

  For this valuation, we have assumed that 85% of male teachers and 75% of female teachers will have an eligible spouse, and that the male partner will be three years older than the female partner.

  After retirement, 85% of members with a spouse at retirement are assumed to have a spouse at the date of their death.

Appendix C ¾ Membership Data

Analysis of Membership Data

The actuarial valuation is based on membership data as at December 31, 2001, provided by the Pension Services Group, Department of Finance.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. The results of these tests were satisfactory.

Plan membership data are summarized below. For comparison, we have also summarized corresponding data from the previous valuation.

Membership Data

	31-Dec-2001	31-Dec-2000
Active Teachers		
▪ Number	13,179	13,368
▪ Average pensionable earnings	$46,968	$45,996
▪ Average years of pensionable service	14.3 yrs.	14.2 yrs.
▪ Average age	43.7	43.5
Inactive Teachers		
▪ Number	4,736	4,369
▪ Average annual pension	$1,073	$953
▪ Average age	43.1	43.0
Pensioners and Survivors		
▪ Number	8,081	7,843
▪ Average annual lifetime pension	$22,309	$21,467
▪ Average annual bridge pension	$6,739	$6,384
▪ Average age	67.8	67.8

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

Reconciliation of Membership

	Active Teachers	Inactive Teachers	Pensioners and Survivors
Total at 31-Dec-2000	13,368	4,369	7,843
New teachers	831	-	-
Terminations / refunds	(125)	(124)	-
Transfers to inactive status	(650)	650	
Transfers to active status	182	(182)	
Deaths	(11)	(2)	(213)
Regular retirements	(288)	(26)	314
Disability retirements	(63)	(7)	70
Survivor pensions	-	-	77
Pensions ceased			(20)
Data corrections	(65)	58	10
Total at 31-Dec-2001	13,179	4,736	8,081

Appendix C ¾ Membership Data *(continued)*

The distribution of the active members by age and pensionable service as at December 31, 2001, is summarized as follows:

Distribution of Active Members as at 31-Dec-2001 by Age Group and Pensionable Service

	Years of Pensionable Service								
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35+**	**Total**
20 – 24	106								106
	24,621								24,621
25 – 29	1,124	129							1,253
	27,499	38,915							28,675
30 – 34	804	700	72						1,576
	29,984	42,477	50,612						36,475
35 – 39	467	373	428	90					1,358
	32,107	45,093	53,652	55,214					43,996
40 – 44	409	236	352	498	245				1,740
	33,155	44,248	53,866	55,445	55,703				48,404
45 – 49	367	224	254	319	810	456			2,430
	32,970	44,756	52,484	55,152	56,759	56,500			51,353
50 – 54	247	130	193	201	390	1,501	768		3,430
	32,660	43,321	52,833	54,629	57,114	57,975	56,893		54,771
55 – 59	164	74	81	85	132	234	359	9	1,138
	30,594	42,982	50,240	53,473	57,318	58,802	59,200	64,677	52,700
60 – 64	46	7	9	23	24	14	9	3	135
	26,755	42,500	48,080	55,619	53,612	57,438	59,474	61,060	44,811
65 – 69	9			1					10
	22,812								26,211
70+	3								3
	22,217								22,217
Total	3,746	1,873	1,389	1,217	1,601	2,205	1,136	12	13,179
	30,130	43,327	52,986	55,083	56,683	57,754	57,643	63,773	46,968

Note: Each cell contains the number of teachers and average pensionable earnings. Pensionable earnings for cells with only 1 member are not shown for confidentiality reasons.

The distribution of the inactive members by age as at December 31, 2001, is summarized as follows:

Distribution of Inactive Members by Age Group as at 31-Dec-2001

	Inactive Teachers		Pensioners and Survivors*	
Age	**Number**	**Average Pension**	**Number**	**Average Pension**
under 25	2	$11	1	$14,085
25 – 29	494	$178	1	$14,085
30 – 34	818	$273	3	$17,005
35 – 39	747	$366	7	$5,148
40 – 44	636	$535	28	$9,747
45 – 49	590	$1,407	89	$13,992
50 – 54	589	$2,509	297	$20,980
55 – 59	482	$2,789	1,708	$25,929
60 – 64	262	$1,736	1,556	$24,695
65 – 69	65	$310	1,135	$23,997
70 – 74	29	$100	889	$23,942
75 – 79	9	$2,356	696	$21,339
80 – 84	6	$83	679	$18,572
85 – 89	3	$401	555	$16,888
90 – 94	2	$437	246	$12,773
95 and over	2	$337	80	$10,022
Total	4,736	$1,073	7,970	$22,569

* Excludes dependent children and bridge benefits

Appendix D ¾ Summary of Plan Provisions

Introduction

This valuation is based on the plan provisions in effect on December 31, 2001. The following is a summary of the plan's main provisions in effect on December 31, 2001. It is not intended as a complete description of the plan. Refer to the Teacher's Pension Act and Regulations for a complete description of the plan.

Eligibility for Membership

All teachers must join the plan on their date of employment, with some minor exceptions.

Contributions

Teachers contribute 8.3% of earnings up to the Year's Maximum Pensionable Earnings (YMPE) plus 9.9% of earnings in excess of the YMPE.

The Province (as plan sponsor) contributes an amount equal to that of the teachers plus any additional amounts that may be prescribed.

Retirement Dates

Normal Retirement Date

The normal retirement date is the first day of the month coincident with or next following the attainment of age 65 and the completion of at least two years of pensionable service.

Early Retirement Date

Provided the sum of the teacher’s attained age and years of pensionable service is at least 85, the teacher may retire at age 55.

If a teacher has at least 10 years of pensionable service, the teacher may choose to retire as early as age 60. A teacher may also retire upon the completion of 35 years of pensionable service.

A teacher who is at least 55 years of age and has at least two years of service, or is at least 50 years of age and has at least 30 years of service may retire subject to a possible reduction in pension payable.

Disability Retirement

A teacher may be retired on account of disability. The disability must be medically certified as likely to be permanent.

Retirement Benefits

Normal or Early Retirement

If a teacher retires on the normal or early retirement date, the teacher will be entitled to the sum of the following:

Normal or Early Benefits

1. Lifetime Pension – Non-CPP Service

   2.0% of the average of the teachers' best five years earnings for each year of non-CPP pensionable service.

   PLUS

2. Lifetime Pension – CPP Service

   1.3% of the average of the teachers' best five years earnings up to the average YMPE plus 2.0% of the best five years earnings in excess of the average YMPE for each year of CPP pensionable service

   PLUS

3. Bridge Benefit (payable to age 65)

   0.7% of the lesser of the average of the member's best five years of earnings and the average of the YMPE over the last five years for each year of CPP pensionable service.

Note: Pensionable service is limited to a maximum of 35 years.

Reduced pensions are calculated on the above basis less a factor of 4% - 5% for each year by which the teacher has retired early.

Disability Retirement

If a teacher retires due to total disability, the pension payable is 2.0% of the average of the teachers' best five years earnings for each year of pensionable service to the date of disability retirement (maximum 35 years). A partial disability pension is paid at the above rate less 17%.

Indexing

Pensions in payment are indexed each January 1 by the change in the Consumer Price Index for Canada for the year ending October 31, minus 1%, to a maximum of 6%.

Survivor Benefits

Death Before Retirement

If a teacher dies prior to retirement, and prior to completing 2 years of pensionable service the teacher's beneficiary or estate will receive a lump sum payment of the teacher's contributions with interest.

If, however, the teacher had two or more years of pensionable service and leaves a spouse, in lieu of a refund, the spouse will receive an immediate lifetime pension equal to 60% of the pension accrued to the member, including the amount of the bridge benefit for service to December 31, 1991. An additional pension equal to 10% of the pension accrued to the member is payable to each surviving child under age 18 (subject to an aggregate total of 40%). This pension is payable until age 25 if the child is a student and for life if the child is disabled.

If there is no surviving spouse but there are dependent children under the age of 18 or age 25 if still in school, 60% of the pension, as indicated above, will be paid equally to each eligible child.

If there is no surviving spouse or dependent children, the beneficiary or estate will receive a lump sum payment of the teacher’s contributions with interest.

Death After Retirement

Pension payments cease upon the death of the pensioner. If, however, the deceased pensioner has a spouse at the date of death then survivor benefits are payable as follows:

Situation	Spousal Pension Received Prior to When the Member Would Have Turned 65	Spousal Pension Received Once the Member Would Have Turned 65
Member pensioner dies prior to age 65	60% of pension payable to member, including bridge benefit	60% of pension payable to member plus bridge benefit for service prior to December 31, 1991
Member pensioner dies after reaching age 65	N/A	60% of pension payable to member

Termination Benefits

If a teacher's employment terminates for reasons other than death, disability or retirement, the benefits payable from the plan will depend on the teacher's pensionable service, as follows:

Benefits in the Event of Termination of Employment

If teacher has:	**If all service is prior to 31-Dec-1987:**
Less than ten years of pensionable service	A refund of the teacher's contributions with interest.
At least ten years of pensionable service	A deferred pension from normal or early retirement.
	If some service is after 01-Jan-1988:
Less than two years of pensionable service	A refund of the teacher’s contributions with interest
At least two years of pensionable service	A deferred pension from normal or early retirement

If a teacher is entitled to a deferred pension, for service from January 1, 1988, he may transfer the commuted value of that pension to another retirement vehicle in accordance with the applicable federal legislation.

Appendix E ¾ Government Certification

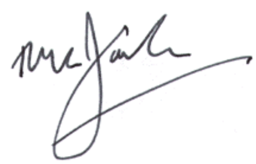
Government Certification

With respect to the report on the actuarial valuation of the *Nova Scotia Teachers' Pension Plan*, as at December 31, 2001, I hereby certify that, to the best of my knowledge and belief:

- a copy of the official plan documents and of all amendments made up to December 31, 2001, were provided to the actuary;

- the membership data provided to the actuary includes a complete and accurate description of every person who is entitled to benefits under the terms of the plan for service up to December 31, 2001, and

- all events subsequent to December 31, 2001 that may have an impact on the results of the valuation have been communicated to the actuary.



September 5, 2002

Date

Signed

Robert Jack

Name

Director, Pension Services Group
Department of Finance

Title

Mercer Human Resource Consulting Limited

MMC Marsh & McLennan Companies