



# Halifax Regional Municipality Pension Plan

## IMPORTANT INFORMATION AND UPDATES FOR HRM PENSION PLAN MEMBERS JUNE 2015

We would like to take this opportunity to provide you with information and updates regarding the Halifax Regional Municipality Pension Plan (the "Plan"). This booklet will cover the following topics:

- Annual Statement
- 2014 Annual Report
- Plan Information Sessions
- New Pension Legislation (**a change to the definition of spouse may require your action – see page 2**)
- 2014 Plan Amendments
- Retirement Calculator
- Contact Information for the HRM Pension Office

We encourage you to carefully review this information and to contact the HRM Pension Office if you have any questions or concerns. You will find our contact information on the last page of this booklet.

### Annual Statement

We are pleased to enclose your annual pension statement prepared as at December 31, 2014. You may notice that the statement looks different this year. The statement format has been updated to present your personal information first. You will no longer have to flip through several pages of general Plan information to find updates on your personal situation, such as your retirement dates and the pension you've earned to date.

The general Plan information that was included on previous years' statements has been condensed into a four-page booklet that is enclosed with your statement. The booklet will also be posted on the member section of our website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca), so that you'll always have easy access to a current summary of the Plan terms.

### Annual Report

In an effort to save paper and funds, a printed copy of the Plan's Annual Report has not been enclosed with the annual pension statements this year. We invite you to view the electronic copy of the 2014 Annual Report that has been posted on our website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca) (click on 'About Us' and 'Plan Information'). If you would prefer to receive a printed copy of the 2014 Annual Report, please contact the HRM Pension Office; we would be happy to mail a copy to you.

### Pension Plan Information Sessions

Whether you are newly hired, mid-career or approaching retirement, we encourage you to learn more about the Plan by attending an information session. Join HRM Pension Office staff for a 90-minute presentation about the Plan benefits and features. These sessions include all of the information presented at previous retirement seminars as well as relevant information for newer members. Plan members are welcome to bring their spouse. The information sessions are held at various locations in HRM throughout the year. Please contact the HRM Pension Office for upcoming dates and to register for a session.

## New Pension Legislation

The Plan is required to comply with the Nova Scotia Pension Benefits Act and Regulations (the "Act"). These are the laws that apply to pension plans registered in the province. New pension laws were announced on April 21, 2015 and are effective June 1, 2015. Key changes impacting plan members include:

### Immediate Vesting

A plan member who terminates employment on or after June 1, 2015 and before reaching their Earliest Retirement Date under the Plan will be entitled to a deferred pension benefit payable at their Normal Retirement Date. You can view your retirement dates on the enclosed annual statement. Alternatively, plan members can transfer the lump sum commuted value of their deferred pension to a Locked-In Retirement Account. This change will result in higher benefits payable to plan members who terminate employment with less than two years of plan membership. Previously, a plan member with less than 2 years of plan membership would have received a refund of their contributions with interest upon termination of employment.

### Spouse Definition

The definition of spouse has changed under the Act. Basically, an individual is your spouse if:

- you are married to each other,
- you are domestic partners within the meaning of Section 52 of the Vital Statistics Act, or
- you are not married to each other but have cohabited in a conjugal relationship with each other
  - for a period of at least three years, if either of you are married, or
  - for a period of at least one year, if neither of you are married.

Under the Plan, a spouse would be entitled to certain benefits in the event of your death, regardless of who you have designated as a beneficiary. If you pass away and do not have a spouse, benefits would be paid to your designated beneficiary or estate.

**Please check your annual statement to ensure that your pension record accurately reflects your spouse and beneficiary designation.** If you need to update your designation, you must complete a "Beneficiary & Spouse Designation" form. The form can be found on our website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca) (click on 'I am a Plan Member' and 'Forms') or you can contact the HRM Pension Office to request that a copy of the form be sent to you by mail or email.

Please note that it is possible for two individuals to meet the definition of spouse if you are legally married but separated and living in a common law relationship. The new Act does not establish any priority between spouses. It is possible that the payment of benefits could be contested and the situation may have to be resolved by the courts. If you believe that payment of benefits could be contested in the event of your death, please contact the HRM Pension Office for further information.

### Pre-Retirement Death Benefit

Under the new Act, surviving spouses of plan members who pass away prior to retirement will have additional options under the Plan. Regardless of whether or not a plan member was eligible to retire at the date of death, the surviving spouse can elect to receive either the lump sum value of the plan member's pension (calculated as if they terminated employment on their date of death) **or** an immediate pension **or** a deferred pension. The immediate or deferred pension payable to the survivor would be calculated to be equivalent in value to the lump sum value of the plan member's pension.

If a plan member passes away and does not have a surviving spouse, the plan member's designated beneficiary or estate would receive the value of the plan member's pension in a lump sum.

### Transfer Ratio

The formula used to determine the Plan's "transfer ratio" has been updated under the Act. The transfer ratio affects any plan member who terminates employment or retires and elects to transfer out the commuted value of their pension. The transfer ratio is calculated by dividing the Plan's assets by its liabilities assuming it was terminated immediately (this is also referred to as the solvency funded ratio). The transfer ratio is determined at each actuarial valuation date and must be applied to commuted value payments from the Plan, except in certain circumstances.

The Plan's actuary is in the process of calculating the transfer ratio in accordance with this new definition. Once it has been determined, a notice will be posted to the website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca) (click on 'I am a Plan Member' and 'News for Plan Members'), to provide more information to plan members.

### Disclosure

The new Act requires additional information to be included on annual statements for active plan members. You will find that your enclosed statement has new sections regarding the Plan's transfer ratio and surplus policy.

The new Act also requires that plan members are notified of plan amendments at least 45 days before the amendment is filed with the Superintendent of Pensions, unless the amendment is of a technical nature, will not substantially affect pension benefits, or will not negatively affect any payments.

## **2014 Plan Amendments**

Please be advised that four amendments were made to the Plan Text in 2014. The amendments were technical in nature and do not impact plan member benefits. You will find below a short description of each plan amendment. Copies of the amendments which show the updated wording in the Plan Text can be found on our website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca) (click on 'About Us' and 'Plan Information').

### Amendment 2014-01 – Annual General Meeting

The Plan Text has been updated to clarify that the Annual General Meeting is not a regular Pension Committee meeting. Rather, it is a meeting open to all plan members to provide information on the Plan and an update on the previous year's performance. Notice of the time and place of the meeting will be given to plan members at least ten days in advance.

### Amendment 2014-02 – Actuarial Equivalent Early Retirement Reduction

The HRM Pension Plan provides for a specific early retirement reduction (0.5% per month for each month the member retires early). The Plan Text has been updated to show that the early retirement reduction cannot result in a pension that is less than the actuarial equivalent of the plan member's unreduced pension, as required under the Nova Scotia Pension Benefits Act. Pensions payable at different dates are actuarially equivalent when they have the same commuted value (lump sum present value), calculated using appropriate actuarial assumptions.

### Amendment 2014-03 – Beneficiary Designation

The Plan Text has been updated so that plan members participating under all divisions may designate a beneficiary to receive any benefits payable from the Plan in the event of their death. Previously, some of the death benefits payable under prior plan divisions (Halifax County Municipality, City of Halifax and Metropolitan Authority) could only be paid to the plan member's estate if the member did not have a spouse or common law partner.

### Amendment 2014-04 – Transfers from other Registered Pension Plans

A section of the Plan Text states that the Plan may accept a transfer of funds from the registered pension plan of a plan member's former employer. This section was updated to confirm that the funds would be used to purchase service which was credited under the former employer's pension plan. This change was made to provide administrative clarity.

## Retirement Calculator

Did you know that you can calculate your own pension estimates and securely view your personal pension plan information online? Just follow these steps:

1. Visit the Plan website, [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca);
2. Click on 'I am a Plan Member' on the left side of the page;
3. Click on the 'Retirement Calculator' box on the left side of the page;
4. Click on 'First-Time User?' and create your user name and password. To see the rules for creating a user name and password, place your cursor over the '?' beside the input field.

You should now be transferred to your own personal pension webpage. If you experience any technical difficulties logging on to your webpage, please call the Aon Hewitt customer contact centre toll free at 1-855-221-2203.

Click on the tabs at the top of the page to estimate your retirement income, view your designated beneficiaries and view pension plan documents, including your latest annual pension statement. If you have questions concerning your pension information, please contact the HRM Pension Office.

## Contact Us

We encourage you to contact the HRM Pension Office if you have any questions about the Plan. We have a dedicated Member Services team who can provide you with important information about your benefits and address any of your concerns. Please feel free to contact us by mail, phone, fax or email. We hope you will find the website to be a valuable source of information on the Plan.

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