

Pension 101

2025-2026 Version



Disclaimer



This summary is provided solely for the purpose of explaining the principal features of the Teachers' Pension Plan. All rights with respect to the Teachers' Pension Plan shall be governed solely by legislation and appropriate regulations.



This presentation is for informational purposes only. It does not constitute legal or professional advice. You are encouraged to consult with appropriate professionals if you have specific questions relating to any of the topics covered in this presentation.



This presentation is not complete without commentary.



Agenda



Governance



What is the
Teachers' Pension?



Determining Your
Pension



Government
Pensions



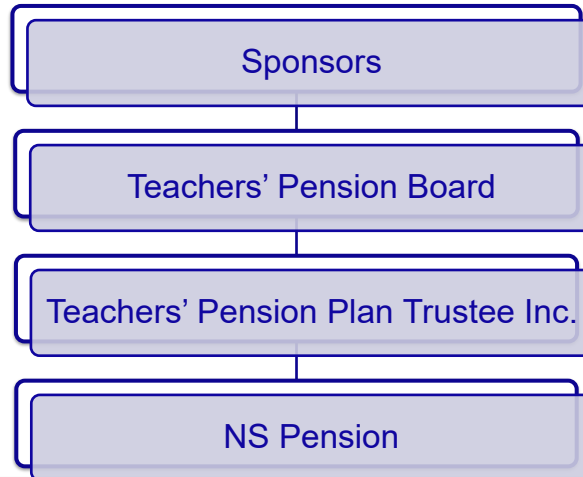
Changes at
Retirement



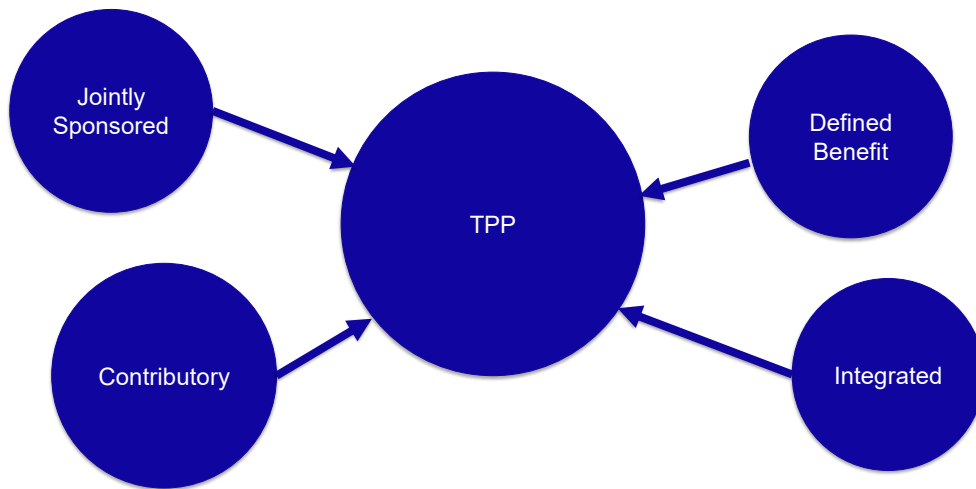
GOVERNANCE



Governance Structure



WHAT IS THE TEACHERS' PENSION?



Integrated Pensions

- Integrated pensions are structured so that the retirement benefit is partially provided by the CPP and partially by the pension plan.
 - The CPP provides a pension on salary earned up to the Year's Maximum Pensionable Earnings (YMPE).
 - Starting in 2024, the CPP provides a pension on salary up to the Year's Additional Maximum Pensionable Earnings (YAMPE).
 - The TPP provides a pension on total salary.

TPP Integration

TPP pensions are calculated using:

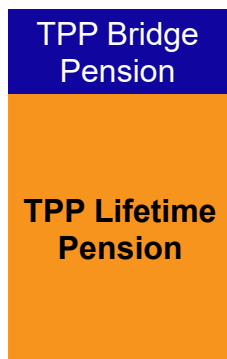
- $1.3\% \times \text{Best 5 Years Earnings up to Average YMPE} \times \text{Years of Service}$; and
- $2.0\% \times \text{Best 5 Years Earnings above Average YMPE} \times \text{Years of Service}$.

In addition, for members who retire prior to age 65, a bridge benefit is paid from retirement to age 65:

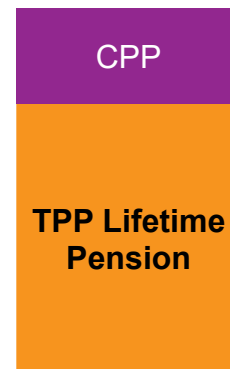
- $0.7\% \times \text{Best 5 Years Earnings up to Average YMPE} \times \text{Years of Service}$.



Integrated Plans



Retirement to age 65



Age 65 +



TPP Contributions

- TPP Contributions are:
 - 11.3% up to annual YMPE; and
 - 12.9% above annual YMPE.



DETERMINING YOUR PENSION



Average Salary (ATC1/TC6) & YMPE

School Year	Salary	YMPE*
2024-2025	\$99 378	\$70 133
2023-2024	\$96 004	\$67 708
2022-2023	\$90 934	\$65 892
2021-2022	\$89 590	\$63 525
2020-2021	\$87 827	\$60 392
Average	\$92 747	\$65 530

*YMPE for the school year is approximated as 5/12 of the first year's YMPE and 7/12 of the second year's YMPE



TPP Calculation ATC1/ TC6 with 30 years

	Up to Average YMPE (\$65,530.00)	Above Average YMPE (\$27,216.60)	Total
Lifetime Pension	\$25 556.70 $(\$65\,530.00 \times 30 \times 1.3\%)$	\$16 329.96 $(\$27\,216.60 \times 30 \times 2.0\%)$	\$41 886.66
Bridge Pension (to 65)	\$13 761.30 $(\$65\,530.00 \times 30 \times 0.7\%)$		\$13 761.30
Total Pension (to 65)			\$55 647.96
Total Pension (after 65)			\$41 886.66



Individual Pension Estimates



Available at <https://nstpp.ca>.



Requires a username and password.



If you do not have your login credentials or need assistance, please call NS Pension at 1-800-774-5070

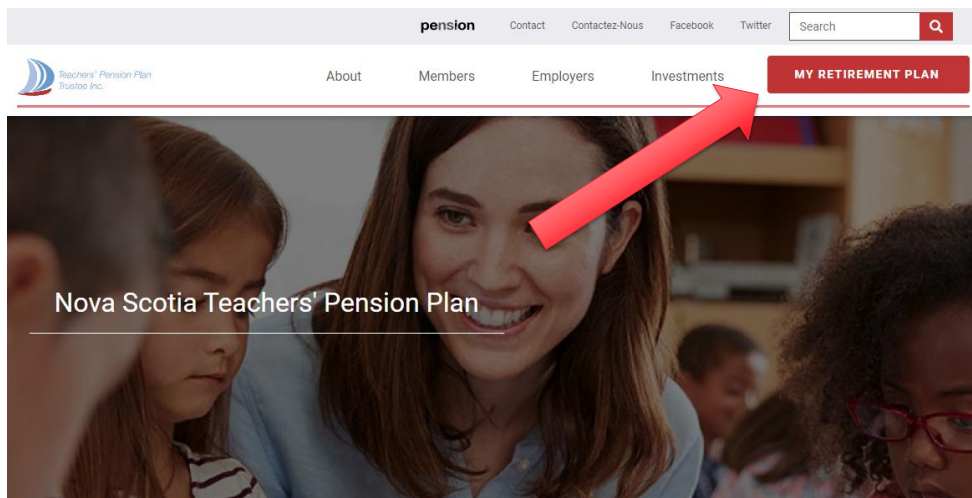


Active pension plan members can use the My Retirement Plan website to:

View their personal pension statement.

Use the pension projection tool.

View their personal data (pension profile).



The Nova Scotia Teachers' Pension Plan (TPP) is one of the largest public sector pension plans in the Province. The TPP is a registered defined benefit pension plan that offers you a lifetime pension benefit when you retire. Your pension benefit is funded by contributions made by you and your employer, as well as investment income generated by the TPP's investment assets.



pension

English • Français

Sign In

Member ID:

Password:

- ▶ [Forgot your password?](#)
- ▶ [Need help?](#)

Sign In

Welcome to myretirementplan.

This secure website provides you with access to your personalized pension information. Once you log on with your Member ID and password, you will be able to:

- View your annual Member Statement
- Use the Pension Projection Tool
- Access pension forms and documents

myretirementplan also includes helpful information on retirement planning and tools to help you start planning today.

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[Log out](#)

Hi

My Retirement

Introducing... Your Pension Plan

You need to understand how your Pension Plan works.

[Read the Plan Description](#)

▶ [Get started!](#)



Tools



Personal Statement



Pension Projection

My Pension



- ▶ [View my Personal Statement](#)
- ▶ [Use the Pension Projection tool](#)
- ▶ [View my Pension Profile](#)

My Plans

- My Pension Plan
 - ▶ [Plan Description](#)
 - ▶ [Forms](#)
- Federal Government Plans
 - ▶ [Canada Pension Plan](#)
 - ▶ [Old Age Security](#)

HELP



Call Us



Email Us



Retirement Options

Early Retirement	Normal Retirement	Deferred Retirement
<ul style="list-style-type: none"> Retirement at a point before normal retirement. Can be unreduced or reduced. 	<ul style="list-style-type: none"> Earlier of: <ul style="list-style-type: none"> Age 65; or 35 Years of Pensionable Service Always unreduced. 	<ul style="list-style-type: none"> Retirement at a point after Normal Retirement. Always unreduced.

Note: A deferred pension is when a member leaves the teaching profession in Nova Scotia and begins to receive their pension when they are eligible for an unreduced or reduced pension under early or normal retirement.



Early Retirement

Unreduced	Reduced
<ol style="list-style-type: none"> At least age 55 AND age plus pensionable service equals 85; or Age 60 – 64 AND at least 10 years of pensionable service. 	<ol style="list-style-type: none"> At least age 55 AND at least 20 years of pensionable service; At least age 50 AND at least 30 years of pensionable service; or At least age 55 AND at least 2 but less than 20 years of pensionable service.



Reduction Factors

Age 55 & 20 Years	Age 50 & 30 Years	Age 55 & 2-20 Years
<ul style="list-style-type: none"> Pension reduced by: <ul style="list-style-type: none"> 0.4% for each complete month of the first 24 months; and 0.3% for each complete month of the next 36 months. For the months by which the pension starts before being eligible for an unreduced pension. 	<ul style="list-style-type: none"> Pension reduced by 5% (prorated for partial years) for each year of the lesser difference between: <ul style="list-style-type: none"> Age and 55; or Years of service and 35. 	<ul style="list-style-type: none"> Pension is calculated as the actuarial equivalent of the unreduced pension: <ul style="list-style-type: none"> Payable at age 60 if 10-20 years; or Payable at the normal retirement date if 2-10 years.



Reduction – 55 and 20

Age	Full Years of Service									
	29	28	27	26	25	24	23	22	21	20
55	4.8%	9.6%	13.2%	16.8%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
56		4.8%	9.6%	13.2%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
57			4.8%	9.6%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
58				4.8%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
59					4.8%	4.8%	4.8%	4.8%	4.8%	4.8%

1. Assume your retirement month and birth month are the same.
2. For each month your birth month occurs before the retirement month:
 - a) If the reduction above is less than or equal to 9.6%, subtract 0.4%;
 - b) If the reduction above is greater than or equal to 13.2%, subtract 0.3%.



Reduced Retirement



When a member retires with a reduced pension:

The pension is calculated on an unreduced basis; and
The reduction factor is then applied.



The reduction factor is a percentage of the unreduced pension.



In our example of a \$54,054.60 pension, a reduction of 10% would reduce that pension by \$5,405.46 per year until age 65 and then by \$4,079.63 from age 65 onward.



Reductions are permanent.



GOVERNMENT PENSIONS



Canada Pension Plan

(indexed annually)

	Early	Normal	Deferred
When	Age 60 – 64	Age 65	Age 65 – 70
Change	0.6% permanent reduction for each month taken prior to age 65		0.7% permanent increase for each month taken after age 65
Maximum change	36% reduction		42% increase
Maximum Benefit (2025)	\$11 005.44	\$17 196.00	\$24 418.32



Old Age Security

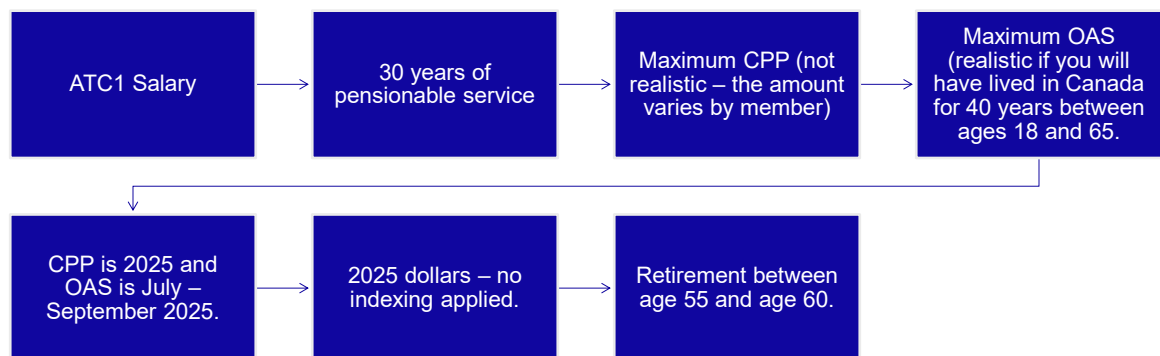
(indexed quarterly)

	Early	Normal	Deferred
When	No Option	Age 65	Age 65-70
Change			0.6% increase for each month taken after age 65
Maximum change			36% increase
Maximum benefit (July 2025)		\$8 819.40 (to age 75) \$9 701.40 (age 75 and above)	\$11 994.38 (to age 75) \$13 193.90 (age 75 and above)



EXAMPLES

Assumptions



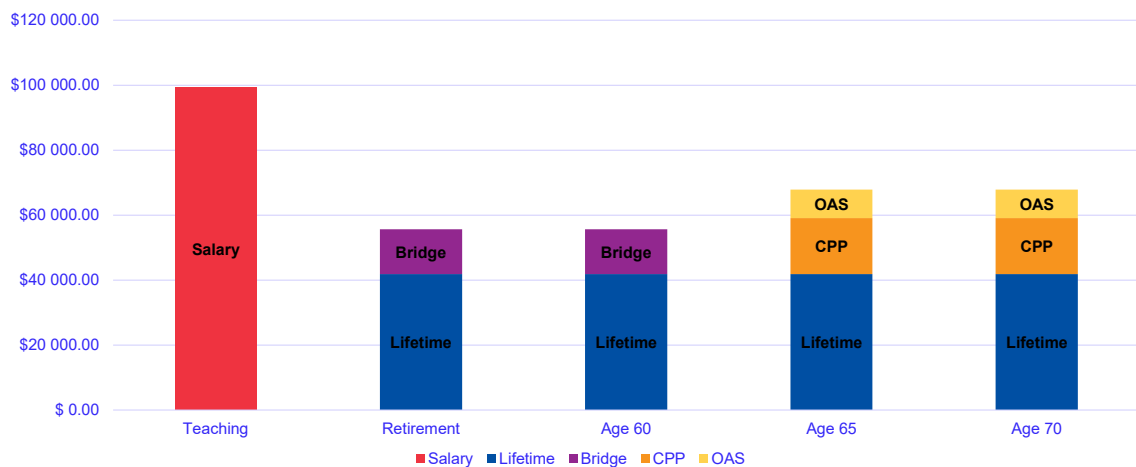
OAS

(indexed quarterly)

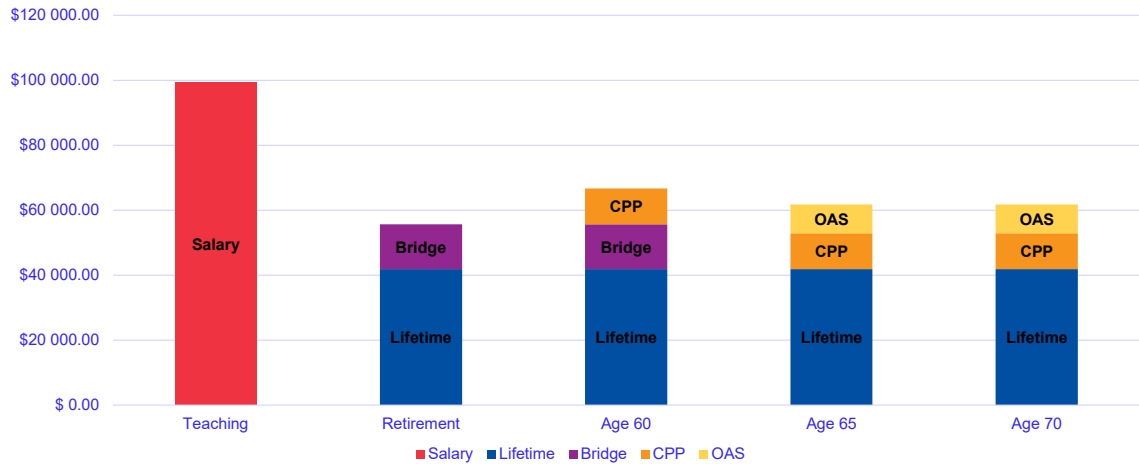
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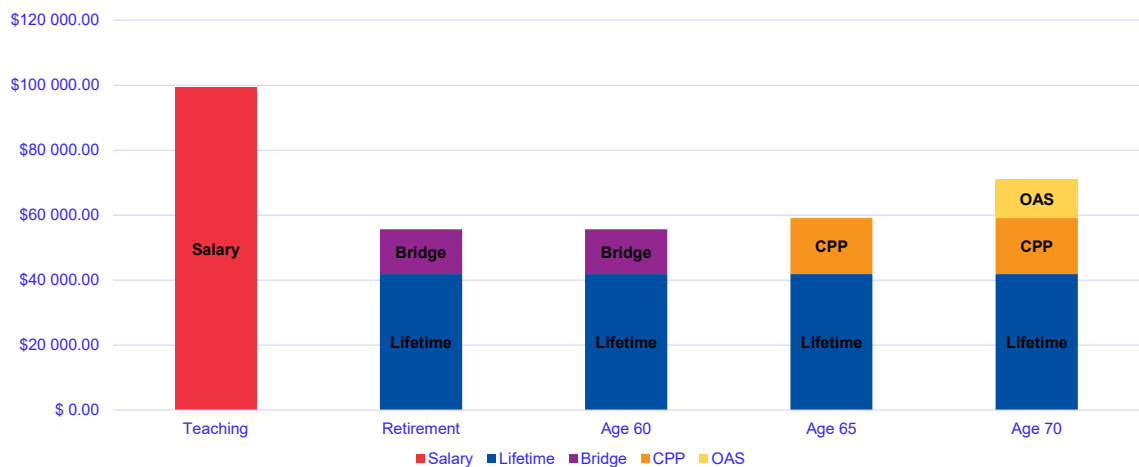
CPP & OAS at Age 65



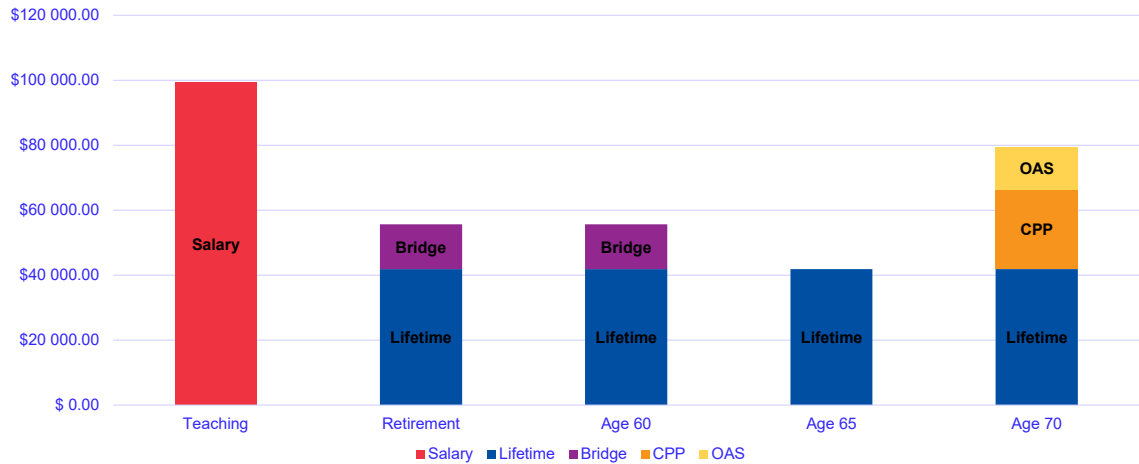
CPP at Age 60 & OAS at Age 65



CPP at Age 65 & OAS at Age 70



CPP & OAS at Age 70



CHANGES AT RETIREMENT



Deductions

No deductions from your TPP for:

- Pension
- EI
- CPP
- LTD
- NSTU Dues

Increased deduction for Dental Plan (if you keep it)

- Responsible for 100% of premium

RTO dues (if you join)

- \$4 per month

Seniors Pharmacare starting at 65

- \$424 annual premium plus 30% co-pay on each prescription to a maximum of \$382 annually
- Year is April 1st to March 31st



Taxation



Lower marginal and consequently lower average tax rate.



Age tax credit at age 65 depending on income level.



Income from multiple sources – consider whether enough tax is being deducted.



Income splitting of pension income.

Registered pension plan income splitting (TPP) can be done on tax return.
CPP income splitting must be done at source by application.



Working While Retired

- There are no restrictions on working while retired **unless** the job you take requires membership in the Teachers' Pension Plan:
 - Teaching in public schools in Nova Scotia;
 - School administration in public schools in Nova Scotia;
 - Teaching for APSEA; or
 - Working for the NSCC in either the Faculty or Professional Support bargaining units.



Why Is There a Restriction?

Income Tax Act (Canada) does not allow an individual to both contribute and draw from the same, or related, pension plan at the same time.

The regulations under the *Teachers' Pension Act* (Nova Scotia) require members as defined in the regulations to be members of the Plan.

The regulations provide a 'despite' clause allowing retirees to not be members of the Plan subject to restrictions.



What is the Restriction?



Persons in receipt of pension can work less than 70 days as a term or substitute teacher without being members of the Plan.

Until July 31, 2026, they can work less than 120 days as a substitute teacher (including any days working as a term teacher).



There is no restriction starting the December of the year you turn 71.



What Happens If You Go Over?



Once you have exceeded the allowable days, your pension is stopped and contributions begin to be deducted from your pay.



You may apply to restart your pension after you stop working again.

Pension is put back in pay after you have not worked at all for one calendar month – effective July of the school year. Contributions are returned to you.



Questions?

pension@nstu.ca

