

# Pension Structure

Retirement Seminars  
2025-2026

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**RETIREMENT SEMINARS** 

## 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.

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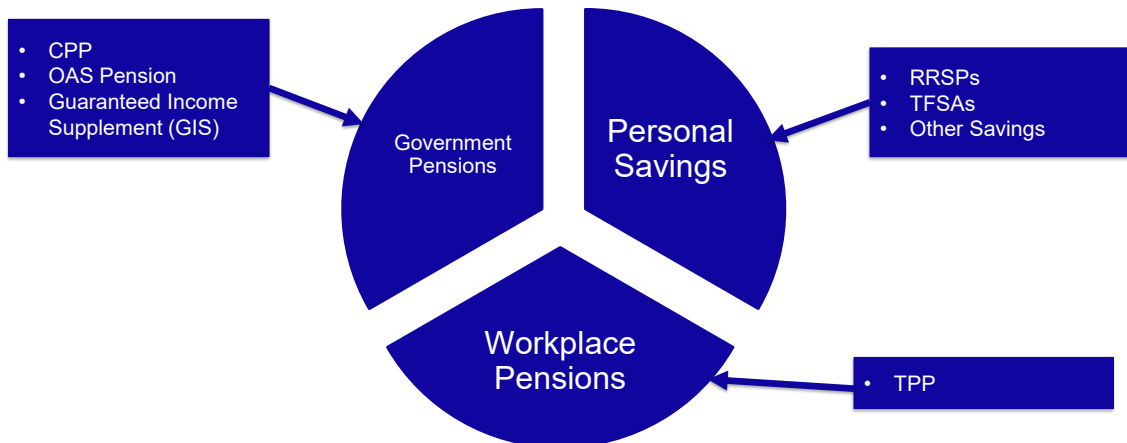
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## PENSIONS IN CANADA

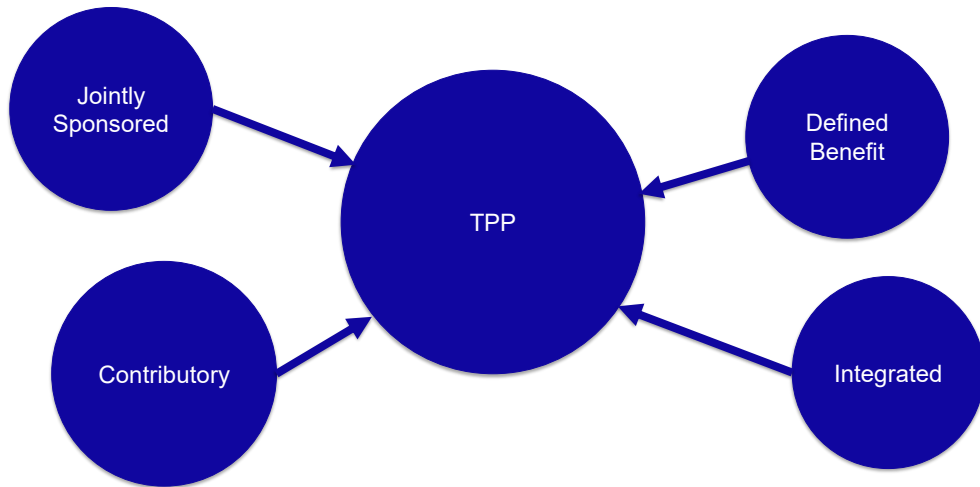
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### 3 Pillars of Retirement Income



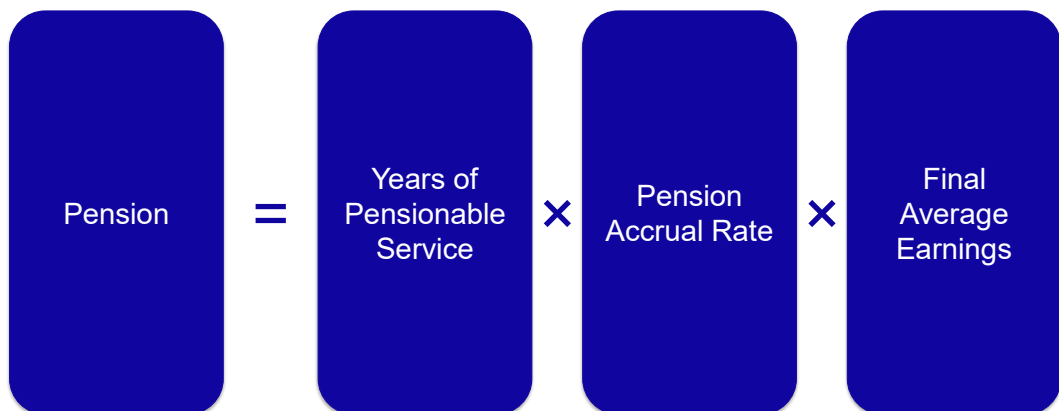
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## Your Teachers' Pension Plan (TPP)



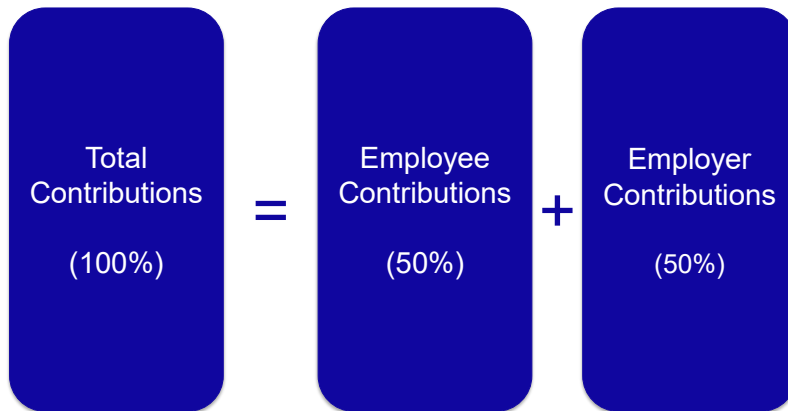
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## Defined Benefit Pension Plans



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## Contributory Plans



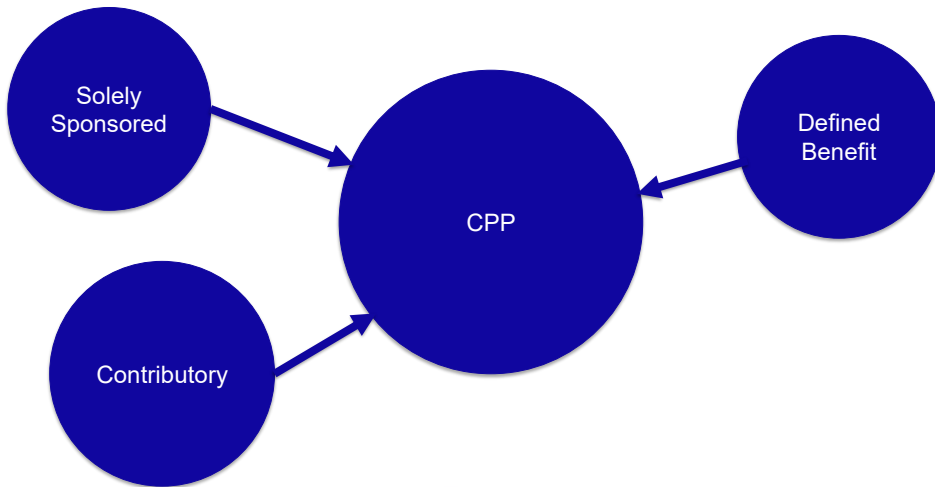
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## Integrated Plans



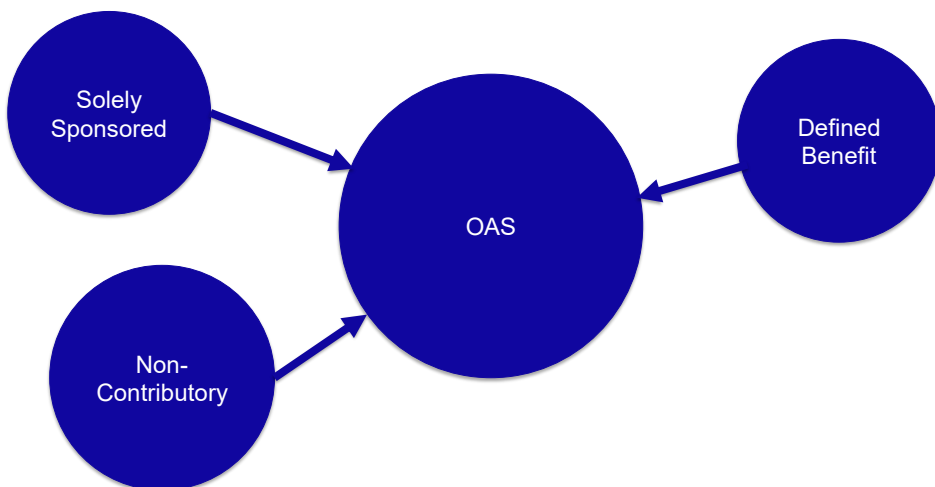
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## Canada Pension Plan (CPP)



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## Old Age Security (OAS)



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## PENSION ACCRUAL

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## TPP Accrual

Average Salary	Above Average YMPE	
	Lifetime Pension - 2.0%	
	Up To Average YMPE	
	Lifetime Pension - 1.3%	Bridge Pension – 0.7%

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## CPP Accrual

### Service from 1966-2018

- One-quarter (25%) of average monthly pensionable earnings up to YMPE.

### Service after 2018

- Transition to one-third (33.33%) of average monthly pensionable earnings up to YMPE ending in 2023.
- Creation of YAMPE in 2024 to 107% of YMPE.
- Increase in YAMPE in 2025 to 114% of YMPE.

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## PENSION CONTRIBUTIONS

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## Pension Contributions

Salary		TPP	CPP	Total
	Above YAMPE	12.9%	0.0%	12.90%
	Between YMPE and YAMPE	12.9%	4.0%	16.90%
	Between YBE and YMPE	11.3%	5.95%	17.25%
	Up to YBE	11.3%	0.0%	11.30%

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**PENSION SERVICE**

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## TPP Service

- Each school year in which you teach or claim 175 days or more out of the 195 school days is a pensionable year of service.
- If you teach or claim less than 175 days, the number of days taught and claimed is divided by 195.
  - A member who teaches 115 days receives credit for 0.590 years ( $115 \div 195$ ).
- Service is counted in years and days (all days count).
- Age is counted in years and months.

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## TYPES OF PENSION

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## Types of TPP Pensions

- Service Pension
  - Unreduced
  - Reduced
  - Deferred
- Survivor Pension
- Dependent's Pension

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## TPP Retirement Options

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

*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.*

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## Early Retirement Under the TPP

Unreduced	Reduced
<ol style="list-style-type: none"> <li>1. At least age 55 <b>AND</b> age plus pensionable service equals 85; or</li> <li>2. Age 60 – 64 <b>AND</b> at least 10 years of pensionable service.</li> </ol>	<ol style="list-style-type: none"> <li>1. At least age 55 <b>AND</b> at least 20 years of pensionable service;</li> <li>2. At least age 50 <b>AND</b> at least 30 years of pensionable service; or</li> <li>3. At least age 55 <b>AND</b> at least 2 but less than 20 years of pensionable service.</li> </ol>

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## TPP Reduction Factors

Age 55 & 20 Years (Rule of 75)	Age 50 & 30 Years (Rule of 80)	Age 55 & 2-20 Years
<ul style="list-style-type: none"> <li>• Pension reduced by: <ul style="list-style-type: none"> <li>• 0.4% for each complete month of the first 24 months; and</li> <li>• 0.3% for each complete month of the next 36 months.</li> </ul> </li> <li>• For the months by which the pension starts before being eligible for an unreduced pension.</li> </ul>	<ul style="list-style-type: none"> <li>• Pension reduced by 5% (prorated for partial years) for each year of the lesser difference between: <ul style="list-style-type: none"> <li>• Age and 55; or</li> <li>• Years of service and 35.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Pension is calculated as the actuarial equivalent of the unreduced pension: <ul style="list-style-type: none"> <li>• Payable at age 60 if 10-20 years; or</li> <li>• Payable at the normal retirement date if 2-10 years.</li> </ul> </li> </ul>

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## Reduced Teachers' Pension

- When a member retires with a reduced pension:
  1. The pension is calculated on an unreduced basis; and
  2. The reduction factor is then applied.
- The reduction factor is a percentage of the unreduced pension.
- Reductions are permanent.

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## TPP Reduction – Rule of 75

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%.

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## TPP Reduction – Rule of 75

- Age 55 & 25 – 50% pension with a 20.4% reduction
  - 39.8% effective pension
- Age 56 & 26 – 52% pension with a 13.2% reduction
  - 45.1% effective pension
- Age 57 & 27 – 54% pension with a 4.8% reduction
  - 51.4% effective pension
- Age 58 & 28 – 56% pension with **no** reduction
  - 56% effective pension

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## TPP Flexible Pension Option

- The Flexible Pension Option allows for part-time employment with possible full pension credit.
- Maximum participation is two (2) school years in a lifetime.
- Pension credit is equal to the credit earned in the prior year.
  - If enrolled in 2 consecutive years, pension credit in year 2 is the same as in year 1.

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## TPP Flexible Pension Option

- Period of reduced employment can begin and end at any time during the school year.
  - If not working during each pay period, there may be insurance implications.
    - Will likely require teacher to pay belairdirect Agency directly for full cost of medical plans.

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## TPP Flexible Pension Option Requirements

- Earnings in the prior school year.
- Worked 36 months prior to the period of reduced service.
- Reduce assignment to less than the prior year, therefore reducing salary.
- Teach a minimum of 40% of the school year.
- Have employer approval to lessen assignment.

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# TPP Flexible Pension Option Requirements

- Pension contributions made on the salary that would have been earned working the same percentage as the previous year.
- Must complete application form.
  - Part 1 – completed by teacher and then given to Payroll.
  - Part 2 – completed by Payroll and then sent to NS Pension.

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NS Pension Services Corporation  
1-800-774-3070 toll free in NS  
(902) 424-3070 local  
(902) 424-6662 fax  
e-mail: info@nspension.ca  
www.nspension.ca

Office Use Only

## Flexible Pension Option – Application

### Instructions

Employee: Complete Part 1 and send the form to your RCE/Payroll for approval

RCE/Payroll: Complete Part 2 and send the approved form to NS Pension

### Part 1 – To be completed by the Employee

#### Employee Information

Name of Regional Centre for Education (RCE): \_\_\_\_\_

Name of Employee: \_\_\_\_\_

SAP ID: \_\_\_\_\_ Professional #: \_\_\_\_\_

Email Address: \_\_\_\_\_

Home Telephone: \_\_\_\_\_

#### Eligibility / Requirements

1. Under the Income Tax Act, an employee must have worked for 36 months prior to the period of reduced service. Under the pension plan rules, the employee must have pensionable service in the immediately preceding school year. This year is used as the "base" year to determine the pension accrual for the period of reduced service.
2. Under subsection 4(5) of the Teachers' Pension Plan (TPP) Regulations, an employee cannot receive credit for pensionable service in the Teachers' Pension Plan if they receive credit for pensionable service for the same period under another registered pension plan, i.e. the employee cannot receive credit in two different pension plans for the same period of service.
3. Employees receiving salary continuation benefits, or those on salary deferral, leave or LTD, for a full school year, are not eligible to participate in the Flexible Pension Option the following year.
4. Employees participating in the Flexible Pension Option are not permitted to work in substitute teaching positions which also contribute to the TPP.

Date

Signature of Teacher

PO Box 371, Halifax, NS B3J 2P8  
Purdy's Wharf, Tower 2, Suite 700, 1969 Upper Water St., Halifax, NS B3J 3R7

FORM 0026  
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## TPP Reduction – 55 and 2 – 20 Years

- These pensions are based on the actuarial equivalent of the unreduced pension – similar to an annuity.
- Contact NS Pension for a calculation.

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## Types of CPP Pensions

- Retirement Pension
  - Early
  - Normal
  - Deferred
- Survivor Pension
- Children's Pension
- Disability Pension

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## CPP Retirement Pension

- Normal retirement age is 65.
- Can be started as early as age 60 or as late as age 70 with no absence from work.

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## CPP

(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

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## CPP “Break-Even”

- When you consider taking CPP early or deferring it:
  - The ‘break-even’ point is approximately 14 years after starting CPP.
  - The ‘break-even’ point is the point at which the total CPP paid is equal.
    - For example, if you take the CPP at age 60 and live longer than age 74, you will receive less total money from CPP.

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## CPP Disability Pension

- Eligibility
  - Have a severe and prolonged disability (preventing work at any job on a regular basis);
  - Be under age 65; and
  - Meet CPP contribution requirements.
- This is a taxable benefit.

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## OAS

- Old Age Security Pension is a monthly payment available to Canadians aged 65 or older who meet the Canadian legal status and residence requirements.
- If living in Canada
  - Be a Canadian citizen or a legal resident at the time your application is approved.
  - Have resided in Canada at least ten (10) years since the age of 18.

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## OAS

(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)

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## SURVIVOR PENSIONS

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### TPP Survivor Pension - Spousal

Member Dies in Service	Member Dies in Receipt of Pension
<ul style="list-style-type: none"><li>60% of the unreduced service pension the member would have been entitled to on the date of death.<ul style="list-style-type: none"><li>No reduction.</li></ul></li></ul>	<ul style="list-style-type: none"><li>60% of the retired member's pension.</li></ul>
<ul style="list-style-type: none"><li>Additional 10% for each child under age 18 until the child reaches age 18 or age 25 if completing their education.<ul style="list-style-type: none"><li>Maximum additional 40% for eligible children. If more than 4 children, each receives a pro-rated portion of 40%.</li></ul></li></ul>	

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## TPP Survivor Pension Options



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## TPP Survivor Pension Options

- Part of application process.
- Must be elected in writing.
- Cost neutral to the plan.
  - Member's pension is **reduced** actuarially to account for the option.
  - Can be seen in Pension Projection Tool.
- Spouse is the spouse at time of retirement.
  - Second spouse gets 60% of reduced pension.

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## TPP Survivor Pension Options

- Maximum total pension to survivors is 100%.
  - Children's pensions may be reduced.
- May revoke the election prior to retirement.
- If the spouse dies before retirement, the election is revoked.
- If the member dies before retirement, the election is not revoked.
- The election may not be revoked after retirement.

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## TPP Dependent's Pension

- Dependents can be Mother, Father, Brother, Sister, Child who are mentally or physically disabled and totally dependent on member.
  - Dependency is as defined by the Canada Revenue Agency
- If there is no surviving spouse, or if the surviving spouse subsequently dies in receipt of a survivor's pension, a 60% pension may be paid to a dependent for the rest of their life.

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## TPP Contributions and Interest

- At time of death, if there is no surviving spouse, children, or dependents, the member's beneficiary or estate receives a refund of the member's contributions plus interest less any pension paid to date.

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## CPP Survivor's Pension

- Paid to the survivor of a deceased contributor.
- Deceased contributor must have met the minimum qualifying period.
- Survivor must be considered married or common-law (lived in a conjugal relationship for at least 1 year).

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## CPP Death Benefit

- \$2 500 lump sum payment.
- If an estate exists, the executor applies for the CPP Death Benefit.
- If no estate exists, payments can be made to other persons in the following order:
  - The person or institution who has paid for or is responsible for paying for the funeral expenses of the deceased;
  - The surviving spouse;
  - The next-of-kin.

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## CPP Children's Benefit

- Paid to dependent children of disabled or deceased CPP contributors.
- Child must be:
  - Under age 18; or
  - Between the ages of 18 and 25 and in full-time attendance at a recognized school or university.
- Two types of benefits:
  - Disabled contributor's child benefit; and
  - Surviving child's benefit for the child of a deceased contributor.
- A maximum of 2 benefits can be paid to a child.

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## CALCULATING YOUR PENSION

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### TPP Pension Calculation

- Pensions are calculated using the best 5 year average salary.

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## 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
<b>Average</b>	<b>\$92 747</b>	<b>\$65 530</b>

\*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

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## Remember

Benefit	From Start to Age 75	From Age 75 onwards
Maximum CPP (if started at age 60)	\$11 005.40	\$11 005.40
Maximum CPP (if started at age 65)	\$17 196.00	\$17 196.00
Maximum CPP (if started at age 70)	\$24 418.32	\$24 418.32
Maximum OAS (if started at age 65)	\$8 819.40	\$9 701.40
Maximum OAS (if started at age 70)	\$11 994.38	\$13 193.90

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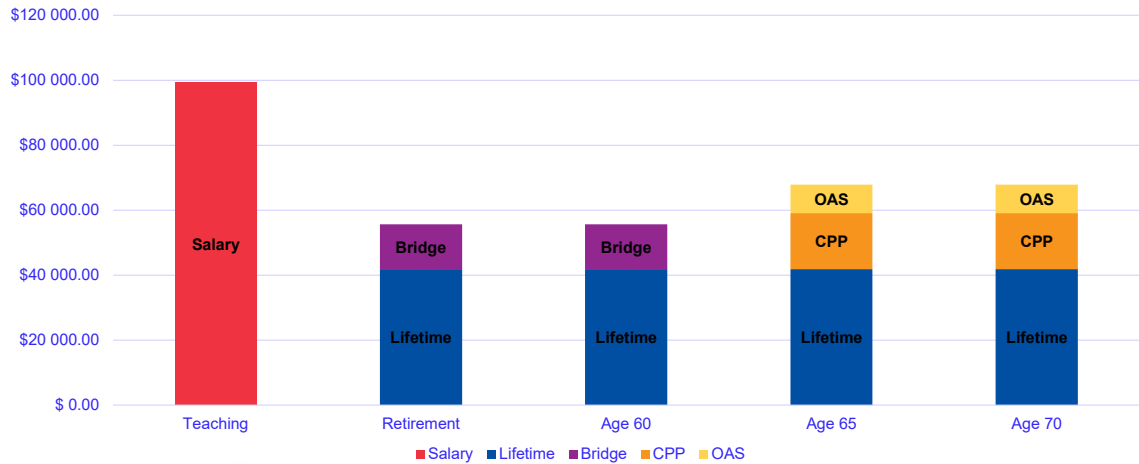
## Assumptions

- ATC1/TC6 Salary
- 30 years of pensionable service
- Maximum CPP (not realistic – the amount varies by member)
- Maximum OAS (realistic if you will have lived in Canada for 40 years between ages 18 and 65.
- CPP is 2025 and OAS is July-September 2025.
- 2025 dollars – no indexing applied.
- Retirement between age 55 and age 60.

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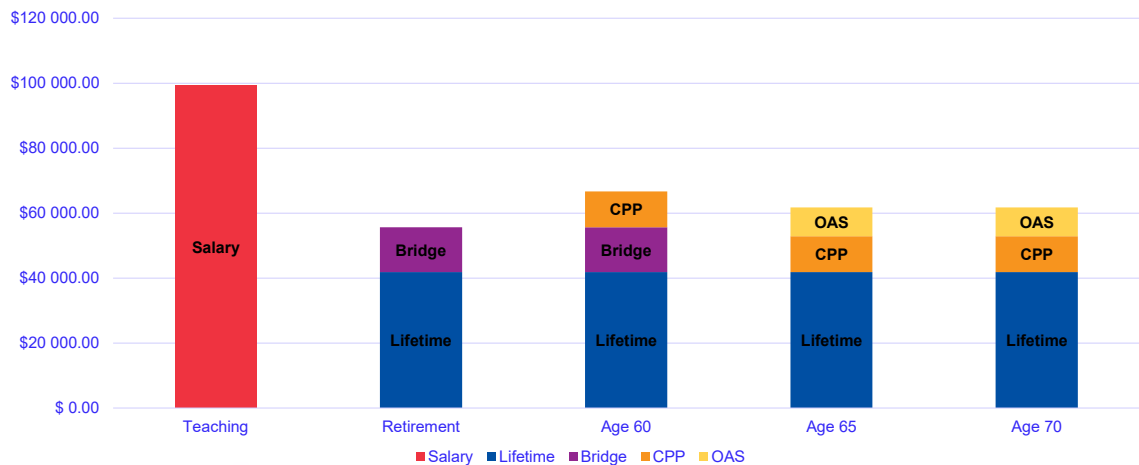
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## CPP & OAS at Age 65



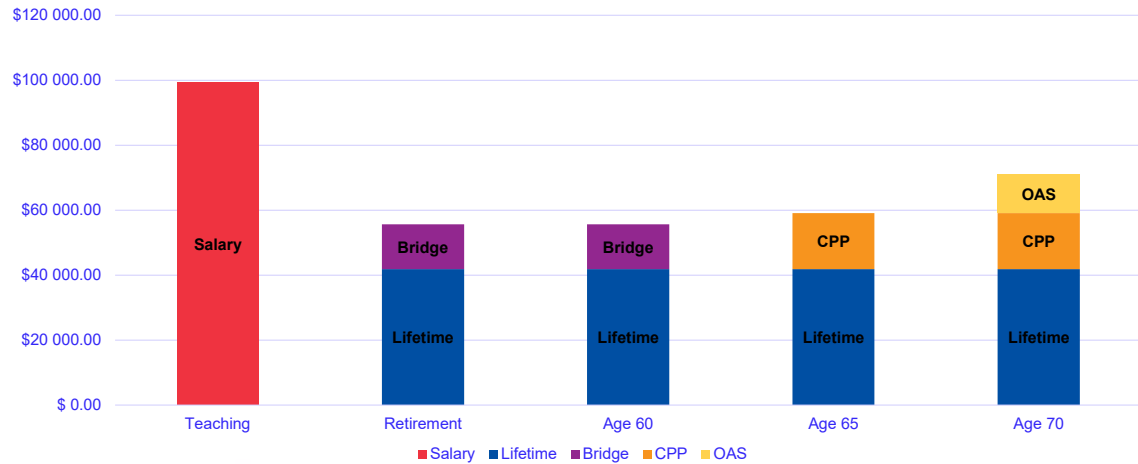
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## CPP at Age 60 & OAS at Age 65



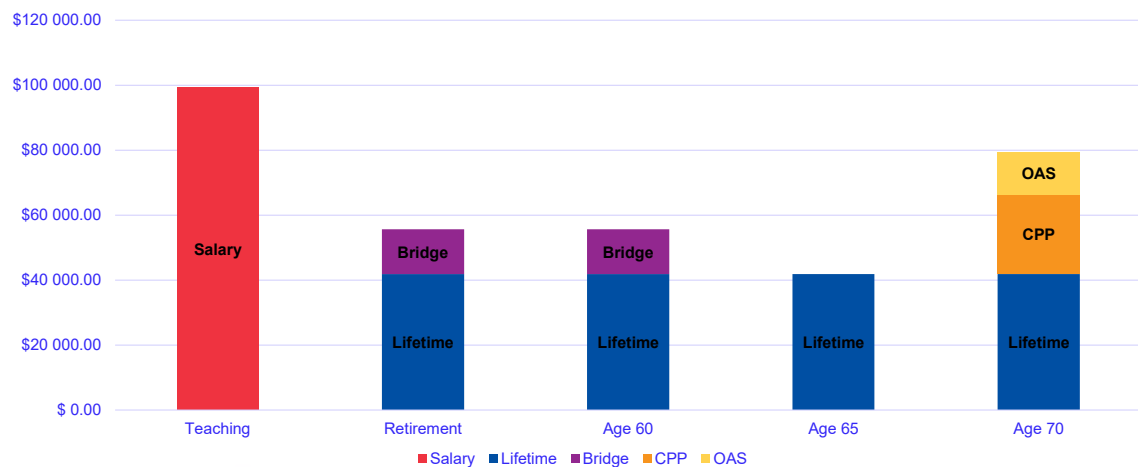
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## CPP at Age 65 & OAS at Age 70



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## CPP & OAS at Age 70

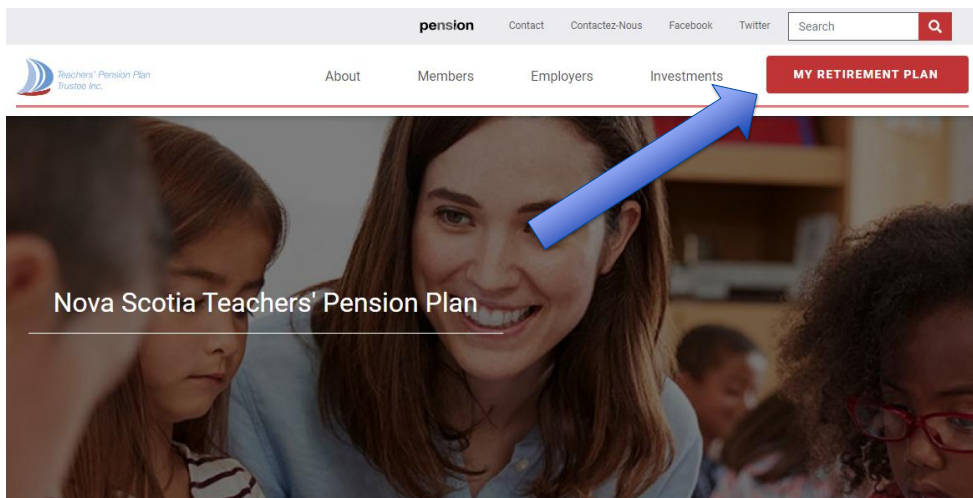


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## TPP Pension Estimates

- 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.

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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.

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pension

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Password:

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- 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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## How is CPP Determined?

- The amount of your CPP retirement pension is based on:
  - How much you have contributed; and
  - How long you have been making contributions at the time you become eligible.
- In addition, when determining your entitlement, certain periods (typically low earning periods) may be dropped out:
  - General drop-out provision.
  - Child rearing provision.
  - Periods on CPP disability pension.

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## General CPP Drop-out Provision

- 17% (up to 96 months or 8 years) of your lowest earnings can be dropped.
- The general drop-out provision is automatic requiring no action on your part.

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## CPP Child-rearing Provision

- If you stopped working or received lower earnings to raise your children, you may be able to use this provision.
- If your earnings stopped OR were lower because you were the primary caregiver raising your children under the age of 7, you can request the child-rearing provision.
- The child-rearing provision may apply if:
  - You have children born after December 31, 1958;
  - Your earnings were lower because you were the primary caregiver of a dependent child under the age of 7; and
  - You or your spouse/common-law partner received Family Allowance or were eligible for the Canada Child Tax Benefit.

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## CPP Pension Estimates

- Available at Service Canada's website.
- Requires a My Service Canada Account (MSCA).
- There is an option to use your online banking sign in information.
- You can use the MSCA website to:
  - Apply for CPP/OAS.
  - Update personal information.
  - View their CPP contributions and estimated benefits.

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## OAS Benefits

- OAS pension is calculated based on a 40-year residency in Canada (after turning 18).
- If you resided in Canada for at least 40 years, normally including the 10 years immediately prior to approval for the OAS, after turning 18 you receive a full OAS pension.
- If you do not meet the 40-year residency requirement, you may qualify for a partial OAS pension calculated at 1/40<sup>th</sup> of the full OAS pension for each year of residency.

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## OAS Benefits

- If not living in Canada
  - Have been a Canadian citizen or a legal resident on the day before you left Canada.
  - Have resided in Canada at least twenty (20) years since the age of 18.
- Can be deferred up to 60 months.
  - Monthly benefit increased by 0.6% per month of deferral.

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## OAS Benefits

- OAS pensions are indexed on a quarterly basis (January, April, July, and October) depending on the change in the CPI.
- OAS pension is income tested.
  - If your net income exceeds \$90 997 (2024), your OAS pension is reduced by \$0.15 for each \$1.00 of income over this amount.
  - If your net income exceeds \$148 541 (2024), you will not receive OAS pension.

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