



Office of the Auditor General

Nova Scotia

Chapter Highlights

Chapter 3: Public Sector Pensions: Promoting Public Discussion

Overview of Plans

- 3 large separate plans for: healthcare, public servants, teachers
- Smaller plans for: MLAs, former SYSCO workers, and others
- Plans are unique with different ownership, risks, benefits

Size and Impact of Pension Plans

- \$17 Billion of assets in 3 large plans
- 110,000 people are in these plans
- \$900 million being paid out annually as pensions
- \$280 million contributed annually by Government to plans
- \$250 million contributed annually by employees to plans
- \$262 million owed to MLA and SYSCO members is unfunded

Looking at the Separate Plans

Health Care

- In solid shape
- 131.7% funded
- 42,000 members
- 2.86 workers/ retiree
- Surplus of \$1.7 billion

Public Service

- In decent shape
- 104.1% funded
- 35,000 members
- 1.08 worker/retiree
- Surplus of \$239 million

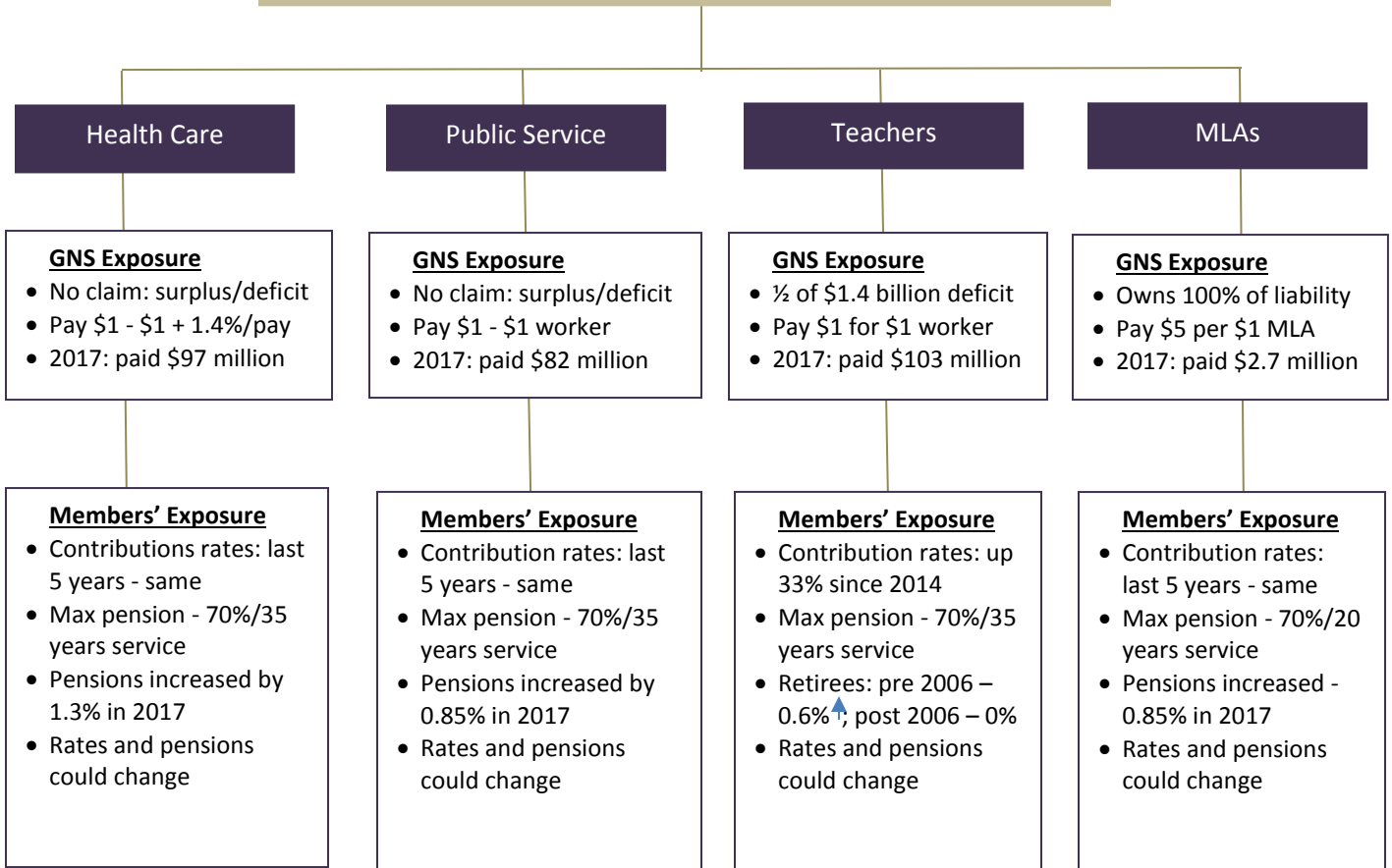
Teachers

- In concerning shape
- 77.7% funded
- 32,000 members
- .97 worker/retiree
- Deficit of \$1.4 billion

MLAs

- GNS covers shape
- Unfunded plans
- 186 members
- .40 MLA/retiree
- Deficits not possible

Looking at the Separate Plans



10 Questions Nova Scotians may want to ask:

1. Who is overseeing and managing these plans?
2. Who is accountable to the Government and members of the various plans for performance and does anybody audit the plans' performances?
3. Why are the major plans in such different financial shape?
4. How are the plans invested and are they prepared if the markets crash?
5. Why does the Province contribute differently for the various plans (e.g. \$1.0/\$1 +1.4% for health care; \$1 to \$1 for public service; \$1/\$1 - teachers; \$5 to \$1 for MLAs)?
6. What exposure does GNS have with current condition of plans?
7. How much risks do members have that their future pension contributions will go up?
8. Are there risks that benefits for retirees could be decreased?
9. Does the Government guarantee future pensions to retired and working members including pension increases?
10. What is the plan to address the seriousness of the Teachers' Pension Plan status?