This bulletin summarizes key 2024 activities of the NSHEPP Trustees and staff. We invite you to visit www.nshepp.ca if you are interested in more information. You can find our 2024 Audited Financial Statements by clicking on the website's "Publications" tab.

BENEFITS

PENSION INCREASE ANNOUNCED

In December 2024, NSHEPP announced benefit improvements for active members and retirees effective January 1, 2025.

The lifetime pension accrual rate for service up to December 31, 2023 increased from 1.4% of earnings per year of service to 2.0% per year of service up to the Year's Maximum Pensionable Earnings for Members who were Active in the plan as at January 1, 2025. The temporary bridge benefit earned to December 31, 2023 was adjusted downward to offset this increase. As a result of this benefit improvement a larger portion of the total benefit (lifetime pension plus temporary bridge) will be paid for your lifetime.

The impact of this lifetime pension increase can be found on your 2024 annual statement. It shows the lifetime pension on December 31, 2024 before the benefit improvement plus the additional pension benefit earned as at January 1, 2025 due to the benefit improvement as of December 31, 2024. The improved pension is also included in the Pension Calculator tool available on your Employee Secure Site at nshepp.ca. Registration for your secure site requires a personalized key. If you require a copy of your personalized website key please contact us at pensionplan@nshepp.ca.

Retirees as of January 1, 2025 also received increased pensions due to the benefit improvement. Lifetime pensions for retirees were increased by the amount that actual CPI exceeded the 3% cost-of-living increase that was received. Members who retired from Active service on or after July 1, 2021 received the increased accrual rate, as described above.

The following additional benefit improvements were made during 2024:

- Our Base Year was updated to 2023 effective December 31, 2024; and
- Retirement pension payments increased by 1.6% effective January 1, 2025 (prorated for retirees who had been retired for less than a year).

Each September your Trustees monitor the competitiveness of our benefits. They compare NSHEPP to the pension plans for health care workers in Ontario, Manitoba and Saskatchewan, as well as the NS Public Service Superannuation Plan. This year your contributions paid were a little less than average and your benefits received were a little better than average.

FUNDING

At the end of 2024, our assets were about $12.3 billion, or about 136% of our going-concern liabilities. These results and assumption details are reported in our Audited Financial Statements posted on our website.

NSHEPP's funding is also subject to Nova Scotia's minimum pension funding laws called "solvency" rules. These rules tend to provide more conservative results and provide a valuable level of benefit security to our members. At the end of 2024, we were estimated to be about 115% funded on a solvency basis.

Regular contributions did not change in 2024 and are not expected to change in 2025.

ADMINISTRATION

Total membership in NSHEPP increased from 56,498 in 2023 to 60,059 in 2024. Further, our per member administration costs continue to be low; about 20% less than median based on a sample of 30 other large pension plans. Below are some key administrative achievements for 2024:

- Preparation of 37,232 annual statements;
- Processing of 994 retirements, 2,963 terminations, 40 active member deaths and 75 past-service purchases;
- NSHEPP would like to welcome two new facilities to the pension plan. Villa d'la Baie and Shannex Transitional Health Care Services joined NSHEPP in 2024. The addition of these two new facilities brings the number of participating employers up to 93 as of December 31, 2024.

Contact us: Nova Scotia Health Employees' Pension Plan, 99 Wyse Road, Suite 1600, Dartmouth, NS B3A 4S5
902.706.7168 (local call in the Metro Halifax area) • 1.866.400.4400 (Toll Free)
902.832.8506 (Fax) e-mail: pensionplan@nshepp.ca

nshepp
NOVA SCOTIA HEALTH EMPLOYEES' PENSION PLAN

PAST SERVICE PENSION ADJUSTMENTS (PSPAs)

As a result of the pension increase detailed on the first page you will receive a past service pension adjustment (PSPA) from NSHEPP in 2025. A PSPA will show the increase in value of your pensionable service up to December 31, 2023 and it will decrease the registered retirement savings plan (RRSP) contribution room available to you in the future. We encourage you to discuss the possible implications of a reduction to your RRSP contributions room with a financial advisor. More information about your PSPA will be provided later this year when the PSPA is submitted to Canada Revenue Agency (CRA).

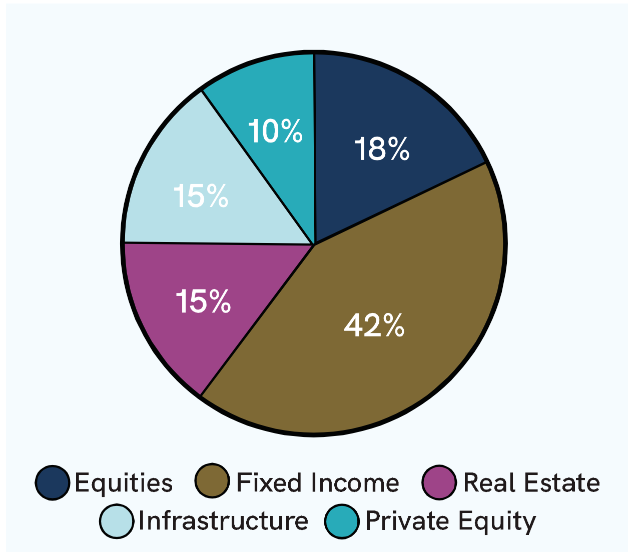
INVESTMENTS

At about 12.4%, net of fees, our 2024 investment return exceeded the Plan's liability benchmark of 4.6% by 7.8% for 2024. Our investment return was 5.3%, net of fees, annualized over the last five years which exceeded the Plan's liability benchmark by 4.5%. NSHEPP's investment strategy is focused on managing both the assets and liabilities of the Plan. This strategy sometimes leads to higher investment returns and sometimes to lower returns, while always targeting a strong funded position, as illustrated on the first page of this document.

The fund's target asset mix is shown in the chart at the right. On top of this we have derivative exposures to improve our expected risk-adjusted returns.

Actual allocations may temporarily vary from the targets on the right because of the time required to transition between illiquid assets.

A more complete description of NSHEPP's investment policies can be found at www.nshepp.ca by clicking on the "Publications" tab.



GOVERNANCE

Highlights of your Board of Trustees' activities in 2024 were:

- Announced pension benefit improvements for all members of the pension plan;
- Updated Investment Policy;
- Monitored the adequacy of contributions;
- Continued oversight on the enhancements and automation of the pension administration system; and
- Complied with all Trustee policies.

NSHEPP is proud to play a part in supporting the financial security of healthcare workers in Nova Scotia. For more information about your pension plan please visit our website at www.nshepp.ca.

DO YOU HAVE A DESIGNATED BENEFICIARY?

Check Your Personal Data section on your annual benefit statement. Is there someone named as your Designated Beneficiary?

Please take a minute to review your annual pension statement or log on to your personalized nshepp.ca secure site to confirm that we have your correct Marital Status and Designated Beneficiary on file. If you need to make changes you must complete an Employee Change of Information form. You can access this form in the personalized www.nshepp.ca secure site, by emailing pensionplan@nshepp.ca, or by contacting your employer.

Your pension is a valuable benefit to provide income in retirement, but what happens in the unfortunate event that you pass away before you start your monthly pension? If you pass away before your retirement pension starts, a benefit will be paid to your spouse, your beneficiary, eligible dependent children or your estate. The recipient of the benefit depends on your spousal status at your date of death. In most cases, a spouse will be entitled to pre-retirement death benefits, unless your spouse has waived entitlement to the benefit. Please refer to the back of your annual pension statement, www.nshepp.ca or the NSHEPP Employee Booklet for the full definition of Spouse.

Please take note that if you are separated and not yet divorced, you are still considered to have a spouse, and are considered legally married for pension purposes.
Benefits would only be payable to a Designated Beneficiary who is not your spouse under the following circumstances:

- You do not have an eligible Spouse; or,
- Your Spouse has waived their right to any pre-retirement death benefit by completing a Spousal Waiver form.

If you do not have a spouse and have not named a beneficiary, upon your death, any pre-retirement death benefits will be paid to your Estate.

Contact us: Nova Scotia Health Employees' Pension Plan, 99 Wyse Road, Suite 1600, Dartmouth, NS B3A 4S5
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