

MEMBERS' RETIRING ALLOWANCES PLAN AND MEMBERS' SUPPLEMENTARY RETIRING ALLOWANCES PLAN

Notes to Financial Statements

Year ended March 31, 2015

1. Authority and Description of Plans:

The following description of the Members' Retiring Allowances Plan and the Members' Supplementary Retiring Allowances Plan ("the Plans") is a summary only. For more complete information, reference should be made to the Plans legislative documents and agreements.

General:

The Plans are governed by the Members' Retiring Allowances Act (the "Act") as part of the Acts of Nova Scotia. The Act established both the Members' Retiring Allowances Plan, a registered pension plan under the Income Tax Act, and the Members' Supplementary Retiring Allowances Plan. The Act established a Members' Retiring Allowance Account and a Members' Supplementary Retiring Allowance Account (the "Accounts" or the "Plan") in the General Revenue Fund of the Province of Nova Scotia (the "Province") for the purpose of crediting government and employee contributions and meeting the Plan's obligations. The Nova Scotia Minister of Finance and Treasury Board (the "Minister") is the trustee of the Plan. If at any time the balances of the Accounts are insufficient to make required payments, an amount will be credited to the Accounts from the General Revenue Fund.

The detailed provisions of the Plan, including pension eligibility criteria and benefit formulas, are contained in the Act and in the Regulations made under the Act.

Funding:

Plan benefits are funded by contributions and an amount representing interest calculated. Contributions are made by active Members of Legislative Assembly ("members") and are matched by the Province. In accordance with the Act the Province makes additional contributions to the accounts equal to the current service cost (annual cost of benefits accrued) less members' contributions and the Province's matching contributions.

The Province also contributes an amount representing interest to the Accounts in each fiscal year. As set out in the Rates of Interest Regulations made under the Act effective April 1, 1995 the interest rate is 8.5% compounded annually.

In accordance with plan regulations members contribute 10% of base indemnity plus 10% of any additional indemnity received as Premier, a member of the Executive Council, Leader of the Opposition, Leader of a Recognized Party, Speaker, or Deputy Speaker. Members are required to make contributions until they reach the maximum pensionable service.

Maximum pensionable service if first elected prior to October 8, 2013 is 15 years, and maximum pensionable service if first elected on or after October 8, 2013 is 20 years. Pensionable service begins the first day of the month in which the member was elected, regardless of the day of the month the election is held. Pensionable service ends the last day of the month in which the member ceases to be a Member of the Legislative Assembly.

There are 51 seats in the Nova Scotia House of Assembly. At year end, 49 members were active contributors to the Plans, one seat was vacant, and one member had ceased contributing because the member had reached the maximum pensionable service.

The determination of the value of the benefits and required contributions is made on the basis of periodic actuarial valuations (Note 6).