



Frequently Asked Questions

Service Payout Option and Retroactive Wage Adjustments For Bargaining Unit Employees

(June 27, 2018)

SERVICE PAYOUT

Q1. What is the Service Payout?

The Service Payout is a one-time option to receive a lump-sum payment in lieu of the Retirement Allowance which was frozen on April 1, 2015.

Q2. Who is eligible for the Service Payout option?

The Service Payout option is available to bargaining unit employees who are permanent and had regular, eligible service prior to April 1, 2015. To qualify, you must have eligible years of service recognized with your former District Health Authority before April 1, 2015. You must also have been still employed by Nova Scotia Health Authority (NSHA) on May 18, 2018. That is the ratification date of the agreement between NSHA, IWK and the Council of Unions on the Service Payout.

Q3. Who is not eligible for the Service Payout Option?

The Service Payout option is currently not available to NSHA employees who:

- do not meet eligibility criteria
- do not have a Retirement Allowance identified in their Collective Agreement
- started working or rejoined NSHA after April 1, 2015
- are previously retired and received maximum Retirement Allowance

Others ineligible for a payout include:

- casual employees
- employees hired after April 01, 2015 with no previous eligible, recognized service
- temporary employees
- seconded employees

Q4. Do I have to take the Service Payout now? What are my options?

No, you do not have to take this one time Service Payout offer. Your other option is to wait to receive your Retirement Allowance when you retire, if eligible, as per the Collective Agreements that are in place at the time of retirement. There may be provisions in Collective Agreements for eligible portions of the allowance to be paid out upon death.

these proposed timelines, will be shared at a later date. Information will be available on the NSHA intranet website and through NSHA News.

Q11. Will I have another opportunity to take this Service Payout?

No, the Service Payout is a one-time option. If you don't elect to take it by the date noted in your letter, your only other option is to wait until retirement to receive your Retirement Allowance. Eligibility at the time of your retirement will be as per the Collective Agreements in place at that time.

Q12. When will I receive my payment?

People Services and Payroll are working to process large volumes of service calculations and we ask that employees be patient as we work through this process as quickly as possible. If an employee receives their letter and returns all the paperwork required, we expect to be able to pay the payout in December of 2018. Additional information will follow.

Q13. Will the service payout be included on my T4 income tax statement?

Yes, it will be included on your T4 and identified as employment income. The payment will be included on your T4 in the calendar year that the payment is made.

Q14. Will the Service Payout be taxed?

The Service Payout will be taxed as employment income, and subject to all statutory deductions that apply, which may include deductions for income tax, Employment Insurance (EI) premiums and Canada Pension Plan premiums (CPP). Since it is not being paid on retirement, it cannot be treated as retirement allowance.

Q15. Can I roll the service payout into my Registered Retirement Savings Plan (RRSP)?

The Service Payout is not retirement income. It is a payment in lieu of your Retirement Allowance. As employment income, it is subject to all applicable taxes and deductions. However, the Government of Nova Scotia has obtained a tax waiver from Canada Revenue Agency (CRA), so if you have sufficient eligible personal contribution room in your RRSP, you may be able to transfer up to \$15,000 to your RRSP without income tax being withheld. A higher amount is possible, but will require that you make your own request to CRA for an exemption. (See also Q17) More details will be provided in your letter.

Q16. How do I know if I have enough room in my RRSPs to cover the whole payment?

You will find the amount of RRSP room you have in your most recent Notice of Assessment issued by the CRA. Questions about your personal RRSP contribution room should be directed to CRA by calling 1-800-959-8281.

Q17. What if the \$15,000 tax waiver from CRA is not enough to cover my full payout? What are my options?

If you expect your Service Payout to be more than the \$15,000 covered by the waiver, you have two options:

1. You can receive up to \$15,000 of your payout without taxes deducted to be put into an RRSP. The rest will be paid to you after appropriate income taxes, CPP, and EI are deducted.
2. To put an amount more than \$15,000 into an RRSP without income taxes deducted, you must apply to CRA for a personal tax waiver.

Q23. I am a unionized employee doing a term as management/non-union employee. Do I qualify for the Service Payout?

You qualify for the Service Payout if you meet the eligibility requirements as referenced in Question 2 above.

Q24. I'm not sure what I should do. How can I get financial advice?

If you need help making your decision about the Service Payout, you're encouraged to seek professional financial advice based on your personal situation and goals.

Q25. Who can I call to confirm my service before I receive my personal letter in October?

The People Services and Payroll staff are currently working to process service statements for all eligible employees of NSHA. Unfortunately, we cannot stop our processing to handle individual requests for service details. You will not receive the information prior to receiving your letter. We ask that you please be patient while this work is underway and wait for your Service Payout letter to be sent to you.

Q26. Who can I call if I have more questions after I get my letter?

We expect to send you your personal information and an election form in October of 2018. We will also provide updates on the NSHA Intranet and through NSHA News as further details become available. Once you have received your letter and if you have a question that is not answered on the Intranet, you can email servicepayout@nshealth.ca, or phone (902) 473-5221 or toll free: 1-833-576-9356.

Q27. I am retiring next month, what happens? Am I eligible for the Service Payout?

If you had eligible service and were employed with NSHA on May 18, 2018, then you are eligible to receive the payout, even if you have since left the organization or leave prior to receiving your offer letter.

Q28. I resigned in March of 2018, am I eligible for the Service Payout?

No, you had to be still employed on May 18, 2018 to receive the Service Payout Option.

Q29. If I resigned on May 18, 2018, or later am I eligible for the Service Payout?

Yes, if you meet the eligibility requirements noted above in Q2.

RETROACTIVE WAGE ADJUSTMENTS

Q1. What are the retroactive wage adjustments?

As a result of the agreement among the Council of Unions, NSHA and IWK, there was provision for retroactive wage increases of 1% as of November 1, 2016 and 1.5% as of November 1, 2017. The increases for the employees in the NSGEU Public Health, Addiction Services and Continuing Care bargaining units of the former DHAs 1 to 8 will be effective 5 months later (April 1, 2017 and April 1, 2018)

Q2. When will the retroactive wage adjustments be paid?*

The sequence for payment of retroactive wage adjustments is expected as follows:

- NSGEU Healthcare Paydate: August 2, 2018

Schedule of Retroactive Pay Processing

Pay Day August 02, 2018

Pay Scale Type	Pay Scale Area	Former DHA
NSGEU Healthcare	Local 42	DHA 9

Pay Day August 16, 2018

Pay Scale Type	Pay Scale Area	Former DHA/IWK
Unifor Healthcare	Local 4600	DHA 8
CUPE Healthcare	Local 835	DHA 2
CUPE Healthcare	Local 1933	DHA 1
CUPE Healthcare	Local 2525	DHA 4
CUPE Healthcare	Local 2525	DHA 5
CUPE Healthcare	Local 2525	DHA 6
CUPE Healthcare	Local 2525	DHA 7
CUPE Healthcare	Local 4150	DHA 3
NSGEU Healthcare	Local 22	IWK
NSGEU PH&AS	Local 93	DHA 4, 5, 6
NSGEU PH&AS	Local 94	DHA 7, 8
NSGEU PH&AS	Local 95	DHA 1, 2, 3
CUPE Addictions	Local 1933	DHA 1

Pay Day August 30, 2018

Pay Scale Type	Pay Scale Area	Former DHA/IWK
Unifor Service	Local 4603	DHA 7
Unifor Service	Local 4603	DHA 8
Unifor Service	Local 4606	IWK
CUPE Service	Local 835	DHA 2
CUPE Service	Local 1933	DHA 1
CUPE Service	Local 2525	DHA 4,5,6
CUPE Service	Local 4150	DHA 3
NSGEU Nursing	Local 97	DHA 9



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(June 27, 2018)

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Q2. Who is eligible for the Service Payout option?

The Service Payout option is available to bargaining unit employees who are permanent and had regular, eligible service prior to April 1, 2015. To qualify, you must have eligible years of service recognized with your former District Health Authority before April 1, 2015. You must also have been still employed by Nova Scotia Health Authority (NSHA) on May 18, 2018. That is the ratification date of the agreement between NSHA, IWK and the Council of Unions on the Service Payout.

Q3. Who is not eligible for the Service Payout Option?

The Service Payout option is currently not available to NSHA employees who:

- do not meet eligibility criteria
- do not have a Retirement Allowance identified in their Collective Agreement
- started working or rejoined NSHA after April 1, 2015
- are previously retired and received maximum Retirement Allowance

Others ineligible for a payout include:

- casual employees
- employees hired after April 01, 2015 with no previous eligible, recognized service
- temporary employees
- seconded employees

Q4. Do I have to take the Service Payout now? What are my options?

No, you do not have to take this one time Service Payout offer. Your other option is to wait to receive your Retirement Allowance when you retire, if eligible, as per the Collective Agreements that are in place at the time of retirement. There may be provisions in Collective Agreements for eligible portions of the allowance to be paid out upon death.

If you choose not to take the Service Payout and terminate your employment with NSHA before you are eligible to retire, you will not receive the Service Payout or the Retirement Allowance at that time.

Q5. I was hired after April 1, 2015. What are my options?

Employees hired on or after the Retirement Allowance was frozen on April 1, 2015 do not qualify for a Service Payout and are also not eligible for a Retirement Allowance at retirement. The exception would be those employees who had previous service recognized for the purposes of Retirement Allowance calculation upon transfer to a permanent, regular position, as outlined in the respective Collective Agreements.

Q6. I'm not sure how much Service Payout I'm eligible for. How do I find out?

People Services and Payroll staff are currently determining payout calculations for each eligible employee based on employment records and eligible years of service prior to April 1, 2015. The salary used to calculate the Payout will be the salary the employee had on October 31, 2017.

We expect to send information to eligible employees in an individual letter in October of 2018. The letter will also include a form for you to complete and return to People Services indicating your choice of option.

We ask that you please be patient and refrain from contacting People Services and Payroll at this time as the staff are working to process large volumes of service calculations. Additional information will follow and timelines will be confirmed at a later date.

Q7. How will you calculate the Service Payout amount?

The one-time Service Payout option will be based on one week of salary for each year of eligible service to a maximum of 26 weeks. It will be calculated using eligible service up to April 1, 2015 and your salary rate on October 31, 2017.

Since this payout is not being paid upon retirement, the Service Payout cannot be treated as a Retirement Allowance. It is treated as income and is subject to all statutory deductions that apply, which may include deductions for income tax, Employment Insurance (EI) premiums and Canada Pension Plan premiums (CPP).

Q8. What counts as eligible service?

Eligible service will be determined as outlined in the respective Collective Agreements.

Q9. How do I elect the Service Payout?

We expect to send a letter to you in October of 2018 outlining your years of eligible service and the estimated amount of Service Payout that you are eligible to receive before deductions for income tax, Employment Insurance (EI) premiums and Canada Pension Plan premiums (CPP). It will also include a form for you to indicate whether you are taking the Service Payout option and if you wish to put any into an RRSP. More detailed instructions will be provided in your letter.

Q10. When do I have to make my decision?

We expect to provide letters in October of 2018, with employees who want to take the payout being required to reply in November, 2018 so that the payout can be processed late in the 2018 calendar year. Detailed information will be contained in each letter. Additional updates, including confirmation of

these proposed timelines, will be shared at a later date. Information will be available on the NSHA intranet website and through NSHA News.

Q11. Will I have another opportunity to take this Service Payout?

No, the Service Payout is a one-time option. If you don't elect to take it by the date noted in your letter, your only other option is to wait until retirement to receive your Retirement Allowance. Eligibility at the time of your retirement will be as per the Collective Agreements in place at that time.

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Q17. What if the \$15,000 tax waiver from CRA is not enough to cover my full payout? What are my options?

If you expect your Service Payout to be more than the \$15,000 covered by the waiver, you have two options:

1. You can receive up to \$15,000 of your payout without taxes deducted to be put into an RRSP. The rest will be paid to you after appropriate income taxes, CPP, and EI are deducted.
2. To put an amount more than \$15,000 into an RRSP without income taxes deducted, you must apply to CRA for a personal tax waiver.

This is done by completing a T1213 form (available at <https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1213.html>). Once you receive your personal tax waiver from CRA (this can take up to 60 days to process), you must forward it to your local People Services office to process your Service Payout. There will be more details in your letter in October.

NOTE: All Service Payout amounts are subject to CPP and EI deductions. Income Tax will not be deducted from the amounts identified in either RRSP waiver you choose.

IMPORTANT: You cannot combine the \$15,000 waiver obtained by the Government with the one you personally receive from CRA. It is either one waiver amount or the other.

Q18. What if I do not have any room in my RRSPs for this payout or want it all as a direct financial payment?

If you choose to take the payout, but do not have the room for the amount to roll it into your RRSPs, or you wish to take the payout as a direct financial payment, you will be required to pay the appropriate tax, EI and CPP deductions. Those deductions will happen automatically when the payout is processed through payroll.

Q19. If I choose the Service Payout option, can I receive some now and the rest at retirement?

No, this is a one-time, lump-sum payment. There is no option to receive some now and the rest at retirement. If you elect to receive the Service Payout, you'll be paid the full amount as calculated, less applicable taxes and deductions. If you choose not to take this one-time option for the Service Payout, you'll receive your Retirement Allowance as per the Collective Agreement language in place at the time of your retirement or death.

Q20. I received a pay alignment years ago, and was told it would be deducted from my Retirement Allowance in the future. Does this apply to the Service Payout?

Pay alignments were provided as an option to some employees during the 1990s and early 2000 when pay periods were changed to reflect a delayed two weeks. Pay alignments were advances equal to one pay to minimize the impact of the change at that time. If you chose a pay alignment, the amount owing to the organization is noted on the bottom of your pay advice which can be checked through ESS (Employee Self Service). If this applies to you, the option to repay the pay alignment will be included in your letter as an option to deduct from your Service Payout amount. These deductions will need to be considered in your total amount when choosing to transfer to a RRSP. If you do not repay it from the service payout, it will be deducted from your last pay.

Q21 Will garnishments be deducted from my Service Payout?

Yes, if you have been advised about any required government garnishments they will be deducted from the Service Payout amount should you opt to take the service payout.

Q22. I retired and received my Retirement Allowance, but have since returned to active employment with NSHA. Am I eligible for the Service Payout? What years will it cover?

As a currently active employee, you may be eligible for the service payout if you returned to active employment prior to April 1, 2015 and meet the criteria in Question 2 above. The Service Payout will be based on the eligible service since you returned as long as it was prior to April 1, 2015. Your combined eligible service will be capped at 26 years.

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You qualify for the Service Payout if you meet the eligibility requirements as referenced in Question 2 above.

Q24. I'm not sure what I should do. How can I get financial advice?

If you need help making your decision about the Service Payout, you're encouraged to seek professional financial advice based on your personal situation and goals.

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No, you had to be still employed on May 18, 2018 to receive the Service Payout Option.

Q29. If I resigned on May 18, 2018, or later am I eligible for the Service Payout?

Yes, if you meet the eligibility requirements noted above in Q2.

RETROACTIVE WAGE ADJUSTMENTS

Q1. What are the retroactive wage adjustments?

As a result of the agreement among the Council of Unions, NSHA and IWK, there was provision for retroactive wage increases of 1% as of November 1, 2016 and 1.5% as of November 1, 2017. The increases for the employees in the NSGEU Public Health, Addiction Services and Continuing Care bargaining units of the former DHAs 1 to 8 will be effective 5 months later (April 1, 2017 and April 1, 2018)

Q2. When will the retroactive wage adjustments be paid?*

The sequence for payment of retroactive wage adjustments is expected as follows:

- NSGEU Healthcare Paydate: August 2, 2018

- Unifor Healthcare
CUPE Healthcare
NSGEU PH/AS/CC
CUPE Addictions Paydate: August 16, 2018

- Unifor Service
CUPE Service
NSGEU Nursing Paydate: August 30, 2018

- NSGEU Office/Clerical
CUPE Clerical
NSGEU Support Paydate: September 13, 2018

- NSNU Nursing Paydate: September 27, 2018

***Please see end of this document for more detailed breakdown of the above groups.**

Q3. Why are the retroactive wage adjustments spread over five pay periods? How were they sequenced for payment?

With the creation of NSHA, this is the largest retroactive pay ever processed within our financial/payroll SAP system and we need to be able to manage any potential data and system performance issues. To reduce risk and not overload the SAP system, it was necessary for the system to process the payments over five pay periods.

The groupings were based on capacity for the SAP system at one time and the resources to manage the validation and testing of pay scales. Each group is approximately 5000-6000 employees.

Q4. My collective agreement states that I have to apply for the retro if I have left employ of the organization. Do I have to apply for this retro?

No, you do not have to apply for the retro. NSHA will pay any eligible employee (without prejudice) who has left the organization during the retroactive period.

Q5. My collective agreement states that the employer will send a registered letter to my last known address to advise me to request the retro. Will NSHA be sending these letters?

No, NSHA will pay the retroactive to eligible employees (without prejudice) who have left the organization during the retroactive period.

Schedule of Retroactive Pay Processing

Pay Day August 02, 2018

Pay Scale Type	Pay Scale Area	Former DHA
NSGEU Healthcare	Local 42	DHA 9

Pay Day August 16, 2018

Pay Scale Type	Pay Scale Area	Former DHA/IWK
Unifor Healthcare	Local 4600	DHA 8
CUPE Healthcare	Local 835	DHA 2
CUPE Healthcare	Local 1933	DHA 1
CUPE Healthcare	Local 2525	DHA 4
CUPE Healthcare	Local 2525	DHA 5
CUPE Healthcare	Local 2525	DHA 6
CUPE Healthcare	Local 2525	DHA 7
CUPE Healthcare	Local 4150	DHA 3
NSGEU Healthcare	Local 22	IWK
NSGEU PH&AS	Local 93	DHA 4, 5, 6
NSGEU PH&AS	Local 94	DHA 7, 8
NSGEU PH&AS	Local 95	DHA 1, 2, 3
CUPE Addictions	Local 1933	DHA 1

Pay Day August 30, 2018

Pay Scale Type	Pay Scale Area	Former DHA/IWK
Unifor Service	Local 4603	DHA 7
Unifor Service	Local 4603	DHA 8
Unifor Service	Local 4606	IWK
CUPE Service	Local 835	DHA 2
CUPE Service	Local 1933	DHA 1
CUPE Service	Local 2525	DHA 4,5,6
CUPE Service	Local 4150	DHA 3
NSGEU Nursing	Local 97	DHA 9

Pay Day September 13, 2018

Pay Scale Type	Pay Scale Area	Former DHA/IWK
NSGEU Off&CL	Local 23	IWK
NSGEU Off&CL	Local 89	DHA 1
NSGEU Off&CL	Local 90	DHA 2
NSGEU Off&CL	Local 91	DHA 3
NSGEU Off&CL	Local 246	DHA 9
NSGEU Support	Local 19	DHA 9
CUPE Clerical	Local 2431	DHA 8
CUPE Clerical	Local 2525	DHA 4,5,6,7

Pay Day September 20, 2018

Pay Scale Type	Pay Scale Area	DHA
NSNU Nursing	NSNU	All