



PUBLIC SECTOR PENSION PLANS IN SMALL MUNICIPALITIES

ELANA WENTZELL MUNICIPALITY OF THE DISTRICT OF LUNENBURG

The Municipality of the District of Lunenburg is located on the south shore of Nova Scotia nestled against the Atlantic Ocean, and is home to 25,000 people. The community is well served by 53 fulltime municipal employees providing public services and maintaining local roads, buildings, and parks. Many municipal employees wear different hats, including Elana Wentzell, the Director of Finance and Municipal Treasurer who among other roles oversaw the municipal pension plan. In 2020 the municipality joined the Nova Scotia Public Service Superannuation Plan which provided relief to Elana and the finance staff, reduced the financial burden on Lunenburg, brought peace of mind to municipal employees and retirees, and provided a steady income stream to support local jobs and businesses.

MUNICIPALITY OF THE DISTRICT OF LUNENBURG

The municipality is comprised of rural seaside and farming communities with miles of Atlantic shoreline and numerous lakes. The municipality is one of 50 in Nova Scotia of varying sizes. The 53 fulltime employees fulfill a number of roles including maintaining roads, managing wastewater systems, building inspections, economic development, and maintaining parks, trails and recreation facilities.

Elana has spent two decades serving the municipal government, working her way up to her current role as Director of Finance and Municipal Treasurer for the Municipality of the District of Lunenburg. As is typical of a small municipality Elana's responsibilities are broad. She handles municipal taxes, capital plans, and operating budgets, oversees IT and payroll, and provides regular financial reports to Council, ensuring that budgets are balanced. Elana was also previously responsible for managing the small municipal pension plan that provided retirement security for her colleagues and retired local public servants living in the community.

“The pension plan provides a really good benefit to help us attract more diverse employees and representatives. We now have a council more representative of the community. We have eight women on council, many have children, where it was mostly retirees in those roles.”

PENSION CHANGES

The municipality established a defined-benefit plan in 1976. Due to rising costs and growing liabilities, the Council's Pension Committee met in 2013 to review the fees and financial situation and decided to close the defined benefit pension plan to new employees, and a defined contribution plan was set up in its place. With people having planned for retirement, changes cause stress over the long-term security of their retirement. The shift also created a challenge for Elana and the finance staff who now had to administer two different pension plans, one for the 20 active members and 26 retirees collecting their municipal pensions, and another plan for staff hired after June 2013.

In March 2020 Lunenburg joined the Nova Scotia Public Service Superannuation Plan. This reduced administrative costs, was seen as an important benefit to attract and retain employees. The municipality was also able to offload \$2.1 million in pension liabilities.

Being part of a larger, well-funded, professionally run plan provided many benefits for the municipality, its employees, and the local community. The Nova Scotia Public Service Superannuation Plan (PSSP) is one of two major plans administered by the Nova Scotia Pension Services Corporation. PSSP has almost 39,900 members, including almost 18,200 retirees spread across Nova Scotia. This provides strength in numbers with \$7.2 billion in assets, and \$414 million paid annually in retirement benefits across the province.

COMMUNITY BENEFIT

Strong public sector pension plans provide broader benefits in the community. The 140,000 retired public servants in Atlantic Canada spend their \$3.7 billion in annual pension income in their communities. This supports 67,000 jobs, \$2.3 billion in annual wages, and 4,600 mainly small businesses. In total 4.6% of the regional economy is supported by public sector pension plans, the highest proportion in the country, with \$1.6 billion in government revenue which in turn can help pay for public services. Added to the direct value received to employees and the municipality itself, stable public sector pension plans provide economic benefits that sustain communities. The certainty of the provincial plan and local income it helps generate also makes Elana's job of balancing the books a little bit easier.



67,000
jobs supported
across Atlantic
Canada



\$2.3 billion
total wages
supported in
Atlantic Canada



4,600
mainly small
businesses supported
in Atlantic Canada



\$1.6 billion
in annual government
revenue across
Atlantic Canada



The CPPLC is a non-partisan group of senior public sector pension plan leaders from across Canada. Established in 2013, the CPPLC is dedicated to informing the evolving discussions about retirement income security for working Canadians. The CPPLC is composed of 13 public sector pension plans from across Canada representing over 1.6 million active and retired members.