

Benefits and Pension Committee NSGREA: How the 2.61% NSPSSP Pension Increase Works

This handout explains how the 2.61% cost-of-living increase to your pension will work over the next five years.

What Is Changing?

Starting in January 2026, pensions will increase by 2.61% each year. This increase will happen every January for five years. It will not be review again until 2030.

Important Points to Know

- The increase happens once each year, in January.
- Each increase is added on top of the previous year's amount.
- This means your pension slowly grows over time.
- The five years of increases are guaranteed.

Example Using an Average Pension

Let's use an example pension of \$22,545 per year as of December 31, 2024 to show how the increase works.

January Payment Year	Annual Pension Amount	Approximate Monthly Amount Before Tax
2025 (no increase)	\$22,545	\$1,879
2026 (+2.61%)	\$23,134	\$1,928
2027 (+2.61%)	\$23,738	\$1,978
2028 (+2.61%)	\$24,357	\$2,030
2029 (+2.61%)	\$24,993	\$2,083
2030 (+2.61%)	\$25,645	\$2,137

Why This Matters

Prices for things like food, heating, and housing go up over time. These pension increases are meant to help your income keep up with those rising costs. However, if prices increase more than 2.61%, our COLA will not be adjusted. Consumer prices in Nova Scotia increased by 3.1% in December 2025. A **2.61% increase** adds about **\$590** in one year. But if prices rise by **3.1%** in the next year, the spending power of the average pension decreases by about **\$700**. Even after the increase, the average pension **buys slightly less** than before. So the 2.61% increase is good, but not great.

In Simple Terms

- Your pension goes up a little each year.
- The increases start in January 2026.
- After five years, the average yearly pension will be about \$3,100 higher.
- You know in advance what the increases will be.
- There is no guarantee that inflation will be fully offset by the yearly 2.61% increase.

- The COLA will not be looked at again for 5 years.