



Retirement Fund FAQ for Physicians

**Last updated: February 13, 2025*

The Government has introduced a retirement fund initiative for physicians practicing in Nova Scotia. This retirement fund will support physicians in their continued clinical practice in Nova Scotia and assist in their long-term financial planning.

Eligibility

Who is eligible?

A physician is eligible for the Retirement Fund for the 2024 tax year if, as of March 31, 2024, they:

- Had a valid license in the province of Nova Scotia
- Delivered and were paid for direct patient care or clinical services in Nova Scotia between April 1, 2023, and March 31, 2024 (fiscal year 2023/2024).

Physicians who started practicing in Nova Scotia on or after April 1, 2024, will not be eligible for the retirement fund until the 2025 tax year.

What physician licenses are eligible?

An active license in Nova Scotia is required to be eligible for the retirement fund.

A physician's time as a Resident will not be counted towards their years of practice.

A physician's time spent on a Practice Ready Assessment will not be counted towards their years of practice.

A physician's time as a Fellow will be counted towards their years of practice so long as they had an active license.

Will physicians who practiced between April 1, 2023, and March 31, 2024, but who no longer have a license, be eligible?

Physicians must have a valid license as of March 31 of the relevant tax year. If physicians retire earlier than this, they must keep their license until March 31 to be eligible for a retirement fund payment (which would be prorated based on income in the 2024 tax year). For eligibility for the 2024 tax year this means you must have had a valid license on March 31, 2024.

Will physicians who retired prior to March 31, 2024, be eligible?

Only physicians with a valid license on March 31, 2024, will be eligible. Physicians who retired and did not have a valid license as of March 31, 2024, will not be eligible for the fund.

What remuneration methods will be accepted?

The Retirement Fund is inclusive of all remuneration methods by which physicians are paid for patient care and clinical service delivery.

What physician services will be considered eligible?

All publicly funded **insured** patient care is eligible for the retirement fund. Additionally, essential clinical services that have direct patient-benefit have also been included, such as radiology and pathology services.

Will physicians who work part-time be eligible?

Physicians who work part-time will have their maximum reimbursement amount proportionally prorated relative to their FTE, which will be calculated using CIHI FTE and compensation benchmarks across various specialties.

Will physicians who left the province and then returned be eligible? Will previous years of practice count?

Contributions from the fund will be based on number of years of continuous practice in Nova Scotia and will be based on the start date of a physician’s most recent licensure with the College.

Will physicians who live out of province but who have a valid Nova Scotia license and have billable hours in Nova Scotia, be eligible?

Physicians with a valid license who practice in Nova Scotia will be eligible for the fund regardless of where they live. They will receive a pro-rated retirement incentive based on NS billings compared to their applicable CIHI FTE compensation benchmark.

Will the retirement fund be available to those on Parental Leave?

Yes, physicians on parental leave will be eligible to receive the retirement fund amount as long as they meet the eligibility requirements (including maintaining a valid license). Eligibility will be based on the annualized extension of their FTE before they go on leave.

For example, if a full-time physician with two years of practice worked half the year (i.e., April 1, 2023 to Sept 30, 2023) before going on parental leave, they would still be eligible for the max reimbursement amount of \$5000 as long as they opt-into the program and maintain their license through March 31, 2024.

If an eligible physician was on parental leave for the entire clinical period (April 1, 2023 to March 31, 2024), their FTE will be calculated on the previous fiscal year earnings and their years of experience to determine the maximum amount eligible.

Will physicians on Parental Leave who gave up their license be eligible?

An exception will be made to physicians on parental leave between April 1, 2023 and March 31, 2024, who gave up their license during that time. This exception will apply to the 2024 tax year only. For the 2025 tax year forward, physicians on parental leave will have to maintain their license to be eligible for the fund.

Calculation

How will the contribution amount be determined?

Retirement benefits will be based on continuous years of practice, full or part-time status, and the amount contributed by a physician to their preferred retirement savings option.

Years of practice	Maximum Reimbursement	Matching Required
0-5 years	\$5,000 per year	No
5-15 years	\$10,000 per year	Yes
15+ years	\$15,000 per year	Yes

How will full-time and part-time status be calculated?

Physician full-time equivalent (FTE) status will be determined by total clinical compensation, independent of funding modality, against the CIHI benchmark for their predominant license type. This is a nationally accepted standard for determining FTE for physicians and ensures the most consistent and equitable administration of the retirement fund across all clinical services delivered by a provider.

FTE will be rounded to the nearest single decimal point to pro-rate the eligible reimbursement amount. Physicians who are part-time will have their FTE prorated. More information will be provided on the exact calculation in December 2024.

How was my FTE calculated?

Your FTE was calculated using CIHI's methodology, which uses clinical payments to estimate physician workload.

- Specialty Benchmark: The CIHI methodology looks at the total clinical earnings of individual physicians within each specialty. It looks at relative ranges in compensation and applies statistical methods to adjust for differences in

workloads and earnings to calculate a total compensation benchmark for a full-time-equivalent (FTE) within each specialty.

- Your FTE: Your own clinical earnings are compared to this benchmark to calculate your individual FTE for the purposes for pro rating your maximum retirement fund eligibility amount.

This method provides a standardized way to estimate physician FTEs activity across different specialties, payments methods, and contracts in Nova Scotia.

What is the CIHI methodology?

The CIHI methodology looks at the total clinical earnings of individual physicians within each specialty to estimate physician workload. Briefly, the methodology entails the following steps:

- All physicians within a specialty group with earnings from the 40th percentile to 60th percentile are considered a 1.0 FTE.
- Physicians between 0 and the 39th percentile are prorated against the 40th percentile physician. The 61st percentile physician to the 100th percentile use a log formula against the 60th percentile physician to develop their FTE which will be higher than 1.0 FTE (but not prorated).
- Then the sum of the total compensation is divided by the sum of total FTE to calculate average FTE for the specialty.
- For purposes of calculating FTE for the retirement fund, each physician's individual earnings were then compared to the average for the specialty. Physicians with earnings greater than the average are calculated as a 1.0 FTE, and physicians with earnings less than the average are prorated and rounded up to the nearest decimal. For example, a physician with earnings at 1.1 times the average is a 1.0 FTE; a physician with earnings at 0.76 times the average is a 0.8 FTE; a physician with earnings at 0.42 FTE is a 0.5 FTE.

For more information on CIHI's FTE methodology, please see the [National Physician Database Data Release, Appendix B](#).

Are Nova Scotia physicians being compared against physicians in other provinces in calculating FTE?

No, the data used to calculate FTE was solely Nova Scotia physician earnings, grouped by specialty.

What about specialties that are not usually included in the CIHI Reports, such as Pathology and DI?

The same approach and methodology was used. Nova Scotia data on earnings for each physician with the specialty was gathered and the methodology above was applied to that data.

Why were earnings used to calculate FTE, instead of hours worked?

A consistent approach to calculating FTE, regardless of payment modality, was needed. Under the fee-for-service payment model and some others, there is no data or reporting on hours worked. This is why total clinical earnings compared with average earnings by specialty was used to calculate FTE for purposes of the retirement fund.

For physicians who practice multiple specialties (for instance family medicine and emergency medicine), which specialty are they being compared against for purposes of calculating FTE?

For the purposes of the retirement fund calculation, a physician's license type has been assigned based on their predominant payment model. For instance, if payments in Family Medicine are higher than payments in Emergency Medicine, the physician will be compared within the Family Medicine group for purposes of calculating FTE.

How will years of practice be calculated?

Years of practice will be assessed against the College of Physicians and Surgeons of Nova Scotia (CPSNS) most recent licensure date, with demonstrated clinical work in each fiscal year within the province of Nova Scotia. Years of practice will be calculated as of March 31 of the current tax year. A physician's residency will not be counted towards their years of practice. A physician's fellowship will be counted towards their years of practice so long as they meet the eligibility requirements.

Do all physicians start at zero (0) years of practice when the fund is implemented?

Each physician's years of practice under this program will be calculated starting with the date of their most recent licensure with the NS College. For example, if you have been practicing in NS for 16 years, you will be eligible for a matched reimbursement up to \$15,000 for the 2024 tax year as you have greater than 15 continuous years of practice in NS.

How will I know if matching is required?

Physicians with less than 5 years of service in Nova Scotia will not be required to provide proof of retirement savings contributions to receive a reimbursement from the province, though this fund is intended to support long term retirement fund investment. However, they will still be required to opt-in and enroll in the program. Physicians with more than 5 years of experience will need to make contributions to a retirement savings vehicle of their choice (e.g., TFSA, RRSP, etc.) and retain proof of contribution before receiving a matched reimbursement up to the maximum eligible amount.

Will Workers Compensation Board (WCB) billing be included in the calculation of FTE?

No, only publicly insured clinical service billings will be included in the FTE calculation.

Will Tip Top reduced earnings impact a physicians FTE calculation?

A physician's FTE will be based on clinical earnings; if their workload and total compensation reduces as they transition to retirement, whether under the Tip Top program or not, their corresponding incentive eligibility will align with that calculated FTE.

Is the program retroactive?

The retirement fund eligibility is assessed annually and is not retroactive.

Will eligible reimbursement payments accumulate year-over-year if they aren't used?

Eligible payments will not accumulate year-over-year if physicians decide not to opt-in to the fund.

Process

When will physicians be informed of their eligibility and conditions for matching (if applicable)?

The Department of Health and Wellness is currently working to calculate each eligible physician retirement fund maximum reimbursement amount based on years of service, and full or part-time status.

Physicians will be informed of their individual retirement fund eligibility amount and the conditions for matching (if applicable) by December 2024.

What is the deadline for eligible physicians with more than five years of practice to contribute to a chosen retirement vehicle? **UPDATED**

To provide flexibility and to maximize a physician's opportunity to participate, the Department of Health and Wellness has **extended the contribution deadline for the 2024 Physician Retirement Fund to align with the opt-in deadline**. If applicable, physicians must contribute to their chosen retirement vehicle by **March 31, 2025**.

Note: Before the extension, contribution deadlines were aligned to the 2024 tax year contribution window (e.g., March 3, 2025, for RRSPs). For simplicity, and to maximize participation, we will now accept physician contributions made up to March 31, 2025.

Will eligible physicians with more than 5 years of experience be required to show proof of contribution?

Physicians with more than 5 years of practice will have until the end of the 2024 tax year contribution window to contribute to their chosen retirement vehicle. Physicians must provide an attestation of their contributions by March 31, 2025, in order to be eligible for the 2024 payment under this program. Late notification will NOT be considered. More details on the attestation process and how to enroll will be provided in December 2024.

Do I need to sign-up?

All physicians, including those with less than 5-years' experience and no matching requirement, will be required to opt-in to the retirement fund program. Details on how to enroll will be provided by December 2024.

What retirement vehicles are eligible?

The retirement vehicle is the choice of the physician but includes individual or spousal RRSP, TFSAs, Third-Party Pension Plans, Individual Pension Plan or a Multi-Employer Pension Plan (e.g., Medicus).

Does the retirement vehicle have to be registered?

The retirement vehicle chosen by the physician does not need to be registered.

Are there restrictions on what a physician can do with the reimbursement funds they receive under this program?

Having provided proof of contribution, the money a physician receives from the retirement fund is the reimbursement of this contribution and does not have restrictions.

Reimbursement

How will eligible physicians be reimbursed?

Medavie, on behalf of the Province, will issue individual lump sum physician reimbursement for their eligible amount in Spring 2025.

Where will the reimbursement be deposited?

The reimbursement will be deposited to each physician’s bank account associated with their CMPA Business Arrangement (BA) already established with Medavie. If you wish to change the banking information associated with this BA, please complete the [MSI Provider Arrangement \(BA\) form](#) located on the MSI website at <https://msi.medavie.bluecross.ca/new-registration/>. If you no longer have a CMPA BA with MSI, you will instead be issued a cheque to the address on file.

Is the retirement fund a taxable benefit?

Yes, and reimbursement received from the retirement fund will be deposited into the account associated with the physicians CMPA Business Arrangement (BA) and will be counted as income. Like other income that is received, it is the physician’s responsibility to determine how it is reported for tax purposes. Tax related questions should be directed to a tax professional suited to advise you related to your personal circumstances.

Could the reimbursement payment be audited?

Yes, a physicians reimbursement payment may be audited to ensure that the physician meets the requirements.

Contact Information

Who do I contact for more information?

Details of your individual eligibility will be provided to you through DNS in December. If you have questions about your eligibility once this is received, please email psaccountability@novascotia.ca for all retirement fund inquiries.