

1 Understanding Your Employee Statement of Pension Benefits

The following information is being provided to assist you in better understanding your annual employee statement of pension benefits under the New Brunswick Teachers' Pension Plan (NBTPP).

Important Information for 2022-Interest Credited During Statement Period

As a result of the significant market volatility experienced internationally during 2022, the interest rate applied to NBTPP employee contributions for the statement period is negative (-3.46%).

It is important to understand that NBTPP employee contribution amounts and the interest applicable to them:

- **Do not impact your NBTPP pension benefit.** Employee contribution amounts and the interest rates applied to them are not used in calculating your NBTPP pension benefit at retirement – this is the case no matter whether you plan on retiring sooner or later;
- **Will only potentially apply to you if you terminate your employment and choose a refund** of your employee contributions plus interest or the Termination Value, as applicable; and
- **Is not an indication of the Plan's financial health.** The NBTPP's long-term returns remain positive, and the Plan is in a surplus position. In addition, the impact of this market volatility on the Plan was much lower than that of many peer Canadian pension plans, and is an example of how the NBTPP's low-risk approach is effective in protecting its members assets long-term.

Learn more about the financial health of your Plan by visiting [NBTPP.ca](https://www.nbtp.ca); there you can refer to NBTPP semi-annual newsletters and a recording of the recent NBTPP Annual Information Meeting.

Personal Information

This section outlines your basic personal and employment information. Also included is your date of membership – this is the earliest date from which you became a member of the NBTPP or the former *Teachers' Pension Act*.

Pensionable Service (years)

The years of service used to calculate your pension benefit. If you have elected to purchase any past service or have transferred service from another pension plan through a reciprocal transfer agreement, this pensionable service will be displayed within the "Purchased/Transferred service" row.

Employee Contributions

This section breaks down your contributions to the pension plan as follows:

Your contributions with interest as at August 31, 2021 - The total of your contributions plus interest earned as of August 31, 2021.

Your contributions during statement period - The contributions you made to the plan from September 1, 2021 to August 31, 2022.

Interest credited during statement period - The interest credited from September 1, 2021 to August 31, 2022.

Adjustment following a division of assets due to a marriage/common law breakdown - this reflects the applicable adjustment to employee contributions as a result of a transfer out of NBTPP funds during the statement period resulting from the division of assets due to a marriage/common law breakdown.

Your contributions with interest as at August 31, 2022 - The total of your contributions plus interest earned as of August 31, 2022.

Annual rate of interest credited during statement period - The annual rate at which interest was credited on employee contributions from September 1, 2021 to August 31, 2022.

Vesting Status

This section indicates whether or not you are eligible to receive a pension benefit from the NBTPP upon your retirement.

How do I become “vested”?

Vesting refers to whether or not you are eligible to receive a pension under the NBTPP. You are “vested” upon the completion of the earlier of:

- Five years of continuous employment;
- Two years of pensionable service in the NBTPP (includes pensionable service in the *Teachers’ Pension Act* plan); or
- Two years of membership in the NBTPP (includes, if applicable, membership in the *Teachers’ Pension Act* plan).

Retirement Dates

If you are vested as at August 31, 2022, this section reflects the projected date of your earliest possible retirement date with a reduced pension (if applicable), your earliest possible retirement date with an unreduced pension, as well as your Normal Retirement Date (this is the date that your NBTPP pension is integrated with the Canada Pension Plan (CPP) – this is the later of September 1, 2022 and the month following your 65th birthday).

Accumulated Pension Benefits

The amounts provided in this section have been determined using all pensionable service and applicable Indexing Adjustment Benefits (IAB) accrued up to August 31, 2022.

The following amounts are provided:

- **Your accumulated annual lifetime pension benefit up to August 31, 2022** – this is the annual pension benefit that you have accumulated (prior to any applicable deductions or reductions) that is payable on your pension commencement date for the remainder of your lifetime.
- **Your accumulated annual bridge pension benefit up to August 31, 2022** – this is the annual bridge benefit that you have accumulated (prior to any applicable deductions or reductions) that is payable on your pension commencement date until the month prior to the month that you turn age 65 (when your pension becomes integrated with the CPP).

Please note, these figures are gross amounts before taxes, deductions, and any applicable permanent early retirement reduction factors.

If you are interested in obtaining pension estimate amounts based on specific retirement dates which would take into account any applicable early retirement reduction factors, please refer to the Online Calculator Tool Benefit Information section below.

In addition, please refer to the NBTPP Member Booklet at www.vestcor.org/nbtp for information related to CPP integration, NBTPP Early Retirement Reduction Rules, as well as the Final Best 5-Year Average Salary Maximum.

Online Calculator Tool Benefit Information

The information provided in this section is intended to be used when calculating pension estimates using the Online Calculator Tool. The calculator allows you to calculate a pension estimate with projected service to your desired retirement date. Visit vestcor.org/calculators to access the online calculator tool.

Questions?

For any inquiries related to your personal information (name, address, date of birth, etc.), please contact your Human Resource/Pay and Benefits office within your organization. Inquiries related to other information on your statement or any questions about your pension plan should be directed to Vestcor in writing, by phone or by fax:

Email: info@vestcor.org Call: 1 (800) 561-4012 or (506) 453-2296 Fax: (506) 457-7388