

CBE Pension Plan

At-A-Glance



Welcome to your Plan!

When am I eligible to join the Plan?

Effective July 1, 2012, participation in the Shared Risk Plan for Certain Bargaining Employees of NB Hospitals (CBE Pension Plan) is mandatory* if you are a permanent full-time or part-time employee under the age of 65 and are:

- a member of the Nurses, Part III Bargaining Unit;
- a member of the Nurse Managers and Nurse Supervisors Bargaining Unit;
- a member of the Para-medical Bargaining Unit;
- a member of the Specialized Health Care Professionals Bargaining Unit;
- a union staff member of the New Brunswick Nurses Union (effective July 1, 2013); or
- a union staff member of the New Brunswick Union of Public and Private Employees (effective October 1, 2014).

Effective July 1, 2014, participation is mandatory* if you are not a permanent full-time or part-time employee but you are under the age of 65, you are a member of one of the groups listed above, and you meet the following eligibility requirements:

- have at least 24 months of continuous employment; and
- have earned at least 35% of the **YMPE** in the previous two calendar years

YMPE - Year's Maximum Pensionable Earnings used to calculate the Canada Pension Plan (CPP) contributions as per the Canada Revenue Agency.

YMPE for: 2024 = \$68,500

*Religious Exemption: An employee who is a member of a religious group which has as one of its articles of faith the belief that members of the group are precluded from being members of a pension plan is not required to join the CBE Pension Plan.

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How much do I contribute to the Pension Plan?

Once you are a member of the Pension Plan, you contribute 7.8% on your eligible earnings.

As an example, an employee who has annual earnings of \$70,000 in 2024, will contribute \$5,460 to the Pension Plan:

$$\text{\$70,000} \times 7.8\% = \text{\$5,460}$$

Your employer also matches your contributions.

When do I become eligible to receive a benefit under the CBE Pension Plan?

You are eligible to receive a benefit under the CBE Pension Plan (also referred to as “**vested**”) upon the completion of the earlier of:

- Five years of continuous employment;
- Two years of pensionable service; or
- Two years of membership in the CBE Pension Plan, including membership in the former Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals, the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick, and/or the Pension Plan for Employees of New Brunswick Hospitals.

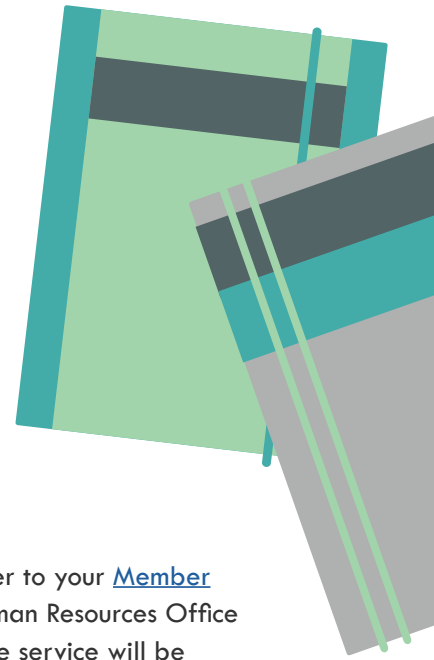
When can I retire under the pension plan?

Once you are eligible to receive a benefit under the Pension Plan (are “**vested**”), you can retire:

- Between age 55 and 65 with an early retirement reduction;
- At age 65 without an early retirement reduction; or
- As late as the end of the year you turn age 71.



Career and Life Transitions



Can I purchase past periods of service under the Pension Plan?

There are several types of service (certain restrictions apply) that can be purchased under the Pension Plan as follows:

Refunded Service

Service for which you have received a refund from the CBE Pension Plan or from another pension plan covered by the Intra-Provincial Reciprocal Agreement.

Other periods of past service

Includes approved unpaid leaves of absence (e.g., maternity leave), prior non-contributory full-time and part-time service, lay-off periods and waiting periods.

For more details and eligibility criteria on the types of service you can purchase, please refer to your [Member Booklet](#). If you would like to proceed with a purchase of service, you should contact your Human Resources Office and complete an application form. If it is deemed an eligible period, the cost to purchase the service will be prepared and sent to you.



Purchasing service can be time sensitive. If you're thinking about a purchase of service, we encourage you to contact your Human Resources Office to complete an application form.

If my marriage ends, can my pension be divided?

If your marriage or common-law relationship ends through separation or divorce, your pension can be divided with your spouse or common-law partner. You can refer to the [Marriage Breakdown booklet](#) for additional detail with regard to the process. For more information or to complete a Marriage Breakdown application form, contact your Human Resources Office or Vestcor.

Looking for more information?

This document was developed to provide you with a high-level overview of your Pension Plan and its provisions. You can find additional information and detail through the documents listed below. However, these are just some of the resources available to you as a Plan member. Check out our [website \(cbenb.ca\)](#) for more!

[Member Booklet](#) - Provides you with a more in-depth overview of your Pension Plan and its benefits.

[Purchase of Service Booklet](#) - Outlines all the information you need if you're considering a Purchase of Service.

[Marriage Breakdown Booklet](#) - Provides information for those who are experiencing a separation or divorce.

[Understanding your Employee Statement](#) - Assists you in understanding each component of your annual employee statement.

[Governing Documents](#) - These documents guide the Board of Trustees in its oversight of the CBE Pension Plan and will help you better understand your Plan's governance.

What happens if I terminate employment?

If you are not vested:

You will receive a refund of your contributions with accumulated interest.

If you are vested and under age 55, you can elect:

- 1 To defer commencement of your pension benefit until:
 - Age 65 and receive an unreduced pension benefit; or
 - Between ages 55 and 65, and receive a reduced pension benefit;
- OR
- 2 To transfer your Termination Value in a locked-in lump sum to: a locked-in retirement account, a life income fund or your new employer's pension plan (if applicable).

If you are vested and are 55 years of age or older you can elect:

- 1 Commence your pension benefit after termination of employment at any age prior to your 65th birthday and receive a reduced pension benefit;
- OR
- 2 Commence your pension benefit at age 65 and receive an unreduced pension.

What is "vested"?

Being vested means you are eligible to receive a benefit under the CBE Pension Plan – please refer to the question entitled "when do I become eligible to receive a benefit under the CBE Pension Plan" for eligibility criteria.

What is a "Termination Value"?

Termination Value is the value of a member's pension benefit at date of termination, adjusted for the funded status of the Plan, and calculated in accordance with the requirements of the *Pension Benefits Act*.

What happens if I die before I retire?

If you are not **vested**, your surviving spouse (or your designated beneficiary/estate if there is no spouse) will receive a refund of your contributions to the Pension Plan plus interest.

If you are **vested**, your surviving spouse (or your beneficiary if there is no spouse or if your spouse has waived his/her entitlement) will receive a lump sum equal to the **Termination Value** amount you would have received had you terminated service just before death.



Planning for your Retirement

How is my pension benefit calculated?

The easiest way for you to calculate the value of your pension is to use Vestcor's online [Pension Estimate Calculator](https://vestcor.org/calculators) (vestcor.org/calculators). However, if you are interested in how the calculation actually works, the detail below is provided for your information.

Your annual lifetime pension, **before any adjustments for early retirement or postponed retirement** (adjustments are outlined on the following page), is the sum of the following:

For each year (or part year) of pensionable service on and after July 1, 2012:

$$\left(\begin{array}{l} 1.4\% \times \text{Annualized Pensionable Earnings accrued during the year up to the YMPE for the year} \\ + \\ 2\% \times \text{Annualized Pensionable Earnings accrued during the year in excess of the YMPE for the year} \end{array} \right) \times \begin{array}{l} \text{Number of hours worked (and contributed) /} \\ 1,950 \text{ hours} \end{array}$$

PLUS

For all pensionable service between January 1, 1990 and June 30, 2012:

$$\left(\begin{array}{l} \text{Pensionable service} \\ \times 1.3\% \end{array} \right) \times \begin{array}{l} \text{Best 5 year average earnings at June 30, 2012 up to the average YMPE at the same date} \end{array} + \left(\begin{array}{l} \text{Pensionable service} \\ \times 2\% \end{array} \right) \times \begin{array}{l} \text{Best 5 year average earnings at June 30, 2012 in excess of the average YMPE at the same date} \end{array}$$

PLUS

For all pensionable service prior to January 1, 1990:

$$\begin{array}{l} \text{Pensionable service} \\ \times 2\% \end{array} \times \begin{array}{l} \text{Best 5 year average earnings at June 30, 2012} \end{array}$$

PLUS

For all pensionable service:

$$\text{Any Cost of Living Adjustments granted from time to time by the Board of Trustees in accordance with the Funding Policy.}$$

YMPE - Year's Maximum Pensionable Earnings used to calculate the Canada Pension Plan (CPP) contributions as per the Canada Revenue Agency.

Average YMPE - 5 year average YMPE (2012 = \$47,360).

YMPE for: 2024 = \$68,500

How is my pension benefit calculated? (continued)

The following adjustments may be applicable to you if you are retiring between ages 55 and 65 (early retirement) or after age 65, but not beyond age 71 (postponed retirement).

Early retirement adjustment:

You will receive a monthly pension calculated according to the annual basic lifetime pension and bridge benefit formulas previously described, with the following adjustments:

- **For the portion of your benefit earned prior to July 1, 2012**, your annual basic lifetime pension and bridge benefit will be permanently reduced by 3/12% for each month that your pension becomes effective prior to age 60.
- **For the portion of your benefit earned on or after July 1, 2012**, your annual basic lifetime pension and bridge benefit will be permanently reduced by 5/12% for each month that your pension becomes effective prior to age 65.

The early retirement subsidy is an ancillary benefit.

Postponed retirement adjustment:

You will receive a monthly pension calculated according to the annual basic lifetime pension formula previously described (no bridge benefit included) with the following adjustment: your annual basic lifetime pension will be permanently increased by 3/5% for each month that your pension becomes effective after age 65.

What is the bridge benefit?

If you are eligible for early retirement, a bridge benefit is paid in addition to your lifetime pension. The monthly bridge benefit is calculated as follows:

$$\left(\$27 \times \begin{array}{l} \text{the number} \\ \text{of years of} \\ \text{pensionable} \\ \text{service up} \\ \text{July 1, 2012} \end{array} \right) + \left(\$27 \times \begin{array}{l} \text{the number of years} \\ \text{the member was a} \\ \text{contributor to the CBE} \\ \text{Pension Plan on and} \\ \text{after July 1, 2012 (not} \\ \text{pro-rated)} \end{array} \right)$$

The bridge benefit ceases to be paid when you reach age 65 or at your death, whichever is earlier. This benefit is also subject to any adjustment for early retirement and any Cost of Living Adjustments granted by the Board of Trustees.

Are my pension benefits adjusted for cost of living increases?

For active contributors to the CBE Pension Plan, the lifetime pension and bridge benefit that you earn each year may be adjusted by a cost of living adjustment (COLA) up to the increase in the Consumer Price Index (CPI) if the funding of the CBE Pension Plan allows for it.

Once you retire, your lifetime pension and bridge benefit (if any) may be adjusted each year by a COLA up to the increase in the CPI provided the funding status of the CBE Pension Plan allows for it. If the funding status of the CBE Pension Plan does not allow for cost of living increases to be granted in a given year, the increases are carried forward to future years and may be paid if the funding status of the CBE Pension Plan allows. These rules also apply to any survivor pension benefit payable.

Are there different forms of pension that I can choose from?

There are different forms of pension available to you when you retire. Choosing the right option at retirement based on your individual circumstances is extremely important. **Once you start receiving your pension, you cannot change the option you have selected.**

If you are eligible to receive a pension under the CBE Pension Plan and do not have a Spouse when pension payments commence, the normal form of pension is the “Life Pension with Guaranteed Period of Five Years”. If you do have a Spouse, the automatic form of pension is the “Joint and Survivor Pension – 60%”. There are, however, optional forms of pension that you can select if your personal status allows. These optional forms of pension result in the reduction of your own pension to account for the payment of a higher survivor pension or a longer period of guarantee. The different forms of pension available to you are detailed below.

Life Pension with Guaranteed Period of 5 Years

If you die before receiving sixty (60) monthly installments, lifetime pension payments are continued to your designated beneficiary or to your estate (in a lump sum) as applicable, until a total of sixty (60) monthly installments have been paid. This option is only available if you have no Spouse at your date of retirement, or if your Spouse at retirement signed a spousal waiver form in accordance with the *PBA*.

Life Pension with Guaranteed Period of 10 Years

If you die before receiving one hundred twenty (120) monthly installments, lifetime pension payments are continued to your designated beneficiary or to your estate (in a lump sum) as applicable, until a total of one hundred twenty (120) monthly installments have been paid. This option is only available if you have no Spouse at your date of retirement, or if your Spouse at retirement signed a spousal waiver form in accordance with the *PBA*.

Joint and Survivor Pension – 60%

If you predecease your Spouse (refers to the Spouse at retirement), payments are continued to your Spouse during your Spouse’s lifetime at a level equal to 60% of your lifetime pension. This option is only available if you have a Spouse at the date of retirement in accordance with the *PBA*.

Joint and Survivor Pension – 75% or 100%

If you predecease your Spouse (refers to the Spouse at retirement), payments are continued to your Spouse during your Spouse’s lifetime at a level equal to either 75% or 100% (chosen by you at retirement) of your lifetime pension. This option is only available if you have a Spouse at the date of retirement in accordance with the *PBA*.

Who can I contact if I have questions about my Pension Plan?

You can contact Vestcor’s Member Services team by phone at 1-800-561-4012 or 453-2296 (Fredericton); or by email at info@vestcor.org.

