

NOTICE TO MEMBERS

Shared Risk Plan for Certain Bargaining Employees of NB Hospitals

You are receiving this communication in the language of choice that the pension plan administrator has on file for you (English). If you wish to receive this and future communication in the other official language, please contact the Pensions and Employee Benefits Division at 453-2296 (Fredericton region) or at 1-800-561-4012 (toll-free).

Cette communication vous est transmise dans la langue de choix (anglais) comme indiqué dans les dossiers de l'administrateur du régime de retraite. Si vous désirez recevoir cette communication et les communications futures dans l'autre langue officielle, veuillez contacter la Division des pensions et avantages sociaux des employés au 453-2296 (région de Fredericton) ou au 1-800-561-4012 (sans frais).

The following provides important information with respect to the Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals (the "CBE Shared Risk Plan").

CBE Shared Risk Plan Employee Booklet

An updated version of the employee booklet outlining current provisions of the CBE Shared Risk Plan is now available on the **Pensions and Employee Benefits Division website at the following address:** www.qnb.ca/cbe.

It is important that you read and understand the information contained in the CBE Shared Risk Plan Employee Booklet referenced above; however, a *CBE Shared Risk Plan - Summary of Important Provisions* document is enclosed for your information.

Information Sessions for Plan Members

Information sessions for members participating in the CBE Shared Risk Plan will be provided at various locations across the province in the fall of 2013. These sessions will be provided by staff of the pension plan administrator and will provide important information on the provisions of your pension plan. More information on these sessions will be provided to members at a later date as it becomes available.

Employee Statement of Benefits

Please note that the 2012 Employee Statement of Benefits that would have normally been distributed to members in the spring of 2013 will only be available this fall as the pension plan administrator continues the implementation process for the shared risk pension model.

Also, please be informed that your 2012 Employee Statement of Benefits will be provided to you based on the language preference that the pension plan administrator has on file for you (English). **If you wish to receive your statement in the other official language, please contact the Pensions and Employee Benefits Division.**

Reciprocal Transfer Agreement with the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick (the "Part-Time and Seasonal Plan")

The plan administrator continues to work on preparing estimates for each active CBE Shared Risk Plan member (full-time and part-time) that will outline the amount of service that can be credited in the CBE Shared Risk Plan with the assets that are available in each members' Part-Time and Seasonal Plan account. It is expected that these estimates will be provided to members within the next couple of months.

Retiree Newsletter

Enclosed you will find a copy of a newsletter recently sent to retirees of the CBE Shared Risk Plan. For those members who will be retiring in the near future, the information provided in this newsletter may be of particular interest to you.

Questions

If you have any questions, please contact a Benefits Counselor with the Pensions and Employee Benefits Division at 453-2296 (Fredericton region) or at 1-800-561-4012 (toll-free).

Enclosure

CBE Shared Risk Plan - Summary of Important Provisions

CONTRIBUTION RATE	VESTING
Effective July 1, 2012: <ul style="list-style-type: none"> • Employee Contribution Rate: 7.8% • Employer Contribution Rate: 7.8% 	Completion of the earlier of: <ul style="list-style-type: none"> • Five years of continuous employment; or • Two years of membership in the CBE Shared Risk Plan, including membership in any <i>Predecessor Plan</i>.
CALCULATION OF LIFETIME BENEFIT	
Annual basic lifetime pension is the sum of the following:	
For <u>each</u> year (or part year) of pensionable service on or after July 1, 2012:	1.4% X <i>Annualized Pensionable Earnings</i> accrued during the year up to the <i>YMPE</i> for the year X applicable reduction factor/late retirement factor PLUS 2% X <i>Annualized Pensionable Earnings</i> accrued during the year in excess of the <i>YMPE</i> for the year X applicable reduction factor/late retirement factor MULTIPLIED BY # of hours worked (and contributed) / 1,950 hours
For <u>all</u> pensionable service between January 1, 1990 and June 30, 2012:	Pensionable service X 1.3% X Best 5 year average salary up to June 30, 2012 up to the average <i>YMPE</i> X applicable reduction factor/late retirement factor PLUS Pensionable service X 2% X Best 5 year average salary up to June 30, 2012 in excess of the average <i>YMPE</i> X applicable reduction factor/late retirement factor
For <u>all</u> pensionable service prior to January 1, 1990:	Pensionable service X 2% X Best 5 year average salary up to June 30, 2012 X applicable reduction factor/late retirement factor
For <u>all</u> pensionable service:	Any cost of living increases granted in accordance with the <i>Funding Policy</i>

CBE Shared Risk Plan - Summary of Important Provisions (continued)

CALCULATION OF BRIDGE BENEFIT	
<ul style="list-style-type: none"> • \$27 per month X number of years of pensionable service up to July 1, 2012 X applicable reduction factor <p>PLUS</p> <ul style="list-style-type: none"> • \$27 per month X number of years member is contributor to CBE Shared Risk Plan on and after July 1, 2012 X applicable reduction factor <p>Bridge Benefit is subject to any cost of living increase granted in accordance with the <i>Funding Policy</i>.</p>	
REDUCTION FACTOR	
For only the portion of benefit earned prior to July 1, 2012:	Annual lifetime pension and bridge benefit is permanently reduced by 3% per year (3/12% for each month) that pension becomes effective prior to age 60
For only the portion of benefit earned on or after July 1, 2012:	Annual lifetime pension and bridge benefit is permanently reduced by 5% per year (5/12% for each month) that pension becomes effective prior to age 65
LATE RETIREMENT FACTOR	
<ul style="list-style-type: none"> • Annual lifetime pension and bridge benefit is permanently <u>increased</u> by 0.6% for each month (7.2% per year) that pension becomes effective after age 65 (up to age 71). 	
OPTIONAL FORMS OF PENSION	
<ul style="list-style-type: none"> • Life Pension with 5 Year Guarantee Period (Normal Form of Pension) • Life Pension with 10 Year Guarantee Period • Joint Life and Last Survivor Pension – 60% (Automatic Form of Pension) • Joint Life and Last Survivor Pension – 75% or 100% 	
PURCHASE OF PENSIONABLE SERVICE	
<p>The following types of prior periods of service (after April 1, 1971) may be eligible for purchase:</p> <ul style="list-style-type: none"> • Previously refunded service (contributions plus interest) from CBE Plan/CBE Shared Risk Plan or from another NB Government Pension Plan covered by the Intra-Reciprocal Transfer Agreement; • Previously refunded service (commuted value or <i>Adjusted Termination Value</i>) from CBE Plan/CBE Shared Risk Plan or from another NB Government Pension Plan covered by the Intra-Reciprocal Transfer Agreement; • Lay-off period (provided refund was not elected after the lay-off commenced); • Leave of absence without pay (maternity leave and other leaves); or • Waiting period – for prior non-contributory full time service. 	

Please note that definitions for the terms referenced in *italics* within this document can be found in the Employee Booklet at the following website: www.qnb.ca/cbe.