

Information About The

« Pension Plan

for Full-Time CUPE 2745

Employees of New Brunswick

School Districts »

**Prepared by the Compensation
and Employee Benefits Division
Office of Human Resources**

**Edition 3
January 2008**



**Information about the «Pension Plan for Full-Time CUPE
2745 Employees of New Brunswick School Districts»**

Published by:

Compensation and
Employee Benefits Division
Office of Human Resources
Province of New Brunswick
P. O. Box 6000
Fredericton, N. B.
E3B 5H1
Canada

www.gnb.ca/0163/pension

**Edition 3
January 2008**

**Cover:
CUPE Local 2745**

**Printing and Binding:
Taylor Printing Group Inc.**

ISBN 978-1-55396-544-2

Printed in New Brunswick



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INTRODUCTION

Who should read this booklet?

This booklet will be helpful to anyone:

- who is an active member of this Pension Plan¹, and
 - who needs to gain an understanding of the plan provisions in order to plan for their financial security during retirement.
-

What governs the provisions of this Plan?

Your pension plan provisions are part of the collective bargaining process. The Plan is administered in accordance with the Federal *Income Tax Act* and Regulations.

Note: Plan provisions need not be consistent with the *N.B. Pension Benefits Act*, as the Plan is 'exempt' from that Act.

BEING A PENSION PLAN MEMBER

What determines my participation in the Plan?

Participation is compulsory if you meet all of the following criteria:

- you are a full-time employee as defined by your collective agreement,
- you are an employee of a New Brunswick School District, who is not eligible for membership in another pension plan to which your Employer contributes,
- you are under age 60, and
- you are a member of the Canadian Union of Public Employees (CUPE) Local 2745, with the following **exceptions to becoming a member on employment:**

Age of new employee	On Probation	Not on Probation
Under 18 years	Cannot be a member.	Cannot become a member until the first day of the month of his/her 18 th birthday.
Age 18 years up to and including age 60	Cannot be a member.	Must become a member.
Age over 60 years	Cannot be a member.	Cannot become a member.

Continued on next page

¹ This booklet reflects pension plan provisions in effect as of January 1, 2008. Employees who terminated prior to this date are subject to the provisions in effect at the time of their termination of employment.

BEING A PENSION PLAN MEMBER

When can I join the Pension Plan?

You can join the Pension Plan on either the first day of the month when you qualify as described above, or the first day of the following month.

In order to join the Plan, you must complete the prescribed enrollment form which:

- ⇒ establishes the date that your pensionable service commences,
- ⇒ authorizes deductions for pension contribution.

You can obtain the membership form from your Human Resources.

How much does it cost to participate in the Plan?

You and your employer contribute jointly to build the financial base for the pension benefits. Every pay period your pay cheque stub information shows the deduction for your contribution to the Plan. The contribution is based on your earnings in the Plan Year (January – December), which are defined as:

- before deductions, and
- excluding overtime premiums or other salary fluctuations.

Your contribution is calculated as follows:

Portion of Earnings	Contribution Rate	Example of \$25,000 Earnings
On earnings up to the <u>Yearly Maximum Pensionable Earnings</u> (YMPE)	5%	Earnings up to YMPE: \$25,000 Rate: $X .05$ Contribution \$1,250
On all earnings above YMPE	6.5%	In this example there are no earnings above the YMPE. Total contribution as above.

Note: Canada Pension Plan, administered by Human Resources and Social Development Canada, establishes the YMPE. For 2008 it is \$44,900. It is increased each year by way of a formula tied to increases in the Average Industrial Wage for Canada.

Continued on next page

BEING A PENSION PLAN MEMBER

How much does my employer contribute to the Plan?

Your employer is required to contribute:

- the amount calculated by an Actuary as being enough to ensure that the benefits promised can be paid,
 - currently, 148.2% of the employee contributions.
-

What happens to the funds contributed?

Contributions from both employees and employers are deposited in a pension trust fund. They are invested by investment professionals to add additional revenue to the pension trust fund.

RETIREMENT UNDER THE PLAN

When can I retire?

Provided you have a minimum of 5 years continuous employment, you are eligible for a retirement pension under the following conditions:

Retirement Age	Pension Provision
From age 55 to 60	May retire. Any pension taken before age 60 would be actuarially reduced (i.e., 3%/year per Appendix A).
From age 60 to 65	May retire and receive full pension (unreduced pension).
At age 65	Normal retirement age.
At age 69	Maximum age by which you must exercise a pension option if you have not already opted to receive a benefit.

Note: Upon becoming eligible, your retirement benefit begins on the first day of the month coincident with or next following your date of retirement and your pension cheque is payable on the first day of every month. On becoming a retiree, you are encouraged to use Direct Deposit Service to ensure there are no interruptions in receiving your pension income in the event of postal delays.

RETIREMENT UNDER THE PLAN

What type of pension will I receive?

You may elect any of the types of pension listed below. It is recommended that you indicate your retirement date to your employer at least six months in advance to start the retirement process and avoid delay in receiving your first pension payment. As part of the process, your retirement options will be calculated and forwarded to you. You must elect the normal pension **or** one of the optional forms of pension. Payment will not commence until your signed election is received. Once payments have commenced to be paid you cannot change the option chosen, as the pension amount reflects the option selected.

Normal Pension	Description
Life Pension - 5 Years Guaranteed Payments	<ul style="list-style-type: none"> • You receive pension benefits from retirement to the end of your life. • If you die before receiving 60 monthly payments, the actuarial equivalent of the unpaid balance is paid in a lump sum to your designated beneficiary or estate. • This is the ‘normal’ type of pension.
Optional Forms of Pension	Description
Life Pension With No Guarantee Period	<ul style="list-style-type: none"> • You receive pension benefits from retirement to the end of your life. • There will be no benefits payable following your death.
Life Pension - 10 Years Guaranteed Payments	<ul style="list-style-type: none"> • You receive pension benefits from retirement to the end of your life. • If you die before receiving 120 monthly payments, the actuarial equivalent of the unpaid balance is paid in a lump sum to your designated beneficiary or estate.

RETIREMENT UNDER THE PLAN

What type of pension will I receive? (continued)

Optional Forms of Pension	Description
Joint Life and Last Survivor Pension	<ul style="list-style-type: none"> • You receive pension benefits from retirement to the end of your life. • After your death, if your eligible spouse (defined below) is still living, he/she will receive a percentage of the pension for the remainder of their life. • You select the percentage (50%, 66.66% or 100%) at the time of retirement. • The adjustment to your pension to provide such a percentage takes into account your spouse’s age. (See Appendix A for a spouse of same age.) • To be eligible for a Joint Life and Last Survivor Pension, your spouse must be eligible under the definition of spouse at the time of retirement as well as at the time of your death.

Recommendation:

Before you make your choice of pension options outlined above, it is recommended that you make a thorough review of the ongoing needs and financial obligations of your immediate family household. This will help you select the most appropriate option for your situation.

The definition of “Spouse” includes:

Persons of the opposite sex, or of the same sex whom:

- are legally married to each other, **or**
- are not married but have cohabited:
 - ⇒ continuously for at least 3 years in a conjugal relationship, or
 - ⇒ within the preceding year in a relationship and where they are the natural parents of a child.

Note: This definition of spouse as it relates to same sex spouses does not apply to the marriage breakdown provisions, see page 15.

RETIREMENT UNDER THE PLAN

How much will my pension benefits be?

Five factors determine the amount of your pension benefits as outlined below:

Pension Factors	Definition	Reference
1. Your highest 5 consecutive years average salary	<ul style="list-style-type: none"> • The period of 5 consecutive years when: <ul style="list-style-type: none"> ⇒ you contributed to the Plan, <u>and</u> ⇒ your annual average earnings are highest. • In most cases this is your last 5 years before retirement. • Salary used is your basic rate of pay on which contributions were based. 	
2. Your pensionable service	<p>Service counted towards your pension includes:</p> <ul style="list-style-type: none"> • Current service: continuous employment since March 1, 1974 during which the member contributed to the Pension Plan. • Transferred service: service earned in another jurisdiction or organization and transferred under a reciprocal transfer agreement (e.g., between Nova Scotia and New Brunswick). • Purchased service: a period of eligible service for which you have elected to pay required contributions. 	See “Can I purchase service...?” on page 13.
3. Adjustment based on age at which your pension benefits begin	<ul style="list-style-type: none"> • If your pension benefits begin at age 60 or later, there is no adjustment in pension benefits. • If your pension benefits begin before age 60, reduce them by 3% for each year before age 60 that you will be receiving a pension (earliest is at age 55). 	See Appendix A, Step 1, for adjustment multipliers on page 19.

Continued on next page

RETIREMENT UNDER THE PLAN

How much will my pension benefits be? (continued)

Pension Factors	Definition	Reference
3. Adjustment based on age at which your pension benefits begin (continued)	<p>Examples:</p> <p>⇒ Retirement at age 55, is 5 years early. Reduce pension by 15% (5 Yrs x 3% = 15%).</p> <p>⇒ Retirement at age 57 years, 4 months is 32 months early. The adjustment factor is prorated at 3/12 of 1% for each month before age 60. This reduces pension by 8% (32 months x 3/12 x 1% = 8%).</p> <p>Once a reduction factor is applied it remains in effect for as long as the benefits are paid.</p>	
4. Adjustment based on type of pension you select	<ul style="list-style-type: none"> • The normal type, “Life Pension – 5 Years Guaranteed Payments” requires no ‘adjustment’ to your pension benefits amount. • The remaining three options of pension do require a percentage adjustment. 	See Appendix A, Step 2, for adjustment percentages on page 19.
5. Pension Benefits Rates in the calculation formula	<p>Pension on salaries at or below the yearly YMPE² is calculated in three parts, as follows:</p> <p>a) Highest 5 consecutive years average earnings x 2.0% x Pensionable Service prior to January 1, 1997.</p> <p style="text-align: center;">PLUS</p> <p>b) Highest 5 consecutive years average earnings x 1.45% x Pensionable Service after December 31, 1996 but prior to September 1, 1997.</p> <p style="text-align: center;">PLUS</p>	See Pension Benefits Calculation Worksheet on page 18.

Continued on next page

² Pension calculations on salaries above the YMPE require additional calculation steps. Contact the Compensation and Employee Benefits Division.

RETIREMENT UNDER THE PLAN

How much will my pension benefits be? (continued)

Pension Factors	Definition	Reference
5. Pension Benefits Rates in the calculation formula (continued)	<p>c) Highest 5 consecutive years average earnings x 1.3% x Pensionable Service after August 31, 1997.</p> <p>d) The total above is then multiplied by any adjustments for age and/or pension type, that apply to you, as described above.</p>	See Appendix A for adjustment for age/pension type on page 19.

You can now calculate your retirement estimates on the Compensation and Employee Benefits Division’s web site. Select your Pension Plan, then enter the years of pensionable service, your birth date and enter your current salary (or estimated 5 year average) information and the retirement benefit is calculated immediately. The address of this web site is: www.gnb.ca/0163/pension/1/calculator-e.asp.

Will my pension keep its purchasing power in future years?

After you retire, your pension benefits are reviewed every January 1st for a possible cost-of-living increase, in accordance with the Consumer Price Index (CPI).

- Changes in the CPI are averaged over the 12 months previous to the last June 30th, to arrive at a yearly measure of inflation.
- Your pension is then adjusted, using this measure as follows:
 - ⇒ If the average CPI increase is 1% or more, your pension is increased by that same percentage, up to a maximum of 2%.
 - ⇒ If the average CPI increase is less than 1%, your pension is not increased that year. Instead, that CPI increase is carried forward and added in subsequent years when the yearly CPI increase is between 1% and 2%, bringing it up to a maximum 2% for pension adjustment.

Note: The same inflation protection is applied to deferred pensions, during the deferral period.

LEAVING THE PLAN BEFORE RETIREMENT

What happens if I change to part-time work?

If you transfer to part-time work you are no longer eligible to be a contributor to this Pension Plan. You may be eligible to participate in the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick. You should contact your Human Resources Services for more information.

What happens if I terminate employment before retirement?

You are eligible for the following treatment of your contributions on leaving your employment before retirement:

If you are a member with....	then....
<ul style="list-style-type: none"> • less than 5 years continuous employment 	<ul style="list-style-type: none"> • you are entitled to receive a refund of your contributions to the Plan, with accumulated interest.
<ul style="list-style-type: none"> • 5 years or more continuous employment and less than 55 years of age 	<p>you are eligible for a deferred pension and may elect one of the following options:</p> <ul style="list-style-type: none"> • monthly pension benefits between age 55 to 60 → reduced benefits at age 60 + → unreduced benefits <p>or</p> <ul style="list-style-type: none"> • a transfer of the commuted value³ of your deferred pension in accordance with the requirements of the <i>Pension Benefits Act</i> to: <ol style="list-style-type: none"> another registered pension plan with the consent of the plan administrator of the plan receiving the money, <u>or</u> any registered retirement savings arrangement with the “locking in” provisions. <p><u>Note:</u> If your contributions with interest represent more than 50% of the mentioned commuted value, the excess amount will be refunded to you.</p>

Continued on next page

³ Commuted Value is the amount of money that must be put aside today to grow with investment earnings to provide the pension at a future date, using the computation adopted by the Canadian Institute of Actuaries.

LEAVING THE PLAN BEFORE RETIREMENT

What happens if I terminate employment before retirement?
(continued)

If you are a member with...	then....
<ul style="list-style-type: none"> • 5 years or more continuous employment and less than 55 years of age (continued) 	<p>The <i>Income Tax Act</i> restricts the amount that can be transferred tax-free from a pension plan to a RRSP. Therefore, anything that is transferred above this prescribed amount may be subject to a tax deduction.</p> <p>The Pension Plan Administrator will provide you with further information along with options for handling this excess amount before processing an application for a commuted value transfer.</p> <p><u>Important:</u> If you transfer the commuted value of your deferred pension, your future retirement income will be based on the market performance of the investments you choose therefore you must be prepared to assume the investment risk.</p> <p>or</p> <ul style="list-style-type: none"> • to purchase a deferred annuity from an insurance company administered in accordance with “locking in”⁴ and other requirements of the <i>Pension Benefits Act</i> (regular income payments beginning no earlier than age 55).
<ul style="list-style-type: none"> • 5 years or more continuous employment and 55 years of age or more 	<p>You are eligible for a deferred or an immediate pension and may elect one of the following options:</p> <ul style="list-style-type: none"> • monthly pension benefits between age 55 to 60 → reduced benefits at age 60 + → unreduced benefits <p><u>Note:</u> You must exercise a pension option by the age of 69.</p>

⁴ Locking in means that a vested member (i.e., member with five years or more of continuous employment) can transfer his/her pension to a retirement savings account. The provisions of a “locked-in” retirement account do not permit the member to withdraw any monies from this account before they have reached age 55 and the annual amount that can be withdrawn after age 55 is also restricted (therefore, the pension is “locked-in”).

BENEFITS ON THE DEATH OF A PLAN MEMBER

What if I die before receiving any pension benefits?

If you die before the date your pension benefits begin, the following forms of reimbursement or benefit apply:

If you die ...	then.....
• before reaching 5 years of continuous employment,	• your beneficiary (or estate, if applicable) receives a refund of your contributions to the fund, with interest.
• after completing 5 or more years of continuous employment,	• your beneficiary (or estate, if applicable) will receive an amount equal to the commuted value of your deferred pension, <u>and</u> • if your contributions plus interest to the date of your death are greater than 50% of the above commuted value, then the excess will also be paid to your beneficiary (or estate, if applicable).

How will the payment be made to my beneficiary?

Your beneficiary will receive the above payment in cash (subject to income tax) unless the beneficiary is your spouse, who may direct the Plan Administrator to transfer the amount to:

- another registered pension plan, with the consent of the plan receiving the money, or
- a registered retirement savings arrangement allowed under the *Pension Benefits Act*.

What happens to my pension if I die after becoming a retiree?

If you die after the date your pension benefits begin, the death benefit will be as set out for the type of pension you elected. (See types of pension and their death benefits described in “What type of pension will I receive?” on pages 4 and 5.)

BENEFITS ON THE DEATH OF A PLAN MEMBER

What is the effect of having a beneficiary?

If you designate a beneficiary:

- they will receive any benefit payable under the terms of the Plan, upon your death,
- **except if** your beneficiary is a person other than your spouse (See “Spouse” defined on page 5), **and if** you have elected a ‘Joint Life and Last Survivor Pension’, then your surviving spouse’s entitlement to a pension will supercede the entitlement of your designated beneficiary to a death benefit.

Note: The pension plan provisions for designating a beneficiary is subject to any applicable laws or regulations in effect.

What happens if I do not have a beneficiary?

If, on the date of your death, (and you were receiving a pension)

- you have no one designated as your pension beneficiary, or
- your designated beneficiary has died before you,

then, the remaining value of your benefit will be based on the pension type you elected at retirement (any death benefits will be payable to your estate in a lump sum equal to the **Actuarial Equivalent**⁵ of any benefit payable).

How can I designate someone as my beneficiary?

You can obtain the prescribed form for designating a beneficiary from the Human Resource Services in your School District. You may either return the form to your employer or mail it directly to the Compensation and Employee Benefits Division.

⁵ The Actuarial Equivalent of a given benefit is the amount of alternative benefit of the required form deemed by the Actuary to be equal in value to the given benefit on the basis of such actuarial assumptions and similar factors as may be adopted from time to time by the Pension Committee on the advice of the Actuary.

PENSION PLAN PROVISIONS IN OTHER CIRCUMSTANCES

Can I purchase service for periods of employment while I was not a contributor to the Plan?

You can purchase three types of service as follows:

- **refunded service** - periods after March 1, 1974 for which you previously received a refund under this Pension Plan, or under any other plan sponsored by the Province of New Brunswick (covered by the “Intra Provincial Reciprocal Agreement”).
- **authorized leave of absence without pay** – any periods of approved leave without pay for maternity, parental, deferred salary or illness:
 - ⇒ during which contributions were not made,
 - ⇒ for which you may apply to purchase after you return to active employment and resume contributing to the Plan, and
 - ⇒ subject to maximums allowed under the *Income Tax Act* for various types of leave.
- **probationary period** – any period of your continuous full-time employment after March 1, 1974, where a waiting period applied before contributing to the Plan.

How do I find out the cost of purchasing and arrange to buy service?

You can inquire about making a purchase of service by contacting your Human Resources Services for an application form. Once this is forwarded to the Pension Plan Administrator, you will receive a reply as follows:

If ...	then.....
<ul style="list-style-type: none"> • the period being applied for <i>is eligible</i> for purchase, 	<ul style="list-style-type: none"> • the cost to purchase will be indicated in an offer prepared by the Pension Plan Administrator along with financing options. • an ‘election’ form will be included for you to return if you decide to purchase. • Note: an ‘election to purchase pensionable service is a binding contract.
<ul style="list-style-type: none"> • the period applied for <i>is not eligible</i>, 	<ul style="list-style-type: none"> • the reasons why the period is not eligible will be explained in a letter prepared by the Pension Plan Administrator.

Continued on next page

PENSION PLAN PROVISIONS IN OTHER CIRCUMSTANCES

What methods of payment can I use to purchase service?

You can choose one or a combination of two basic methods to pay for your purchase of pensionable service, as follows:

- **lump sum payment:**
 - ⇒ personal cheque,
 - ⇒ money order,
 - ⇒ using all or part of a retirement allowance/severance benefit* (subject to restriction), or
 - ⇒ direct transfer of funds from a RRSP. (Could require Canada Revenue Agency approval).
- **payroll deductions** (in addition to regular contributions) taken for a set number of pay periods* (subject to restriction) to cover past service contributions, plus interest.

Note: Interest is charged on unpaid balance, beginning the first of the month following the election deadline date on the offer to purchase.

*Maximum time to pay for purchase of service:

- equal to length of period you are purchasing, (e.g., if you are buying a 2 year period, you have 2 years to pay for it; if you are using your Retirement Allowance/Severance Benefit, you must be retiring within this period), **or**
- your termination date, if this arrives sooner i.e., purchases **must** be paid up before your employment terminates. (For purchases planned at retirement it is suggested that arrangements be made 6 months in advance to avoid any delays in pension payments.)

Note: CRA approval is normally required **before** purchases of post-1989 pensionable service can be allowed. The Pension Plan Administrator will automatically request this approval once your 'election' form is received.

PENSION PLAN PROVISIONS IN OTHER CIRCUMSTANCES

Can I transfer my service between plans?

If you transfer:

- into this Plan from another approved employer pension plan in Canada, or
- out of this Plan into another approved employer pension plan in Canada, there may be a **reciprocal transfer agreement**⁶ to permit portability between pension plans.

To inquire about this possibility, please contact the Compensation and Employee Benefits Division.

Can my pension be divided if my marriage ends?

If there is a breakdown of your marriage or conjugal relationship, your pension may be divided between you and your spouse or former spouse:

- in accordance with the laws of New Brunswick and the Federal *Income Tax Act* and Regulations, and
- pursuant to a decree, order or judgment of a competent tribunal dated on or after January 1, 1997 in relation to the division on marriage breakdown of a benefit that a member may be eligible to under this Plan, or
- pursuant to a written agreement dated on or after January 1, 1997 in settlement of rights arising as a consequence of the breakdown of a marriage between a member and the member's spouse or former spouse.

Contact your Human Resource Services or the Compensation and Employee Benefits Division directly to apply for a calculation of benefit values related to a marriage breakdown.

Note: A **'Division of Pension Assets upon Marriage Breakdown'** brochure developed by the Compensation and Employee Benefits Division is available to you on request from your employer's Human Resource Services or from the Compensation and Employee Benefits Division.

⁶ Reciprocal transfer agreement: An agreement between two pension plans, under which service and contributions (both employer and employee portion) may be transferred to the member's credit for retirement purposes. The amount of service that will be credited to a member depends on the amount transferred from the fund. Reciprocal transfers are based on Actuarial Valuation methodology. If the transfer amount cannot cover the total cost of equal service, partial service is credited and the member can generally purchase the difference.

PLAN ADMINISTRATION

What is the «Pension Committee» and what does it do?

The Committee is established, as required under the pension plan provisions, to carry out specifically assigned functions in the operation of the Pension Plan, including interpreting the Plan when requested and resolving plan disputes. It is made up of the following members, one of them a chairperson selected by a majority vote of those members:

- 3 members appointed by the Canadian Union of Public Employees,
 - 2 members appointed by the Department of Education, and
 - 2 members appointed by the Office of Human Resources.
-

Who administers this Pension Plan?

The operations of the Pension Plan are administered as follows:

- The Compensation and Employee Benefits Division has overall responsibility for the administration of the Plan and it provides direction, working in cooperation with participating Employers, the Union, and with Morneau Sobeco, the consulting actuary who performs day-to-day administration under the Compensation and Employee Benefits Division's direction.
-

Where can I get more information on Plan interpretation relative to my pension?

If you are unclear on the interpretation of the Plan in arriving at your benefits, you can contact any of the following:

- ⇒ your Employer's Human Resource Services,
- ⇒ your Union, or
- ⇒ you can also consult the Compensation and Employee Benefits Division's website at the following address :

www.gnb.ca/0163/pension

Continued on next page

PLAN ADMINISTRATION

Where can I get more information?

There are five sources of information depending upon the nature of your inquiry, as follows:

Subject	Contact
Questions on pension plan provisions and their application to your situation	<ul style="list-style-type: none"> • The primary and most direct source of information is your School District's Human Resource Services.
Additional information regarding pension plan options (under this Plan)	<ul style="list-style-type: none"> • Compensation and Employee Benefits Division <ul style="list-style-type: none"> • <u>Physical address</u> Room 680, York Tower, Kings Place, 440 King Street Fredericton, N.B. E3B 5H8 • <u>Mailing address</u> P.O. Box 6000 Fredericton, N.B. E3B 5H1 • Telephone: (506) 453-2296 or 1-800-561-4012 (Toll free anywhere in Canada) • Fax: (506) 457-7388 • Website: <u>www.gnb.ca/0163/pension</u>
Information regarding daily administration	<ul style="list-style-type: none"> • Morneau Sobeco Suite 850, Carleton Place 520 King Street Fredericton, N.B. E3B 6G3 • Telephone: (506) 458-9081 • Fax: (506) 458-9548
Information regarding Canada Pension Plan and Old Age Security	<ul style="list-style-type: none"> • Human Resource and Social Development Canada: <ul style="list-style-type: none"> • 1-800-277-9914 (English) • 1-800-277-9915 (French)
Specific personal information relative to the Federal <i>Income Tax Act</i> and Regulations	<ul style="list-style-type: none"> • CRA (See: Government of Canada blue page listings for your area)

PENSION BENEFITS CALCULATION WORKSHEET

Fill in your personal data and perform the calculations indicated or visit our website @: www.gnb.ca/0163/pension to perform your calculations on-line.

For the example, adjustment factors were determined by assuming that a Normal Pension was taken and the pension benefits commenced at age 55 (Adjustment Factors: no reduction for Normal Pension and a 15% reduction for the 5 years prior to age 60, at 3% per year for 5 years).

	<u>YOUR DATA</u>	<u>EXAMPLE</u>
Highest 5 year consecutive average salary	\$ _____ (A)	\$ <u>25,000.00</u> (A)
Years of pensionable service before January 1, 1997 (at retirement)	_____ (B)	<u>18 years</u> (B)
Years of pensionable service after December 31, 1996 but before September 1, 1997	_____ (C)	<u>.67 years</u> (C)
Years of pensionable service after August 31, 1997 projected to retirement date	_____ (D)	<u>10 years</u> (D)
amount (A) x amount (B) x 2%	\$ _____ (E)	\$ <u>9,000.00</u> (E)
amount (A) x amount (C) x 1.45%	\$ _____ (F)	\$ <u>242.88</u> (F)
amount (A) x amount (D) x 1.3%	\$ _____ (G)	\$ <u>3,250.00</u> (G)
amount (E) + amount (F) + amount (G)	\$ _____ (H)	\$ <u>12,492.88</u> (H)
 Adjustment factors (see: Appendix A, Step 1 for (I) and Step 2 for (K))		
amount (H) _____ x _____ (I) age factor	\$ _____ (J)	\$ <u>10,618.95</u> (J)
amount (J) _____ x _____ (K) type of pension factor	\$ _____ (L)	\$ <u>10,618.95</u> (L)
 Total Annual Pension:		
amount (L)	\$ _____	\$ <u>10,618.95</u>

APPENDIX A

Adjustment Factor (AF)

STEP 1: DETERMINANT FOR AGE AT WHICH PENSION BENEFITS COMMENCE

Circle value for age at which you intend to receive your pension benefits. If retiring at an intermediate age (e.g., 57 years and 4 months old), the adjustment factor is prorated at 3/12 of 1% for each month of age below age 60 and age pension commences.

Age	55	56	57	58	59	60
[AF]	0.85	0.88	0.91	0.94	0.97	1.00

Transfer the age factor from above to (I) on the pension benefits calculation worksheet.

STEP 2: DETERMINANT FOR THE TYPE OF PENSION CHOSEN

The table below is offered for comparison purposes. The adjustment factors for the optional forms of pension are subject to change. The factors below are applied after first applying the age factor (above) in the pension calculation.

For estimate purposes, the figures below may be used to arrive at an estimate of the further adjustment made to the pension benefits, by choosing a certain type of pension. You may transfer your estimate of the adjustment factor (divide the percent value by 100) for the type of pension chosen by filling in the amount of (K) on the pension benefits calculation worksheet.

TYPES OF FACTORS / TYPE OF PENSION

Type of Pension	Age 65	Age 60	Age 55
Life Pension No payments after death	101.05%	100.51%	100.24%
Life Pension with 5 Year Guarantee (Normal)	100%	100%	100%
Life Pension with 10 Year Guarantee	96.99%	98.36%	99.18%

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APPENDIX A

TYPES OF FACTORS / TYPE OF PENSION, (continued)

Type of Pension	Age 65	Age 60	Age 55
Joint Life & Last Survivor 50%	92.51%	93.40%	94.44%
Joint Life & Last Survivor 66.66%	89.98%	91.25%	92.66%
Joint Life & Last Survivor 100%	85.31%	87.23%	89.28%

Note 1: For Joint Life and Last Survivor Pensions, above factors assume retiree and spouse are the same age.

Note 2: Factors above are subject to fluctuations.

No rights are conferred by this pamphlet. Authoritative wording regarding this Pension Plan is contained in the Plan document for the Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts.

NOTES