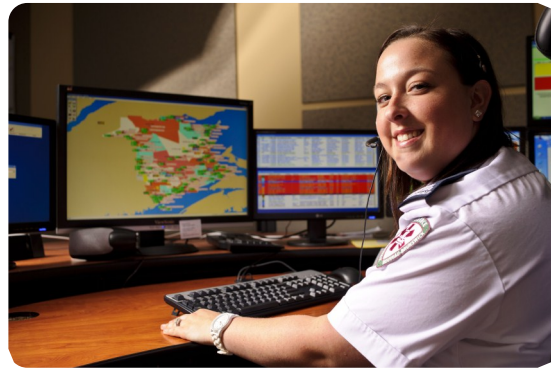


# PENSION NEWS



Spring 2015

## IN THIS ISSUE

- 1 Message from the Chairperson
- 1 Your Board of Trustees
- 1 Investment Performance
- 2 Funding Policy
- 3 Important Member Information
- 3 Contact Information
- 3 Did you know?

## MESSAGE FROM THE CHAIRPERSON

On behalf of the Shared Risk Plan for the Canadian Union of Public Employees (CUPE) of NB Hospitals (the "CUPE Hospitals SRP") Board of Trustees, I am pleased to present the third release of your pension plan newsletter. Since the last issue, the Board has been busy establishing governance processes and policies to aid in our work. We have also conducted an investment policy review and are taking action to have the remaining Trustee vacancy filled as soon as possible to contribute to this important work.

As always, your Board of Trustees is interested in receiving any feedback that you may have and encourage you to write to us at the address listed under contact information.

Sincerely,

Renée Laforest

Chairperson, CUPE Hospitals SRP Board of Trustees

## YOUR BOARD OF TRUSTEES

Province of NB

Renée Laforest  
(Chairperson)  
Luc J. Sirois  
Jean-Claude Pelletier  
Vacant

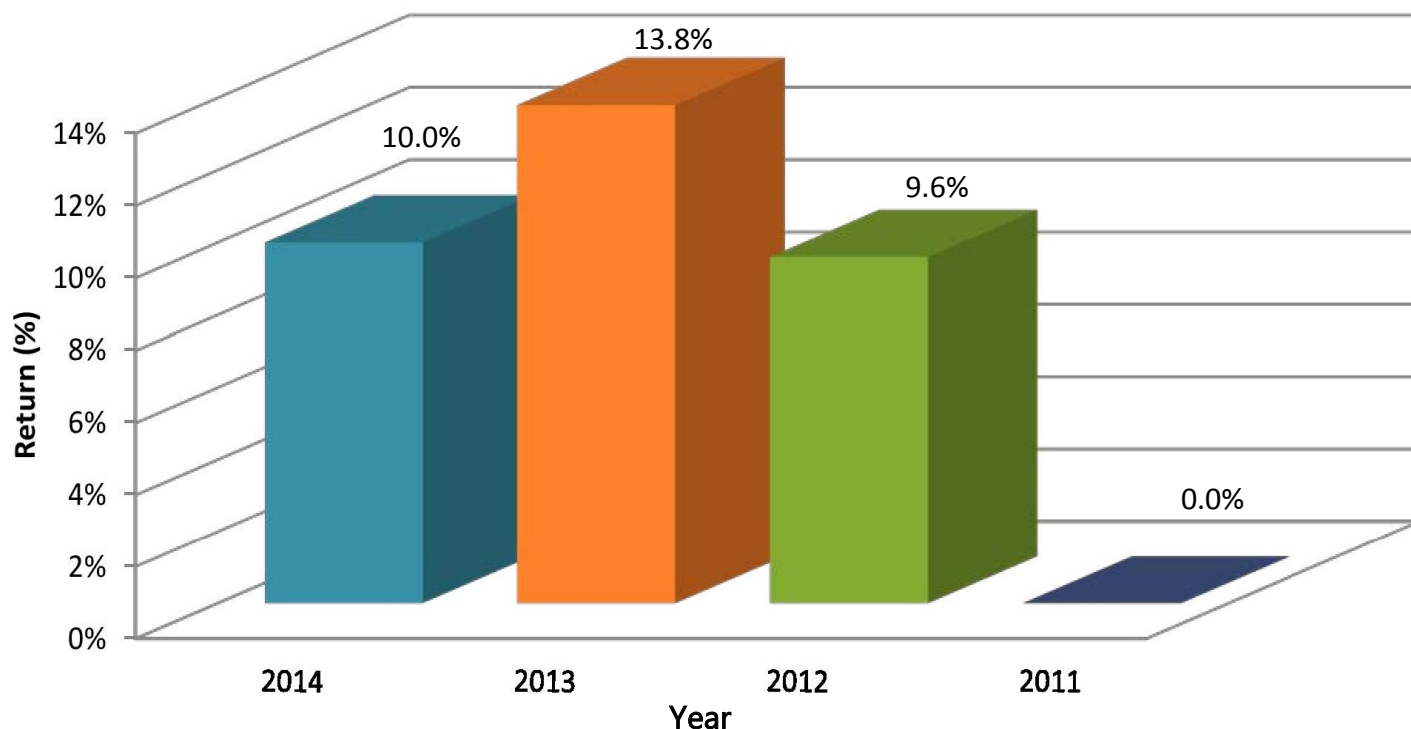


David Matthews  
(Vice-Chairperson)  
Brian Poirier  
Brenda Vienneau  
Bernard Brun

NBCHU/  
CUPE Local 1252

## INVESTMENT PERFORMANCE

(AS AT DECEMBER 31, 2014)



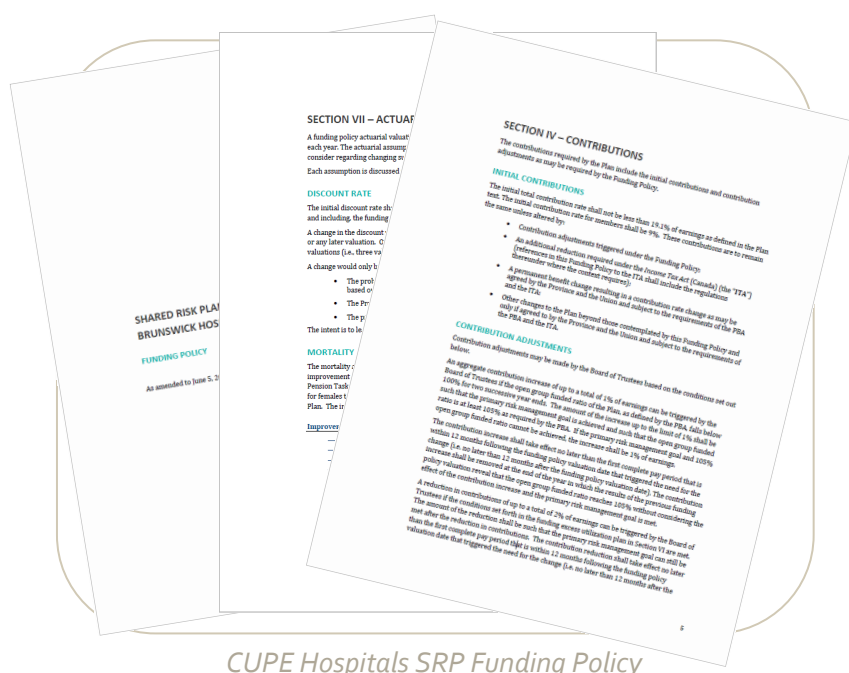
# CUPE HOSPITALS SRP FUNDING POLICY

## WHAT IS THE FUNDING POLICY?

The Funding Policy is an important governance tool that is used by the Board of Trustees in managing the ongoing risks associated with operating the pension plan.

The Funding Policy outlines:

- the actions that the Board of Trustees must take if the plan is less than 100% funded on an open group funded ratio basis for two consecutive years;
- the actions that the Board of Trustees must consider if the plan is more than 105% funded (surplus) on an open group funded ratio basis.



CUPE Hospitals SRP Funding Policy

## WHAT IS THE "OPEN GROUP FUNDED RATIO"?

The open group funded ratio is calculated each year by the actuary in accordance with the requirements of the *Pension Benefits Act*. This important computation is used extensively in conjunction with the Funding Policy to determine the actions to be taken by the Board of Trustees.

The CUPE Hospitals SRP open group funded ratio is calculated as follows:



## WHAT HAPPENS IF THE CUPE HOSPITALS SRP IS FUNDED LESS THAN 100%?

The CUPE Hospitals SRP has to be less than 100% funded for two consecutive years before any action is required under the Funding Policy. However, if this does occur, the Board of Trustees must take action to address this. The actions that would be taken are outlined in the Funding Deficit Recovery Plan section of the Funding Policy.

## WHAT HAPPENS IF THE CUPE HOSPITALS SRP HAS A SURPLUS?

The CUPE Hospitals SRP is deemed to be in a surplus position when the open group funded ratio exceeds 105%. When this occurs, the CUPE Hospitals SRP Board of Trustees is able to use 1/6th of the surplus that exists between 105% and 140% funded and 100% of any surplus that exists above 140% funded. The open group funded ratio was 119.2% at December 31, 2013.

In using the surplus, the first step is to reverse any actions that have been taken under the Funding Deficit Recovery Plan. The second step is to provide an annual cost of living adjustment of up to the full increase in the Consumer Price Index (CPI). The Funding Excess Utilization Plan section of the Funding Policy outlines these and other steps that the Board of Trustees may take when surplus funds are available.

## WHERE CAN I FIND THE CUPE HOSPITALS SRP FUNDING POLICY?

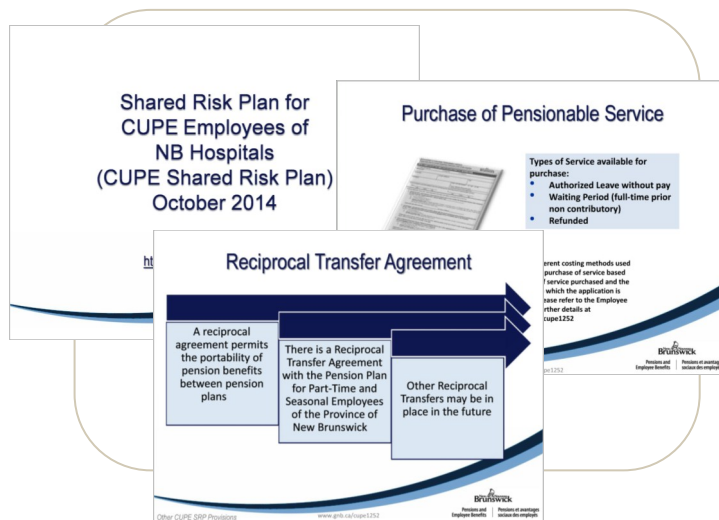
The Funding Policy can be found at the following internet address under Governing Documents: [www.gnb.ca/cupe1252](http://www.gnb.ca/cupe1252).

## IMPORTANT MEMBER INFORMATION

### CUPE HOSPITALS SRP WEBSITE

The CUPE Hospitals SRP website is a valuable source of information for plan members. The website includes forms, booklets, newsletters, a pension estimate calculator, an employee presentation as well as a "Planning for retirement" presentation that covers important provisions within your pension plan. The website can be found at the following address:

[www.gnb.ca/cupe1252](http://www.gnb.ca/cupe1252).



*NEW! Audio/Visual Presentation*

### PURCHASING PRIOR SERVICE

Members may be able to purchase prior periods of service under the CUPE Hospitals SRP. The cost to purchase prior periods of service will vary depending on the type of service purchased and the timeframe in which it is purchased. A list of the various types of service that may be purchased can be found in the CUPE Hospitals SRP Booklet.

Canada Revenue Agency approval is normally required before purchases of post-1989 pensionable service can be allowed. The Pensions and Employee Benefits Division will automatically request this approval once your "election" form is received. The application form can be found at the following link [www.gnb.ca/cupe1252](http://www.gnb.ca/cupe1252).

## CONTACT INFORMATION

CUPE Hospitals SRP Board of Trustees  
c/o Pensions and Employee Benefits  
PO Box 6000  
Fredericton, NB E3B 5H1

For questions, please contact Pensions and Employee Benefits Division toll free at 1-800-561-4012 or 453-2296 (Fredericton).

## DID YOU KNOW?

If you are a retiree, you can receive future communiqués from the Board of Trustees via email. Simply call the Pensions and Employee Benefits Division toll free at 1-800-561-4012 or 453-2296 (Fredericton) and provide them with your email address.

Your pension is deposited on the 1<sup>st</sup> of each month, unless, the 1<sup>st</sup> falls on a weekend or holiday. Here are the deposit dates for 2015:

<b>January 1st</b>	<b>April 1st</b>	<b>June 30th</b> (For July)	<b>October 1st</b>
<b>January 30th</b> (For February)	<b>May 1st</b>	<b>July 31st</b> (For August)	<b>October 30th</b> (For November)
<b>February 27th</b> (For March)	<b>June 1st</b>	<b>September 1st</b>	<b>December 1st</b>



**DISCLAIMER:** This newsletter is a publication by the CUPE Hospitals SRP Board of Trustees. This publication is intended to provide information about the Shared Risk Plan for Canadian Union of Public Employees (CUPE) of NB Hospitals. If there is a discrepancy between the information contained herein and the pension plan text or other appropriate governing documents, the latter will prevail.