

# INFORMATION ABOUT THE

## *«Pension Plan for General Labour, Trades & Services Employees of New Brunswick School Districts»*

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**Information about the «Pension Plan for  
General Labour, Trades & Services  
Employees of New Brunswick School Districts»**

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## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
Who should read this booklet? .....	1
What governs the provisions of this Plan?.....	1
<b>BEING A PENSION PLAN MEMBER.....</b>	<b>1</b>
What determines my participation in the Plan? .....	1
When can I join the Pension Plan? .....	2
How much does it cost to participate in the Plan? .....	2
How much does my employer contribute to the Plan? .....	2
What happens to the funds contributed?.....	3
<b>RETIREMENT UNDER THE PLAN.....</b>	<b>3</b>
When can I retire? .....	3
What type of pension will I receive? .....	3
How much will my pension be? .....	5
Will my pension keep its purchasing power in future years? .....	9
<b>LEAVING THE PLAN BEFORE RETIREMENT .....</b>	<b>10</b>
What happens if I change to part-time work?.....	10
What happens if I terminate employment before retirement age? .....	10
<b>BENEFITS ON THE DEATH OF A PLAN MEMBER.....</b>	<b>12</b>
What if I die before receiving my pension?.....	12
How will the payment be made to my beneficiary?.....	12
What happens to my pension benefit when I die after becoming a pensioner?.....	12
What is the effect of having a beneficiary? .....	13
What happens if I do not have a beneficiary?.....	13
How do I designate someone as my beneficiary? .....	13
<b>PENSION PLAN PROVISIONS IN OTHER CIRCUMSTANCES .....</b>	<b>14</b>
Can I purchase service for periods of employment when I was not a contributor to the Plan? .....	14
How do I find out the cost of purchasing and arrange to buy service? .....	14
What methods of payment can I use to purchase service?.....	15
Can I transfer my service between plans? .....	16
Can my pension benefit be divided if my marriage ends? .....	17
<b>PLAN ADMINISTRATION.....</b>	<b>17</b>
What is the «Pension Committee» and what does it do? .....	17
Where could I appeal an interpretation of my pension benefits if I disagree? .....	18
Who administers this Pension Plan?.....	18
Where do I go for more information?.....	19
<b>PENSION BENEFIT CALCULATION WORKSHEET .....</b>	<b>20</b>
<b>APPENDIX A .....</b>	<b>21</b>

## Introduction

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### Who should read this booklet?

This booklet will be helpful to anyone:

- who is an active member of this Pension Plan since or joined after January 1, 2007<sup>1</sup>, 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 provisions relating to pension legislation are as follows:

- the Plan is administered in accordance with the Federal *Income Tax Act* and Regulations, and
  - plan provisions need not be consistent with the *N.B. Pension Benefits Act*, as the Plan is 'exempt' from that Act.
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## Being a Pension Plan Member

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### 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 General Labour, Trades and Services bargaining unit of the Canadian Union of Public Employees (CUPE local 1253), with the following **exceptions to becoming a member on employment:**

<b>Age of new employee</b>	<b>On Probation</b>	<b>Not on Probation</b>
Under 18 years	Cannot be a member.	Cannot become a member until the first day of the month of his/her 18 <sup>th</sup> 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.

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*Continued on next page*

<sup>1</sup> This booklet reflects pension plan provisions in effect as of January 1, 2007. 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

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### When can I join the Pension Plan?

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

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### How much does it cost to participate in the Plan?

You and your employer contribute jointly to build the financial base for the pension benefit. 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)	5.5%	Earnings up to YMPE: \$25,000 Rate: <u>X .055</u> Contribution \$ 1,375
On all earnings above YMPE	7.0%	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 2007 it is \$43,700. It is increased each year by way of a formula subject to increases in the Average Industrial Wage for Canada.

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### How much does my employer contribute to the Plan?

Your employer is required to contribute:

- the amount calculated by the Actuary as being enough to ensure that the benefits promised can be paid,
  - not less than 95% of the employee contributions.
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## Being a Pension Plan Member

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### 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.

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## Retirement Under the Plan

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### 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
Between age 55 and 60	May retire. Any pension taken before age 60 would be actuarially reduced (i.e., by 3%/year per Appendix A).
Between age 60 and 65	May retire and receive full pension (unreduced)
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 is payable on the first day of the month after you terminate employment and your pension cheque is payable on the first day of every month. On becoming a pensioner, you are encouraged to use Direct Deposit service to ensure there are no interruptions (i.e. in the event of a postal strike) in receiving your pension income.

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### What type of pension will I receive?

You can elect any of the types of pension benefit listed on the following page. You should indicate your retirement date to your employer at least four 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 basic 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.

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## Retirement Under the Plan

### What type of pension will I receive? Continued

Basic Pension	Description
<b>Life Pension - 5 Years Guaranteed Payments</b>	<ul style="list-style-type: none"> <li>• You receive a pension from retirement to the end of your life</li> <li>• If you die before receiving 60 monthly payments, the actuarial equivalent of the unpaid balance is paid in a lump sum to the designated beneficiary or estate.</li> <li>• This is the ‘<b>basic</b>’ type of pension.</li> </ul>
Optional Pension	Description
<b>Life Pension With No Payments After Death</b>	<ul style="list-style-type: none"> <li>• You receive a pension from retirement to the end of your life.</li> <li>• There will be no pension benefits payable following your death.</li> </ul>
<b>Life Pension With 10 Years Guaranteed Payments</b>	<ul style="list-style-type: none"> <li>• You receive a pension from retirement to the end of your life.</li> <li>• If you die before receiving 120 monthly payments, payments are continued to your beneficiary until 120 monthly payments have been paid. If no designated beneficiary, the actuarial equivalent of the unpaid balance is paid in a lump sum to your estate.</li> </ul>
<b>Joint Life and Last Survivor Pension</b>	<ul style="list-style-type: none"> <li>• You receive a pension from retirement to the end of your life.</li> <li>• After your death, if your eligible spouse (defined on following page) is still living, he/she will receive a percentage of the pension for the remainder of their life.</li> <li>• You select the percentage (50%, 66.66% or 100%) at the time of retirement.</li> <li>• The adjustment to your pension to provide such a percentage takes into account your spouse’s age when selecting the percentage. (See Appendix A: for a spouse of same age.)</li> <li>• 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.</li> </ul>

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## Retirement Under the Plan

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### What type of pension will I receive? continued

#### **Recommendation:**

Before you make your choice of pension benefit 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.

**Definition of “Spouse”:** For the purposes of survivor benefits above “spouse” includes:

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

- are legally married to each other, or
- have gone through another form of marriage in good faith that is void or voidable and have cohabited within the preceding year, or
- are not married but have cohabited:
  - ▶ continuously for at least 3 years in a conjugal relationship where one person has been substantially dependent on the other for support, 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 17.

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### How much will my pension be?

Six factors determine the amount of your pension as outlined below:

Pension Factors	Definition	Reference
1. Your highest 5 consecutive years average salary	<ul style="list-style-type: none"><li>• The period of 5 consecutive years when:<ul style="list-style-type: none"><li>▶ you contributed to the Plan, <u>and</u></li><li>▶ your annual earnings are highest.</li></ul></li><li>• In most cases this is your last 5 years before retirement.</li><li>• Salary used is your basic rate of pay on which pension contributions were based.</li></ul>	

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## Retirement Under the Plan

How much will my pension be? continued

Pension Factors	Definition	Reference
0. Your pensionable service	<p>Service counted towards your pension includes:</p> <ul style="list-style-type: none"> <li>• <b>Current service:</b> continuous employment since March 1, 1974 during which the member contributed to the Pension Plan.</li> <li>• <b>Transferred service:</b> service earned in another jurisdiction or organization and transferred under a reciprocal transfer agreement (e.g., between Nova Scotia and New Brunswick).</li> <li>• <b>Past service credit:</b> credit given to the member who was actively employed by an employer<sup>2</sup> on May 5, 1994, for the lesser of : <ul style="list-style-type: none"> <li>▶ the period of continuous employment prior to March 1, 1974,</li> <li><u>or</u></li> <li>▶ 5 years, which also occurred prior to March 1, 1974.</li> </ul> </li> <li>• <b>Purchased service:</b> a period of eligible service for which you have elected to pay required contributions.</li> </ul>	<p>See: "Can I buy service credits?" on p. 14.</p>

*Continued on next page*

<sup>2</sup> Employer means the Contributing New Brunswick School District where the employee is employed at the date in question.

## Retirement Under the Plan

### How much will my pension be? continued

Pension Factors	Definition	Reference
<p>3. Adjustment based on age at which your pension begins</p> <p><i>Examples:</i></p>	<ul style="list-style-type: none"> <li>• If your pension begins at age 60 or later, there is no adjustment in pension benefits.</li> <li>• If your pension begins before age 60, reduce it by 3% for each year before age 60 that you will be receiving a pension (earliest is from age 55).               <ul style="list-style-type: none"> <li>▶ Pension at age 55, is 5 years early. Reduce pension by 15% (5 Yrs X 3%=15%).</li> <li>▶ Pension at age 57 years and 4 months is 32 months early. The adjustment factor is pro-rated at 3/12 of 1% for each month before age 60. This reduces the pension by 8% (32 mos X 3/12 X 1% = 8%).</li> </ul> </li> <li>• <b>Once a reduction factor is applied it remains in effect for as long as the pension is paid.</b></li> </ul>	<p>See <b>Appendix A:</b> Step 1 for adjustment multipliers.</p>
<p>4. Adjustment based on type of pension you select</p>	<ul style="list-style-type: none"> <li>• The basic type, “<b>Life Pension – 5 Years Guaranteed Payments</b>” requires no ‘adjustment’ to your pension amount.</li> <li>• The remaining three options of pension do require a percentage adjustment.</li> </ul>	<p>See <b>Appendix A:</b> Step 2 for adjustment percentages.</p>

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## Retirement Under the Plan

How much will my pension be? continued

Pension Factors	Definition	Reference
5. Pension Benefit Rates in the calculation formula	<p><b>Pension on salaries at or below the yearly YMPE<sup>3</sup></b> is calculated in three parts, as follows:</p> <p>) Highest 5 year consecutive salary X 1.9% X Pensionable Service prior to January 1, 2000.</p> <p style="text-align: center;"><b>PLUS</b></p> <p>b) Highest 5 year consecutive salary X 1.625% X Pensionable Service after December 31, 1999 but prior to January 1, 2006.</p> <p style="text-align: center;"><b>PLUS</b></p> <p>c) Highest 5 year consecutive salary X 1.4% X Pensionable Service after December 31, 2005.</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>	<p>See: <b>Pension Benefit Calculation Worksheet.</b></p> <p>See <b>Appendix A:</b> for adjustment for age/pension type.</p>
6. Bridge Benefit	<p>The bridge benefit is payable as early as age 55 until normal retirement age of 65, as follows:</p> <p><b><u>If retirement commences between age 55 and 60 :</u></b></p> <ul style="list-style-type: none"> <li>Annual Bridge amount (paid out monthly) until you reach age 65 is payable in two stages as follows:</li> </ul>	<p>See <b>Appendix A:</b> for adjustment factors.</p>

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<sup>3</sup> Pension calculation on salaries above the YMPE requires additional calculation steps. Contact the Compensation and Employee Benefits Division.

## Retirement Under the Plan

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### How much will my pension be? continued

Pension Factors	Definition	Reference
0. Bridge Benefit (continued)	<p><b><u>Stage 1 (Between age 55 – 60)</u></b>            Bridge benefit equals your Years of Pensionable Service X \$15.50 X 12.</p> <p><b><u>Stage 2 (Between age 60 – 65)</u></b>            Upon attaining age 60, your bridge benefit is then calculated at a rate of: Years of Pensionable Service X \$11.00 X 12 and is payable until age 65.</p> <p><b><u>If retirement commences between age 60 and 65:</u></b></p> <ul style="list-style-type: none"> <li>• Annual Bridge amount (paid out monthly) until age 65: Number of Years of Pensionable Service X \$11.00 X 12.</li> </ul>	

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](http://www.gnb.ca/0163/pension/1/calculator-e.asp).

### Will my pension keep its purchasing power in future years?

After you retire, your pension benefit is reviewed every January 1<sup>st</sup> 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 30<sup>th</sup>, to arrive at a yearly measure of inflation.
- Your pension benefit 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%.

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## Retirement Under the Plan

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### Will my pension keep its purchasing power in future years? Continued

- ▶ 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, and
  - bridge pension benefit, once in payment.
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## Leaving the Plan Before Retirement

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### 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.

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### What happens if I terminate employment before retirement age?

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"><li>• less than 5 years continuous employment,</li></ul>	<ul style="list-style-type: none"><li>• you are entitled to receive a refund of your contributions to the Plan, with accumulated interest.</li></ul>
<ul style="list-style-type: none"><li>• 5 years or more continuous employment and less than 55 years of age,</li></ul>	<p>You are eligible for a deferred pension benefit and may elect one of the following options:</p> <ul style="list-style-type: none"><li>• a monthly pension benefit between age 55 to 60 → reduced benefit at age 60 + → unreduced benefit</li></ul> <p><b>or</b></p>

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## Leaving the Plan Before Retirement

### What happens if I terminate employment before retirement age? continued

If you are a member with....	Then....
<ul style="list-style-type: none"> <li>• 5 years or more continuous employment and less than 55 years of age, (continued)</li> </ul>	<ul style="list-style-type: none"> <li>• transfer the <b>commuted value</b><sup>4</sup> of your deferred pension in accordance with the requirements of the <i>Pension Benefits Act</i> to:               <ul style="list-style-type: none"> <li>) another registered pension plan with the consent of the plan administrator of the plan receiving the money, <u>or</u></li> <li>ii) any registered retirement savings arrangement with the “locking in” provisions.</li> </ul> <p><b>Note:</b> If your own contributions with interest are greater than 50% of the commuted value amount, the excess will be refunded to you.</p> <p><b>Important:</b> If you transfer the commuted value of your 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><b>or</b></p> <li>• purchase of a deferred annuity from an insurance company administered in accordance with “locking in” provisions and other requirements of the <i>Pension Benefits Act</i>. (regular income payments beginning no earlier than age 55).</li> </li></ul>
<ul style="list-style-type: none"> <li>• 5 years or more continuous employment and 55 years of age or more</li> </ul>	<p>You are eligible for a deferred or an immediate pension benefit and may elect one of the followings:</p> <ul style="list-style-type: none"> <li>• a monthly pension benefit between age 55 to 60 → reduced benefit at age 60 + → unreduced benefit</li> </ul> <p><b>Note:</b> You must exercise a pension option by the age of 69</p>
<p><b>“Locking in”</b> 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 (i.e., the pension is “locked-in”).</p>	

<sup>4</sup> **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.

## Benefits on the Death of a Plan Member

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### What if I die before receiving my pension?

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

If you die ...	then.....
<ul style="list-style-type: none"><li>before reaching 5 years of continuous employment,</li></ul>	<ul style="list-style-type: none"><li>your beneficiary (or estate if applicable) receives a refund of your contributions to the fund, with interest.</li></ul>
<ul style="list-style-type: none"><li>after completing 5 or more years of continuous employment,</li></ul>	<ul style="list-style-type: none"><li>your beneficiary will receive an amount equal to the commuted value of your deferred pension, <u>and</u></li><li>if your contributions plus interest to the date of your death are greater than 50% of the above commuted value, then the excess over the 50% amount will also be paid to your beneficiary.</li></ul>

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### 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 benefit when I die after becoming a pensioner?

If you die after the date your pension begins, the death benefit will be as set out for the type of pension you elected. (See: retirement options and applicable death benefits described in “What type of pension will I receive?” on pages 3, 4 and 5.)

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## Benefits on the Death of a Plan Member

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### What is the effect of having a beneficiary?

If you designate a beneficiary:

- the beneficiary will receive, upon your death, any benefit payable under the terms of the Plan.
- **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 supersede the entitlement of your designated beneficiary to a death benefit.

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

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### What happens if I do not have a beneficiary?

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

- you have no one designated as the pension benefit beneficiary, or
- your designated beneficiary has predeceased you,

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

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### How do I designate someone as my beneficiary?

You can obtain the prescribed form for designating a beneficiary from your Human Resources Section in your School District. You may return the form to your Human Resources Section or to the Pension Plan Administrator.

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<sup>5</sup> 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

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### Can I purchase service for periods of employment when 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 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** – periods of approved leave without pay for maternity, parental, deferred salary or illness, which occurred on or after May 5, 1994:
  - ▶ for which you may apply to purchase when you return to active employment and resume contributing to the Plan, and
  - ▶ subject to maximums allowed under the Federal *Income Tax Act* and Regulations 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.

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### 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:

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## Pension Plan Provisions in Other Circumstances

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

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

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### **What methods of payment can I use to purchase service?**

You can choose multiple payment methods to pay for your purchase of pensionable service, examples are as follows:

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

**Note:** Interest is charged on unpaid balance, beginning the first of the month after you elect to purchase until paid in full.

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## Pension Plan Provisions in Other Circumstances

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### What methods of payment can I use to purchase service? continued

\* **Maximum time to pay for purchase of past 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, 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:** Canada Revenue Agency 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.

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### 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**<sup>6</sup> to permit portability between pension plans.

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

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<sup>6</sup> **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 service that will be credited to a member will depend on the amount transferred from the fund. Reciprocal transfers are based on Actuarial Valuation methodology. If the transfer amount does not cover the cost of equal service, partial service is credited and the member can purchase the difference.

## Pension Plan Provisions in Other Circumstances

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### Can my pension benefit be divided if my marriage ends?

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

- in accordance with *NB Pension Benefits Act* 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 Resources Services or contact 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 Resources Services or on the Compensation and Employee Benefits Division's web site at the following address: [www.gnb.ca/0163/pension/6/MBBrochure-e.pdf](http://www.gnb.ca/0163/pension/6/MBBrochure-e.pdf)

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## Plan Administration

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### 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:

- 5 members appointed by the Canadian Union of Public Employees, Local 1253,
- 2 members appointed by the Department of Education, and
- 3 members appointed by the Board of Management.

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## **Plan Administration**

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### **Where could I appeal an interpretation of my pension benefits if I disagree?**

If you disagree with the interpretation of the Plan in arriving at your benefits, you can take the following steps:

- First, contact any of the following to clarify your understanding of the plan provisions and how these apply to you:
  - ▶ your Employer's Human Resources Section, or
  - ▶ the Compensation and Employee Benefits Division, or
  - ▶ your Union.
- Then, if you still dispute your treatment under the Plan, you can make a formal appeal to the Compensation and Employee Benefits Division whom in turn will refer your issue to the Pension Committee.

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### **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, providing direction, working in cooperation with participating Employers, the Union, and with an actuary at Morneau Sobeco a contracted agent, who performs day to day administration under the Compensation and Employee Benefits Division's direction.

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## Plan Administration

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### Where do I go for more information?

There are five sources of information depending upon the specific 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"> <li>• The primary and most direct source of information is your <b>School District's Human Resources Services.</b></li> </ul>
Additional information regarding pension plan options (under this Plan)	<ul style="list-style-type: none"> <li>• <b>Compensation and Employee Benefits Division:</b> <ul style="list-style-type: none"> <li>• <u>Physical address</u> Room 680, York Tower, Kings Place, 440 King Street, Fredericton, N.B. E3B 5H8</li> <li>• <u>Mailing address</u> Kings Place P. O. Box 6000 Fredericton, N.B. E3B 5H1</li> <li>• Telephone: (506) 453-2296 or 1-800-561-4012 <b>(Anywhere in Canada)</b></li> <li>• Fax: (506) 457-7388</li> <li>• Web site <a href="http://www.gnb.ca/0163/pension">http://www.gnb.ca/0163/pension</a></li> </ul> </li> </ul>
Information regarding daily administration	<ul style="list-style-type: none"> <li>• <b>Morneau Sobeco</b> <ul style="list-style-type: none"> <li>• Suite 850, Carleton Place, 520 King Street Fredericton, N.B. E3B 6G3</li> <li>• Telephone: (506) 458-9081</li> <li>• Fax: (506) 458-9548</li> </ul> </li> </ul>
Information regarding Canada Pension Plan and Old Age Security	<ul style="list-style-type: none"> <li>• <b>Human Resources and Social Development Canada – Income Security Programs:</b> <ul style="list-style-type: none"> <li>• 1-800-277-9914 (English)</li> <li>• 1-800-277-9915 (French)</li> </ul> </li> </ul>
Specific personal information relative to the Federal <i>Income Tax Act</i> and Regulations (Canada)	<p><b>Canada Revenue Agency</b> (See: Government of Canada blue page listings for your area)</p>

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## Pension Benefit Calculation Worksheet

**Fill in your personal data and perform the calculations indicated.**

*For the example, adjustment factors were determined by assuming that the Basic Pension option was chosen and the pension commenced at age 55 (Adjustment Factors: a 15% reduction for the 5 years at 3%/per year for 5 years prior to age 60).*

	<u>YOUR DATA</u>	<u>EXAMPLE</u>
Highest 5 year consecutive average salary	\$ _____ (A)	\$ <u>28,000.00</u> (A)
Years of pensionable service before January 1, 2000 (at retirement/termination date)	_____ (B)	<u>23 years</u> (B)
Years of pensionable service after December 31, 1999 but prior to January 1, 2006 (at retirement/termination date)	_____ (C)	<u>6 years</u> (C)
Projected years of pensionable service after December 31, 2005 (at retirement/termination date)	_____ (D)	<u>2 years</u> (D)
amount (A) X amount (B) X 0.019	\$ _____ (E)	\$ <u>12,236.00</u> (E)
amount (A) X amount (C) X 0.01625	\$ _____ (F)	\$ <u>2,730.00</u> (F)
amount (A) X amount (D) X 0.014	\$ _____ (G)	\$ <u>784.00</u> (G)
amount (E) + amount (F) + amount (G)	\$ _____ (H)	\$ <u>15,750.00</u> (H)
<b>Adjustment factors</b> (see: Appendix A, Step 1 for (I) and Step 2 for (K))		
amount (H) \$ _____ X _____ (I) age factor	\$ _____ (J)	\$ <u>13,387.50</u> (J)
amount (J) \$ _____ X _____ (K) type of pension factor	\$ _____ (L)	\$ <u>13,387.50</u> (L)

### Bridge Benefit

**If your retirement commences between age 55 and age 60, (payable to age 60), use:**

amount (B) + amount (C) + amount (D)	\$ _____ (M)	<u>31 years</u> (M)
amount (M) X \$15.50	\$ _____ (N)	\$ <u>480.50</u> (N)
amount (N) X 12	\$ _____ (O)	\$ <u>5,766.00</u> (O)

**If your retirement commences between age 55 and 60 when you reach age 60 the bridge benefit changes to the following step, (payable to age 65)**

amount (B) + amount (C) + amount (D)	\$ _____ (P)	<u>31 years</u> (P)
amount (P) X \$11.00	\$ _____ (Q)	\$ <u>341.00</u> (Q)
amount (Q) X 12	\$ _____ (R)	\$ <u>4,092.00</u> (R)

**If your retirement commences between age 60 and age 65 (payable to age 65) use this step only:**

amount (B) + amount (C) + amount (D)	\$ _____ (S)	<u>N/A</u> (S)
amount (S) X \$11.00	\$ _____ (T)	<u>N/A</u> (T)
amount (T) X 12	\$ _____ (U)	<u>N/A</u> (U)

*Continued on next page*

## Pension Benefit Calculation Worksheet *(continued)*

	<u>YOUR DATA</u>	<u>EXAMPLE</u>
<b>Total Annual Pension:</b>		
<b><u>If your retirement commences between age 55 and 60, your annual pension would be as follows:</u></b>		
amount (L) + amount (O), payable from age 55 to age 60 \$ _____ (V)		\$ <u>19,153.50</u> (V)
amount (L) + amount (R), payable from age 60 to age 65 \$ _____ (W)		\$ <u>17,479.50</u> (W)
amount (L), payable from age 65 \$ _____ (X)		\$ <u>13,387.50</u> (X)
<b><u>If your retirement commences between age 60 and 65, your annual pension would be as follows:</u></b>		
amount (L) + amount (U), payable from age 60 to age 65 \$ _____ (Y)		\$ <u>N/A</u> (Y)
amount (L), payable from age 65 \$ _____ (Z)		\$ <u>N/A</u> (Z)

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### Appendix A

#### Adjustment Factor (AF)

#### STEP 1: DETERMINANT FOR AGE AT WHICH PENSION BENEFIT COMMENCES

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

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**Appendix A (Continued)**

**ADJUSTMENT FACTORS (AF)**

**TYPES OF FACTORS / TYPE OF PENSION / AGE ADJUSTMENT**

**Retirement age**

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

**TYPES OF FACTORS / TYPE OF PENSION – JOINT LIFE AND  
LAST SURVIVOR**

**Retirement age**

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

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

**Note 2: Factors at November 24, 2006 (above) are subject to fluctuation.**

**No rights are conferred by this pamphlet. For authoritative wording regarding this Pension Plan, please refer to the Plan document for the Pension Plan for General Labour, Trades & Services Employees of New Brunswick School Districts as amended to January 1, 2007.**