

**NEW BRUNSWICK PUBLIC SERVICE
PENSION PLAN**

Amended and revised as at January 1, 2019

TABLE OF CONTENTS

ARTICLE I BACKGROUND AND PURPOSE OF THE PLAN 1

ARTICLE II DEFINITIONS 2

ARTICLE III ELIGIBILITY AND PARTICIPATION 11

ARTICLE IV FUNDING 15

ARTICLE V BASE BENEFITS 18

ARTICLE VI ANCILLARY BENEFITS 20

ARTICLE VII BENEFITS ON TERMINATION OF EMPLOYMENT 22

ARTICLE VIII DEATH BENEFITS 24

ARTICLE IX DESIGNATION OF A BENEFICIARY 28

ARTICLE X DISABILITY 29

ARTICLE XI NORMAL RETIREMENT 30

ARTICLE XII FORMS OF PENSION BENEFITS 31

ARTICLE XIII EARLY RETIREMENT 35

ARTICLE XIV POSTPONED RETIREMENT 38

ARTICLE XV ADMINISTRATION 39

ARTICLE XVI DISCLOSURE 42

ARTICLE XVII INVESTMENT POLICY AND RISK MANAGEMENT FRAMEWORK 44

ARTICLE XVIII FUNDING POLICY 45

ARTICLE XIX ASSIGNMENT AND COMMUTATION OF BENEFITS 46

ARTICLE XX MAXIMUM PENSION 49

ARTICLE XXI AMENDMENT OR DISCONTINUANCE OF THE PLAN 51

ARTICLE XXII CONVERSION DETAILS 53

ARTICLE XXIII PURCHASES OF SERVICE AND RECIPROCAL AGREEMENTS 54

ARTICLE XXIV PRE-RETIREMENT OPTION 60

ARTICLE XXV MISCELLANEOUS 62

Appendix A COLA GRANTED UNDER ARTICLE VI

Appendix B CONTRIBUTION RATE ADJUSTMENTS

Appendix C BENEFIT CHANGES

Appendix D PSSA

Appendix E EMPLOYERS

Appendix F UNIONS

ARTICLE I
BACKGROUND AND PURPOSE OF THE PLAN

- 1.1 The Unions listed in Appendix F hereto, the Province of New Brunswick (the “**Province**”) and the Minister of Finance in his capacity as plan governor and administrator of the Public Service Superannuation Act (the “**PSSA**”) entered into a Memorandum of Understanding, dated November 20, 2013 (the “**Memorandum of Understanding**”), pursuant to which they agreed to convert the pension plan under the PSSA to a shared risk plan effective January 1, 2014 in accordance with the Memorandum of Understanding and the Pension Benefits Act.
- 1.2 Effective January 1, 2014, the PSSA was repealed by *An Act Respecting Pensions Under the Public Service Superannuation Act* (New Brunswick) which provided that the PSSA be converted to a shared risk plan in accordance with Part 2 of the Pension Benefits Act.
- 1.3 Effective January 1, 2014, the New Brunswick Public Service Pension Plan converts and replaces the pension plan under the PSSA.
- 1.4 From and after the Effective Date, the New Brunswick Public Service Pension Plan shall be a shared risk plan and shall comply with and be subject to the Pension Benefits Act.
- 1.5 The primary purpose of the New Brunswick Public Service Pension Plan is to provide pensions to eligible employees after retirement and until death in respect of their service as employees. A further purpose of this New Brunswick Public Service Pension Plan is to provide secure pension benefits to members without an absolute guarantee but with a risk-focused management approach delivering a high degree of certainty that full Base Benefits will be payable in the vast majority of potential future economic scenarios. As a shared risk plan, all future cost of living adjustments for current and future retirees and other Ancillary Benefits under the New Brunswick Public Service Pension Plan shall be provided only to the extent that funds are available for such benefits, as determined by the Board of Trustees in accordance with applicable laws and the Funding Policy.
- 1.6 Effective September 23, 2014, the New Brunswick Public Service Pension Plan applies to all members of the Legislative Assembly of New Brunswick elected (or re-elected) on or after September 22, 2014.

ARTICLE II DEFINITIONS

The following terms in this New Brunswick Public Service Pension Plan, unless the context clearly indicates otherwise, shall have the following meanings:

- 2.1 “**Accumulated Interest**” means interest, credited no less frequently than annually, on a Member’s contributions determined as follows:
- (i) with respect to the period up to the Effective Date, the amount of “interest” as determined and defined under the PSSA Plan accumulated on the Member’s contributions under the PSSA Plan to the Effective Date; and
 - (ii) from and after the Effective Date, the actual rate of return of the Fund (net of the administrative expenses paid by the Fund), whether positive or negative, for each Plan Year determined as of the end of each Plan Year.

Interest shall be calculated on a Member’s contributions from the first of the month following the date such amount is paid into the Fund. Interest that is to be credited on a date other than December 31 shall be calculated using the annual rate of interest established on the December 31 of the immediately preceding Plan Year and prorated for the applicable number of months.

- 2.2 “**Actuarial Equivalent**” means having an equal value when computed on the actuarial basis as approved by the Board of Trustees and which is in effect at the time such computation is made and which is acceptable under the Pension Benefits Act and Income Tax Act.
- 2.3 “**Actuary**” means a Fellow of the Canadian Institute of Actuaries, or a firm employing such a person, appointed by the Board of Trustees for the purposes of the New Brunswick Public Service Pension Plan.
- 2.4 “**Administrator**” means the Board of Trustees, the administrator for this New Brunswick Public Service Pension Plan, as designated under Article XV.
- 2.5 “**Ancillary Benefit**” has the same meaning as set out in the Pension Benefits Act.
- 2.6 “**Base Benefits**” has the same meaning as set out in the Pension Benefits Act.
- 2.7 “**Beneficiary**” or “**Beneficiaries**” means that person or persons last designated by the Member in accordance with Article IX.
- 2.8 “**Board of Trustees**” means the board of trustees of the New Brunswick Public Service Pension Plan, appointed pursuant to Section 15.3 and the Declaration of Trust, which is the administrator of the New Brunswick Public Service Pension Plan and shall have those duties, powers and responsibilities as outlined in the New Brunswick Public Service Pension Plan, the Funding Policy, the Declaration of Trust and the Pension Benefits Act and “**Trustee**” means any one of the individuals so appointed.

- 2.9 “**Break in Service**” means a period not exceeding six months between the date of termination of employment of an Employee with an employer listed in Appendix E and, where payment of a pension benefit under Articles XI, XII, XIII, or XIV has not commenced, the date of commencement of employment of the Employee with another employer listed in Appendix E or the date of commencement of re-employment of the Employee with the same employer.
- 2.10 “**child**” or “**children**” shall include a natural child, step-child or adopted child.
- 2.11 “**Claimant**” means, as the case may be, (i) the Spouse, Dependent Child or estate of the Member, (ii) the Member’s Beneficiary, (iii) a person who was a member of the PSSA Plan and who was disabled prior to January 1, 1993 (or was a deferred vested member under the PSSA Plan as at January 1, 1993 and subsequently qualified for a disability pension) and was in receipt of a disability pension under paragraph 10(1)(b) of the PSSA as at the Effective Date, or (iv) a dependent in receipt of a survivor pension under paragraph 8.2(iv). For greater certainty, Claimant includes an Other Pre-Conversion PSSA Plan Claimant where the context requires.
- 2.12 “**COLA**” means cost of living adjustments.
- 2.13 “**Continuous Service**” means an unbroken period of employment as an Employee of an Employer, either before or after the Effective Date, as shown by the Employer’s records calculated from the date of last employment. Continuous Service for an Employee shall include periods of authorized vacation or leaves of absence (with or without pay), periods of lay-off up to one (1) year, periods of work stoppages up to six (6) months or a Break in Service, provided that, for any period of employment prior to an absence without pay, the Member did not elect a cash refund of the Member’s contributions to the New Brunswick Public Service Pension Plan or the PSSA Plan, or elect to transfer the Termination Value and provided further that the Member returns to active service at the end of any such absence without pay.
- 2.14 “**Contributory Earnings**” has the meaning provided in Section 4.2.
- 2.15 “**Contribution Holidays**” means the full or partial reduction of the contributions normally required to be paid by Employees and MLAs who are Members, the Employer, and the Province with respect to MLAs, into the New Brunswick Public Service Pension Plan where such reductions are required under the Income Tax Act, and in accordance with the Funding Policy.
- 2.16 “**Declaration of Trust**” means the declaration of trust entered into by the Board of Trustees, dated as of January 1, 2014, as amended from time to time.
- 2.17 “**Dependent Child**” (or “**Dependent Children**”) means a child(ren) of a Member or Pre-Conversion Deferred Vested Member who at the relevant time is both dependent on the Member or Pre-Conversion Deferred Vested Member for support, and is
- (i) under nineteen (19) years of age and will not attain the age of nineteen (19) in the calendar year that includes that time,

- (ii) under twenty-five (25) years of age and will not attain the age of twenty-five (25) years in the calendar year that includes that time and who is in full-time attendance at an educational institution, or
- (iii) dependent on the Member or Pre-Conversion Deferred Vested Member by reason of mental or physical infirmity.

2.18 “**Disabled**” means in relation to a Member, suffering from a physical or mental impairment that prevents the Member from engaging in any employment for which the Member is reasonably suited by virtue of the Member’s education, training or experience and that can be reasonably expected to last for the remainder of the Member’s lifetime.

2.19 “**Early Retirement Date**” has the meaning provided in Section 13.1.

2.20 “**Earnings**” means, in respect of an Employee, the compensation received by the Employee for the performance of the regular duties of a position or office and, where applicable, includes prescribed amounts under the definition “compensation” in subsection 147.1(1) of the Income Tax Act that are related to a period of disability, an eligible period of reduced pay and an eligible period of temporary absence, each as defined in Section 8500 of the Income Tax Regulations under the Income Tax Act. For greater certainty, any such compensation does not include overtime, shift premiums or other fluctuating emoluments.

For an Employee who is in Other Than Full Time employment with the Employer, the amount determined above shall be adjusted each Plan Year by a factor determined by dividing the hours the Employee would have worked in the Plan Year had the Employee been in Full Time employment with the Employer by the actual hours worked by the Employee in the Plan Year.

“**Earnings**” means, in respect of an MLA, the indemnity received by the MLA under subsection 25(1) of the *Legislative Assembly Act* (New Brunswick), as adjusted from time to time under section 25 of that Act and, if the MLA is a Minister, includes the salary paid:

- (i) to a Minister under subsection 6(1) of the *Executive Council Act* (New Brunswick), as adjusted from time to time under that Act,
- (ii) to the Premier under subsection 6(2) of the *Executive Council Act* (New Brunswick) in addition to the Premier’s salary under (i) above as a Minister,
- (iii) under subsection 6(3) of the *Executive Council Act* (New Brunswick), as adjusted from time to time under that Act, to a member of the Executive Council who is not in receipt of a salary under subsection 6(1) or (2) of that Act, and
- (iv) under the *Legislative Assembly Act* (New Brunswick) to a Minister included under clause (ii) or (iii) of Section 2.33 (but does not include any allowance or other amount paid to that person in respect of expenses).

Earnings on and after the Effective Date shall be capped each Plan Year at the Earnings required to produce the defined benefit limit, as defined in the Income Tax Act, for the year when using the Base Benefits formula in Section 5.5.

- 2.21 “**Effective Date**” means January 1, 2014.
- 2.22 “**Eligible Survivor Benefit Period**” means the period beginning on the date of the Member’s or Pre-Conversion Deferred Vested Member’s death or, where a surviving Spouse’s pension became payable on the Member’s or Pre-Conversion Deferred Vested Member’s date of death, on the date of the surviving Spouse’s death and ending on the latest of (i) where the Dependent Child is under the age of nineteen (19) years throughout the calendar year of the Member’s or Pre-Conversion Deferred Vested Member’s death, the earlier of December 31 of the calendar year in which the Dependent Child attains age eighteen (18) years and the date of death of the Dependent Child; (ii) where the Dependent Child is in full-time attendance at an educational institution on the later of the Member’s or Pre-Conversion Deferred Vested Member’s date of death and December 31 of the calendar year in which the Dependent Child attains eighteen (18) years, the day on which the Dependent Child ceases to be in full-time attendance at an educational institution or, if earlier, the Dependent Child’s twenty-fifth (25th) birthday; and (iii) where the Dependent Child is dependent on the Member or Pre-Conversion Deferred Vested Member at the Member’s or Pre-Conversion Deferred Vested Member’s date of death by reason of mental or physical infirmity, the day on which the Dependent Child ceases to be infirm, or if there is no such day, the day of death of the Dependant Child.
- 2.23 “**Employee**” means a Full Time or Other Than Full Time employee of the Employer but does not include an MLA. For greater certainty, this includes:
- (i) A Personal Services Contract Employee;
 - (ii) As of January 1, 2014, the president of the New Brunswick Union of Public and Private Employees while on leave to serve the Union, provided that he or she is a member of one of the bargaining units whose members participate in the New Brunswick Public Service Pension Plan, and provided further that he or she is not contributing to any other registered pension plan at such time; and
 - (iii) Any Full Time or Other Than Full Time employee who is a Staff Member of Unions.
- 2.24 “**Employer**” means, collectively, the Province and the parties listed in Appendix E hereto, as amended from time to time.
- 2.25 “**Full Time**” means employment in the Public Service in an office or position that has been classed by the Employer as Full Time.
- 2.26 “**Fund**” means the assets held in trust under the terms of the New Brunswick Public Service Pension Plan to provide for the payment of benefits as described in the New

Brunswick Public Service Pension Plan to Members, Pre-Conversion Retirees and other Claimants.

- 2.27 “**Funding Policy**” means the funding policy, as amended from time to time, for the New Brunswick Public Service Pension Plan established in accordance with ARTICLE XVIII and the Pension Benefits Act.
- 2.28 “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985 c.1 (5th supplement), as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.29 “**Initial Contributions**” has the same meaning as set out in the Pension Benefits Act.
- 2.30 “**Investment Policy**” means the investment policy, as amended from time to time, established by the Board of Trustees for the New Brunswick Public Service Pension Plan in accordance with ARTICLE XVII and the Pension Benefits Act.
- 2.31 “**Member**” means an Employee or an MLA who has joined the New Brunswick Public Service Pension Plan in accordance with Article III and who remains contingently or absolutely entitled to a benefit under the New Brunswick Public Service Pension Plan.
- 2.32 “**Memorandum of Understanding**” has the meaning set forth in Section 1.1.
- 2.33 “**Minister**” means an MLA who is:
- (i) a member of the Executive Council,
 - (ii) the Speaker or Deputy Speaker of the Legislative Assembly of New Brunswick, or
 - (iii) the Leader of the Opposition or a leader of any other registered political party in the Legislative Assembly of New Brunswick.
- 2.34 “**MLA**” means a member of the Legislative Assembly of New Brunswick.
- 2.35 “**New Brunswick Public Service Pension Plan**” means this “New Brunswick Public Service Pension Plan” established for the Employees of the Employer, as amended from time to time, which converts and replaces the PSSA Plan as at the Effective Date in accordance with *An Act Respecting Pensions under the Public Service Superannuation Act* (New Brunswick) and the Pension Benefits Act.
- 2.36 “**Normal Form Pension**” means the normal form pension described under Article XII.
- 2.37 “**Normal Retirement Date**” means the date as described in Article XI.
- 2.38 “**Other Pre-Conversion PSSA Plan Claimant**” means an eligible Claimant in receipt of pension payments under the PSSA Plan immediately prior to the Effective Date or a Pre-Conversion Deferred Vested Member immediately prior to the Effective Date, but excludes a Pre-Conversion Retiree.

- 2.39 “**Other Than Full Time**” means employment in the Public Service in a position that has been classed by the Employer as other than Full Time.
- 2.40 “**Parameters**” means the parameters for the Funding Policy agreed by the Parties under the Memorandum of Understanding.
- 2.41 “**Part-Time Plan**” means The Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick.
- 2.42 “**Party**” or “**Parties**” means a Union or Unions and/or the Employer, as the context requires.
- 2.43 “**Pensionable Service**” means:
- (i) the period of the Member’s service up to the Effective Date recognized as “pensionable service” under the PSSA Plan and, for greater certainty, where a Member was Disabled and receiving long term disability benefits under a long term disability plan provided by the Employer covering Employees prior to the Effective Date, the period during which such Member was in receipt of such benefits shall be included;
 - (ii) in respect of a Member who is an Employee, the period of the Member’s employment as an Employee after the Effective Date in respect of which the Member makes the contributions required under Section 4.2;
 - (iii) in respect of a Member who is an MLA, the period served as an MLA on and after September 23, 2014 during which the Member makes the contributions required under Section 4.2;
 - (iv) in the case of a Member who is Disabled and who on or after the Effective Date commences (or continues) to receive long term disability benefits under a long term disability plan provided by the Employer, the period during which the Member is Disabled and in receipt of such long term disability benefits; and
 - (v) any service purchased under Article XXIII and any service transferred as part of a reciprocal transfer agreement approved by the Trustees under Section 23.4.

For an Employee who is in Other Than Full Time employment with the Employer, the period recognized under paragraph (ii) shall be adjusted each Plan Year by a factor determined by dividing the actual hours worked by the Employee in the Plan Year by the hours the Employee would have worked had the Employee been in Full Time employment for the Plan Year.

No more than one (1) year of Pensionable Service will be accrued by a Member for any one Plan Year.

- 2.44 “**Pension Benefits Act**” means the *Pension Benefits Act* (New Brunswick), ch. P-5.1, as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.

- 2.45 “**Personal Services Contract Employee**” means an individual who has entered into a personal services contract with the Employer.
- 2.46 “**Plan Year**” shall mean the calendar year.
- 2.47 “**Postponed Retirement Date**” has the meaning provided in Section 14.2.
- 2.48 “**Pre-Conversion Deferred Vested Member**” means a former Employee of the Employer who participated in the PSSA Plan and had terminated employment prior to retirement and prior to the Effective Date, and as at the Effective Date had not elected pension commencement or a refund of his or her own contributions to the PSSA Plan or to transfer the Actuarial Equivalent value of the former Employee’s pension from the PSSA Plan pension fund to another pension fund.
- 2.49 “**Pre-Conversion Retiree**” means a person who had been employed by the Employer and retired under the terms of the PSSA Plan prior to the Effective Date and was receiving a pension payable from the PSSA Plan immediately prior to the Effective Date.
- 2.50 “**Province**” has the meaning set forth in Section 1.1.
- 2.51 “**PSSA**” means the *Public Service Superannuation Act* (New Brunswick) and the regulations thereto, all as in effect on December 31, 2013 and as attached as Appendix D hereto.
- 2.52 “**PSSA Plan**” means the pension plan under the PSSA, as it was immediately prior to the Effective Date.
- 2.53 “**Public Service**” means the several positions in or under any department as defined in the *Financial Administration Act* (New Brunswick) and includes any board, commission, corporation, educational institution or portion of the public service as specified by regulation under the PSSA, as well as positions with an Employer.
- 2.54 “**Purchase of Service Window**” means the period of time from the Effective Date to the date that is one year from the Effective Date during which Employees may purchase service under the terms of the PSSA Plan as set out in Article XXIII.
- 2.55 “**Registered Investment Vehicle**” means a retirement saving plan, retirement income fund or other vehicle registered under the Income Tax Act, as designated by a Member pursuant to Section 7.1 or by a Member’s Spouse pursuant to subparagraph 8.2(i)(a).
- 2.56 “**Risk Management Framework**” means the risk management framework, as amended from time to time, established by the Board of Trustees in accordance with ARTICLE XVII and the Pension Benefits Act.
- 2.57 “**Shared Risk Plan**” means a shared risk plan as defined and described in the Pension Benefits Act.

- 2.58 **“Spouse”** means (i) a “common-law partner”, which is a person who, not being married to the Member or Pre-Conversion Deferred Vested Member, as applicable, is or was cohabiting in a conjugal relationship with the Member or Pre-Conversion Deferred Vested Member, as applicable, for a continuous period of at least two (2) years immediately before the date in question; or (ii) a “spouse”, which is a person who is married to the Member or Pre-Conversion Deferred Vested Member, as applicable, provided that if the marriage is voidable, it has not been voided by a declaration of nullity, or if the marriage is void, it was gone through by each person in good faith and the persons have cohabited within the preceding year before the date in question. Providing such person is otherwise eligible, a “spouse” (under (ii) of this provision) of a Member or Pre-Conversion Deferred Vested Member, as applicable, shall be entitled to a right or benefit claim under this New Brunswick Public Service Pension Plan over the competing claim of a “common-law partner” (under (i) of this provision) of the Member or Pre-Conversion Deferred Vested Member, as applicable, unless such claim is barred by a valid domestic contract between the Member or Pre-Conversion Deferred Vested Member, as applicable, and the “spouse” (under (ii) of this provision) or a decree, order or judgment of a competent tribunal.
- 2.59 **“Staff Member of Unions”** means, as of such date as determined by the Board of Trustees, any person employed by the Local 37 of the International Brotherhood of Electrical Workers.
- 2.60 **“Temporary Contributions”** means the temporary contributions (as described in the Pension Benefits Act) that the Employer, and the Province with respect to MLAs, is required to make pursuant to Section 4.6.
- 2.61 **“Termination Value”** means the termination value determined in accordance with the Pension Benefits Act. Any Termination Value payable under this New Brunswick Public Service Pension Plan shall be credited with interest at the Fund rate of return for the immediately preceding Plan Year (net of administrative expenses paid by the Fund) from the date of a Member’s termination of employment, termination of membership, retirement, death or marriage breakdown, as the case may be, to the date of payment or transfer.
- 2.62 **“Unions”** or **“Union”** as the context requires means the Unions listed in Appendix F hereto. For greater certainty, Appendix F may be amended by the Board of Trustees to include other unions if such other unions execute the Memorandum of Understanding.
- 2.63 **“Vesting Date”** means the date of completion of the earliest of (i) five (5) years of Continuous Service, (ii) two (2) years of Pensionable Service, and (iii) two (2) years of membership in the New Brunswick Public Service Pension Plan, including, for greater certainty, pensionable service in the PSSA Plan as of the Effective Date or membership in the PSSA Plan prior to the Effective Date and membership in the Part-Time Plan. Notwithstanding the foregoing, any Member who was vested under the PSSA Plan as of the Effective Date shall have attained the Vesting Date under this New Brunswick Public Service Pension Plan.

2.64 **“Year’s Maximum Pensionable Earnings”** or **“YMPE”** shall have the meaning assigned by section 18 of the *Canada Pension Plan*, R.S. 1985, c. C-8.

**ARTICLE III
ELIGIBILITY AND PARTICIPATION**

- 3.1 Each Employee who is a member of the PSSA Plan as of the Effective Date shall automatically continue as a Member on the Effective Date.
- 3.2 Each Pre-Conversion Retiree and Other Pre-Conversion PSSA Plan Claimant as of the Effective Date, while not a Member, shall, however, become a member on the Effective Date entitled to benefits under the New Brunswick Public Service Pension Plan in accordance with Section 5.2.
- 3.3 Subject to Sections 3.12 and 3.13, each Employee who commences Full Time employment with the Employer on or after the Effective Date shall be required to become a Member on the Employee's first date of employment and each Employee in Full Time employment with the Employer on the Effective Date who is not a member of the PSSA Plan as of the Effective Date due to paragraph 3.1(b) of the PSSA Plan shall be required to become a Member on the Effective Date.
- 3.4 Each Employee who does not become a Member on the Effective Date in accordance with Section 3.1 but who is a member of the Part-Time Plan as of the Effective Date shall be required to become a Member on the Effective Date.
- 3.5 Subject to Section 3.15, each Employee who is in Other Than Full Time employment with the Employer on the Effective Date or who commences Other Than Full Time employment with the Employer on or after the Effective Date shall be required to become a Member upon the later of the Effective Date and the date of completion of twenty-four (24) months of Continuous Service if that Employee has earned, as an Employee, not less than thirty-five per cent (35%) of the YMPE in each of the two (2) consecutive calendar years immediately before becoming a Member.
- 3.6 Subject to Section 3.12, each MLA on September 23, 2014 shall be required to become a Member on September 23, 2014 and each MLA elected after September 23, 2014 to serve as an MLA shall become a Member on the date of such election.
- 3.7 When an Employee or an MLA becomes a Member, such Employee or MLA may not terminate membership in the New Brunswick Public Service Pension Plan except in accordance with the Pension Benefits Act.
- 3.8 Subject to Section 3.9, where a former Employee or former MLA who has a benefit entitlement under the New Brunswick Public Service Pension Plan for a prior period of participation in the New Brunswick Public Service Pension Plan or the PSSA Plan commences Other Than Full Time employment with the Employer to which Section 3.5 applies, such former Employee or former MLA will be treated as a new Employee for purposes of eligibility to participate in the New Brunswick Public Service Pension Plan on and after the date such Other Than Full Time employment with the Employer commences. Upon again becoming a Member, such former Employee's or former MLA's prior period of Pensionable Service in the New Brunswick Public Service

Pension Plan and/or the PSSA Plan shall be combined with the Employee's period of Pensionable Service in the New Brunswick Public Service Pension Plan on and after recommencement of participation in the New Brunswick Public Service Pension Plan.

3.9 Where a Member who is in receipt of pension payments under the New Brunswick Public Service Pension Plan or a Pre-Conversion Retiree or a Pre-Conversion Deferred Vested Member subsequently becomes an Employee or is elected to serve as an MLA and, in either case, is required to join the New Brunswick Public Service Pension Plan in accordance with Section 3.3, 3.4, 3.5 or 3.6, the following conditions apply:

- (i) the re-hired Employee or elected MLA shall become an active Member on the date the Employee or MLA is required to join, provided the Employee or MLA has not reached the date prescribed by paragraph 8502(e) of the regulations under the Income Tax Act;
- (ii) payment of the pension to the re-hired Employee or elected MLA, if applicable, shall be suspended unless the Employee or MLA has reached the date prescribed by paragraph 8502(e) of the regulations under the Income Tax Act;
- (iii) upon becoming a Member, the Member shall commence contributions to the New Brunswick Public Service Pension Plan under Article IV and shall accrue further Pensionable Service;
- (iv) upon subsequent termination of employment or subsequently ceasing to serve as an MLA, as applicable, the Member's pension that was payable just before the Member re-joined the New Brunswick Public Service Pension Plan and that was suspended in accordance with paragraph (ii) above shall re-commence in the same form previously elected by the Member (but including any COLA provided under Article VI during the Member's re-employment period or period of serving as an MLA, as applicable) and, where the Member's pension that was payable before the Member re-joined the New Brunswick Public Service Pension Plan had been reduced for early payment, that portion of the Member's pension shall be adjusted upon re-commencement assuming the Member's age at re-commencement was equal to the Member's age at initial commencement plus the period of years and months that the pension was suspended; and
- (v) upon subsequent termination of employment or subsequently ceasing to serve as an MLA, as applicable, or upon death, the pension accrued during the period of re-employment or period of serving as an MLA shall be determined in accordance with Article V and payable in accordance with Article VII, VIII, XI, XIII or XIV, as applicable.

3.10 Where a Member who is in receipt of pension payments under the New Brunswick Public Service Pension Plan becomes employed as a "Teacher", as defined in the New Brunswick Teachers' Pension Plan, and is required to join the New Brunswick Teachers' Pension Plan, the following conditions apply:

- (i) payment of the pension to the Member under the New Brunswick Public Service Pension Plan shall be suspended unless the Member has reached the date prescribed by paragraph 8502(e) of the regulations under the Income Tax Act; and
- (ii) upon subsequent termination of employment, as applicable, under the New Brunswick Teachers' Pension Plan, the Member's pension under the New Brunswick Public Service Pension Plan that was suspended in accordance with paragraph (i) above shall re-commence in the same form previously elected by the Member (but including any COLA provided under Article VI during the period of suspension) and, where the pension that was payable before the suspension in accordance with paragraph (i) above had been reduced for early payment, the pension shall be adjusted upon re-commencement assuming the Member's age at re-commencement was equal to the Member's age at initial commencement plus the period of years and months that the pension was suspended.

3.11 For greater certainty, a former Employee of the Employer who participated in the PSSA Plan and terminated employment prior to the Effective Date and, upon such termination of employment, had less than five (5) years of pensionable service under the PSSA Plan at termination of employment shall not be entitled to any benefit under this New Brunswick Public Service Pension Plan and shall only be entitled to the benefit described in subsection 9(1) of the PSSA Plan.

3.12 Notwithstanding any other provision of this Article III to the contrary,

- (i) any Pre-Conversion Retiree who is an Employee as of the Effective Date,
- (ii) any Employee on the Effective Date who is not a member of the PSSA Plan as of the Effective Date due to paragraph 3.1(b) of the PSSA Plan, and
- (iii) any MLA who would otherwise be required to become a Member in accordance with Section 3.6 but who is in receipt of pension payments under one of the plans listed below,

shall not be required to join the New Brunswick Public Service Pension Plan.

The plans for purposes of paragraph (iii) above are:

- Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals,
- Shared Risk Plan for CUPE Employees of New Brunswick Hospitals,
- Pension Plan for General Labour, Trades and Services Employees of NB School Districts,
- Pension Plan for Full-Time CUPE 2745 Employees of NB School Districts,
- *Provincial Court Judges' Pension Act* (New Brunswick),

- *Provincial Court Act* (New Brunswick),
- New Brunswick Teachers' Pension Plan,
- New Brunswick Public Service Pension Plan,
- *Members Superannuation Act* (New Brunswick),
- *Members' Pension Act* (New Brunswick),
- Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick.

3.13 Notwithstanding any other provision of this Article III to the contrary, any Employee who is a Personal Services Contract Employee as of February 1, 2014 shall not be required to join the New Brunswick Public Service Pension Plan.

3.14 An Employee or MLA who chooses not to join the New Brunswick Public Service Pension Plan in accordance with Section 3.12 or 3.13 shall make the election on a form provided by the Board of Trustees in the time and manner prescribed by the Board of Trustees.

3.15 Notwithstanding any other provision of this Article III to the contrary, each Personal Services Contract Employee who commences Full Time or Other Than Full Time employment with an Employer on or after February 1, 2014 shall be required to become a Member on the Personal Services Contract Employee's first date of employment.

ARTICLE IV FUNDING

4.1 The Employer, on its own behalf and on behalf of the Employees who are Members, and the Province on its own behalf and on behalf of MLAs who are Members, will remit monthly contributions to the Fund as is required by the Board of Trustees from time to time and within the time limits prescribed under the Pension Benefits Act as described below.

4.2 Subject to the Income Tax Act, the Initial Contributions required from Employees and MLAs who are Members shall, prior to April 1, 2014, be

(i) five and eight-tenths percent (5.8%) of Earnings up to the YMPE, and

(ii) seven and one-half percent (7.5%) of Earnings above the YMPE; and

on and after April 1, 2014, be

(iii) seven and one-half percent (7.5%) of Earnings up to the YMPE, and

(iv) ten and seven-tenths percent (10.7%) of Earnings above the YMPE.

Thereafter, contribution rates of Employees and MLAs who are Members shall be adjusted as may be required from time to time by the Board of Trustees or as set out in Section 4.4, subject to the Income Tax Act and the triggering mechanism and limitations imposed by the Funding Policy, and shall be documented in Appendix B. For purposes of the Initial Contributions required from an Employee who is in Other Than Full Time employment with the Employer, such contributions shall be based on the Employee's Earnings before the adjustment described in the second paragraph of Section 2.20 but limited in any event to the amount described in the fourth paragraph of Section 2.20 (hereinafter in this Article IV referred to as "**Contributory Earnings**").

4.3 Subject to the Income Tax Act, the Initial Contributions required from the Employer shall, prior to April 1, 2014, be

(i) eight and nine-hundred thirty-two one thousandths percent (8.932%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of all Employees who are Members up to the YMPE; and

(ii) eleven and fifty-five one hundredths percent (11.55%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of all Employees who are Members above the YMPE; and

the Initial Contributions required from the Employer, and the Province with respect to MLAs, shall, on and after April 1, 2014, be

- (iii) eleven and one-quarter percent (11.25%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of all Employees and MLAs who are Members.

Thereafter, contribution rates of the Employer, and the Province with respect to MLAs, shall be adjusted as may be required from time to time by the Board of Trustees or as set out in Section 4.4, subject to the Income Tax Act and the triggering mechanism and limitations imposed by the Funding Policy, and shall be documented in Appendix B.

4.4 Notwithstanding Section 4.2 and 4.3, if at any time there is an increase or a reduction in Employees employed by the Employer and MLAs of greater than 5% in a given year, the Initial Contributions in Sections 4.2 and 4.3 shall be re-calculated.

4.5 Notwithstanding Section 4.2 and 4.3, effective as of January 1, 2029, the Initial Contributions required from Employees and MLAs who are Members at the time and the Initial Contributions required from the Employer, and the Province with respect to MLAs, shall be equal and shall be determined as follows, subject to the Income Tax Act:

- (i) the aggregate contribution amount shall be determined as follows:
 - (a) the average Employee and MLA Initial Contribution rate produced by the Initial Contribution formula of seven and one-half percent (7.5%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) up to the YMPE of Employees and MLAs who are Members at the time and ten and seven-tenths percent (10.7%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) above the YMPE of Employees and MLAs who are Members at the time shall be determined at such time and eleven and one-quarter percent (11.25%) of Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of Employees and MLAs who are Members at the time shall be added to such amount and the sum shall be divided by two (2) (each being a “Contribution Amount”);
- (ii) the aggregate contribution amount in (i) above shall be split as follows:
 - (a) the new Initial Contributions required from Employees and MLAs who are Members shall be determined by adjusting the Contribution Amount in (i)(a) above for Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) up to and above the YMPE, as appropriate at that time; and
 - (b) the new Initial Contributions required from the Employer, and the Province with respect to MLAs, will match the Initial Contributions required from Employees and MLAs who are Members.

Thereafter, contribution rates of Employees and MLAs who are Members, and of the Employer, and of the Province with respect to MLAs, shall be adjusted as may be required from time to time by the Board of Trustees, subject to the Income Tax Act and the triggering mechanisms and limitations imposed by the Funding Policy, and shall be documented in Appendix B.

4.6 The Employer, and the Province with respect to MLAs, shall also be required to make Temporary Contributions under the following two (2) schedules:

- (i) under the first schedule, the Employer, and the Province with respect to MLAs, shall make Temporary Contributions of 0.5% of the Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of all Employees and MLAs who are Members during the period such Temporary Contributions are made and such Temporary Contributions will cease on the date that is five (5) years from the Effective Date or, if earlier, when the New Brunswick Public Service Pension Plan achieves an open group funded ratio, as defined in the Pension Benefits Act, of one hundred and forty percent (140%); and
- (ii) under the second schedule, the Employer, and the Province with respect to MLAs, shall make Temporary Contributions of three-quarters of one percent (0.75%) of the Earnings (Contributory Earnings for an Employee in Other Than Full Time employment with the Employer) of all Employees and MLAs who are Members during the period such Temporary Contributions are made and such Temporary Contributions will cease on the date that is ten (10) years from the Effective Date or, if earlier, when the New Brunswick Public Service Pension Plan achieves an open group funded ratio, as defined in the Pension Benefits Act, of one hundred and forty percent (140%).

4.7 Contribution Holidays will only be permitted if required in accordance with the eligible contribution limitations under the Income Tax Act, and will only be applied in the manner allowed under the Funding Policy.

4.8 Subject to the Funding Policy, all reasonable fees and expenses related to the administration of the New Brunswick Public Service Pension Plan and the administration and investment of the Fund shall be paid from the Fund, including fees and expenses of the Board of Trustees and their agents.

**ARTICLE V
BASE BENEFITS**

- 5.1 The Base Benefits described in this Article V, and Section 6.7 where applicable, are the intended Base Benefits under this New Brunswick Public Service Pension Plan. Notwithstanding any other provision of this New Brunswick Public Service Pension Plan, the Funding Policy allows or requires the Board of Trustees to adjust Base Benefits. Such adjustments may be positive or negative and may affect all classes of Members, Pre-Conversion Retirees and Claimants. Any adjustments to Base Benefits made pursuant to the Funding Policy shall be paramount for the time period required under the Funding Policy and shall affect the Base Benefits specified in this New Brunswick Public Service Pension Plan. Any such adjustments shall be documented in Appendix C.
- 5.2 Subject to Article XX, for each Pre-Conversion Retiree and Other Pre-Conversion PSSA Plan Claimant, the Base Benefits shall be the sum of (i), (ii) and (iii), adjusted where required according to Appendix C:
- (i) the amount of pension, including any COLA granted prior to the Effective Date, paid or payable as at the Effective Date, as determined under the PSSA Plan but shall not include future COLA; plus
 - (ii) COLA of ninety-six one hundredths percent (0.96%) granted on January 1, 2014 (pro-rated for the time since termination of employment for those who terminated employment in 2013); plus
 - (iii) COLA as may be granted by the Board of Trustees from time to time in accordance with Article VI and the Funding Policy, as documented in Appendix A.
- 5.3 Subject to Article XX, for each Member, the Base Benefits shall be the sum of (i), (ii), (iii) and (iv), adjusted where required according to Appendix C:
- (i) with respect to the Member's Pensionable Service, if any, under the PSSA Plan prior the Effective Date, the amount determined pursuant to Section 5.4; plus
 - (ii) with respect to the Member's Pensionable Service on or after the Effective Date, the amount determined pursuant to Section 5.5; plus
 - (iii) with respect to the Member's Pensionable Service purchased under Article XXIII, the amount(s) determined pursuant to Article XXIII; plus
 - (iv) COLA as may be granted by the Board of Trustees from time to time, in accordance with Article VI and the Funding Policy, as documented in Appendix A.

5.4 For Pensionable Service prior to the Effective Date, the Base Benefits (prior to any adjustments required by Article XIII and/or Appendix C) of a Member for purposes of paragraph 5.3(i) shall be equal to: the number of years (and fractions thereof) of the Member's Pensionable Service prior to the Effective Date multiplied by the sum of (i) and (ii) as follows: (i) one and three-tenths percent (1.3%) of the Member's Average PSSA Salary up to the Average Maximum PSSA Salary, and (ii) two percent (2%) of the portion of the Average PSSA Salary, if any, that is greater than the Average Maximum PSSA Salary. Such Base Benefits (prior to any adjustments required by Article XIII and /or Appendix C) calculated immediately prior to the Effective Date shall not exceed the maximum pension payable under the Income Tax Act for the Member assuming the Member commenced receipt of Base Benefits pension payments on December 31, 2013 and had attained age sixty-five (65).

For purposes of this Section 5.4 and Section 13.4,

- (i) "Average PSSA Salary" means the average Earnings received or deemed to have been received by the Member during the period of five (5) successive years of Pensionable Service prior to the Effective Date during which his or her Earnings was highest and, where the Member does not have five (5) successive years of Earnings as at the Effective Date, such Member's Average PSSA Salary shall be the average of the Member's Earnings over such shorter period; and
- (ii) "Average Maximum PSSA Salary" means the average of the YMPE for the three (3) years prior to the Effective Date.

5.5 For Pensionable Service on and after the Effective Date, the Base Benefits (prior to any adjustments required by Article XIII and/or Appendix C) of a Member for purposes of paragraph 5.3(ii) shall, for each year (or proportionate amount for a part of a year) of the Member's Pensionable Service on and after the Effective Date, be equal to:

- (i) one and four-tenths percent (1.4%) of the Member's Earnings for the year up to the YMPE for the year; and
- (ii) two percent (2%) of the portion of the Member's Earnings for the year that are in excess of the YMPE for the year.

5.6 For greater certainty, any automatic increases in accrued pensions, deferred pensions and pension benefits, either by formula or contingent on salary increases, under the PSSA Plan no longer apply under the New Brunswick Public Service Pension Plan as of the Effective Date, as permitted under Section 100.52 of the Pension Benefits Act. Instead, future COLA adjustments may be granted by the Board of Trustees from time to time in accordance with Article VI.

**ARTICLE VI
ANCILLARY BENEFITS**

- 6.1 COLA is an Ancillary Benefit and shall be granted annually on January 1 on a conditional basis in respect of all Base Benefits in payment on or accrued up to December 31 of the previous year. For greater certainty, COLA may be nil in a given year or years, as determined by the Board of Trustees in accordance with the Funding Policy.
- 6.2 COLA granted in any given year by the Board of Trustees in accordance with the Funding Policy shall be limited to the amount permitted under the Income Tax Act.
- 6.3 Once COLA is granted for a given year to a Member, Pre-Conversion Retiree, or Claimant in accordance with this Article VI and the Funding Policy, it becomes part of the Base Benefits for such Member, Pre-Conversion Retiree, or Claimant, as the case may be.
- 6.4 COLA granted under the New Brunswick Public Service Pension Plan on and after the Effective Date shall be documented in Appendix A.
- 6.5 Each time COLA is granted under Section 6.1, it shall also apply to any bridge benefits determined in accordance with Section 13.4 in payment on December 31 of the previous year.
- 6.6 The Ancillary Benefits, other than COLA, may be less or nil in a given year or years, as determined by the Board of Trustees in accordance with the Funding Policy, in which case the reductions for early payment in Sections 13.3, 13.5 and 13.7 shall be no greater than reductions for early payment on an Actuarial Equivalent basis but in no event less than the reductions for early payment required by Section 20.1
- 6.7 Once the Ancillary Benefits are provided upon death in accordance with Article VIII or upon a Member becoming eligible for an immediate pension in accordance with Article XIII and in accordance with the Funding Policy, such Ancillary Benefits become part of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits under Article V.
- 6.8 The level of Ancillary Benefits to be provided under Article VIII or Article XIII in a given year or time period, as determined by the Board of Trustees in accordance with the Funding Policy, shall be documented in Appendix C.

6.9 The Ancillary Benefits described in this Article VI are the intended Ancillary Benefits. Notwithstanding any other provision of this New Brunswick Public Service Pension Plan, the Funding Policy allows or requires the Board of Trustees to make changes to the Ancillary Benefits. Such changes may be positive or negative and may affect all classes of Members, Pre-Conversion Retirees and Claimants. Any changes to Ancillary Benefits made pursuant to the Funding Policy shall be paramount for the time period required under the Funding Policy and shall affect the Ancillary Benefits specified in this New Brunswick Public Service Pension Plan. Any such changes shall be documented in Appendix C.

ARTICLE VII
BENEFITS ON TERMINATION OF EMPLOYMENT

7.1 Upon a Member's termination of employment with the Employer, or in respect of a Member who is an MLA upon the Member ceasing to serve as an MLA, other than through death, prior to the Member's Vesting Date, the Member is entitled to a refund of the Member's contributions made in accordance with Article IV of this New Brunswick Public Service Pension Plan and Sections 3, 3.01, 3.1 and/or 4 of the PSSA Plan, with Accumulated Interest. The Member may direct that such refund be paid in any of the following ways, or as otherwise permitted from time to time under the Pension Benefits Act and the Income Tax Act:

- (i) paid as a lump-sum cash refund to the Member (less applicable withholding taxes); or
- (ii) transferred to the Member's Registered Investment Vehicle, as permitted under the Income Tax Act and the Pension Benefits Act.

7.2 Upon a Member's termination of employment with the Employer, or in respect of a Member who is an MLA upon the Member ceasing to serve as an MLA, other than through death, on or after the Member's Vesting Date, but before the Member is eligible for an immediate pension under Article XIII, the Member is entitled to a deferred annual Base Benefits pension payable no later than the Member's Normal Retirement Date and determined in accordance with Article V, and Article XIII where applicable. In lieu of a deferred pension, the Member is entitled to transfer the Termination Value under Section 7.3, subject to Section 19.2. The Board of Trustees shall provide the Member within the time period prescribed under the Pension Benefits Act from time to time with the disclosure of information required to be provided under the Pension Benefits Act and an election form pursuant to which the Member may elect the transfer the Termination Value under Section 7.3.

For greater certainty, upon a Member's termination of employment with the Employer, or in respect of a Member who is an MLA upon the Member ceasing to serve as an MLA, other than through death, on or after the Member's Vesting Date and after the Member is eligible for an immediate pension under Article XIII, such Member is entitled to an immediate or deferred pension under the terms of this New Brunswick Public Service Pension Plan, and is not entitled to make an election to transfer the Termination Value under Section 7.3.

7.3 A Member who is entitled to transfer the Termination Value may direct the Board of Trustees to transfer the Termination Value:

- (i) to another pension plan with the consent of the administrator of that pension plan;
or
- (ii) to any other prescribed retirement savings arrangement to which such a transfer is permitted under the Pension Benefits Act.

Upon providing the direction to the Board of Trustees, if the Termination Value exceeds the transfer limit prescribed by the Income Tax Act, the excess of the Termination Value over the prescribed transfer limit shall be paid in a lump sum to the Member (less applicable withholding taxes).

After the Member receives notice of his or her rights under Section 7.2, the Member must provide the direction to the Board of Trustees within the time period prescribed under the Pension Benefits Act from time to time. If no such direction is provided within the time period prescribed under the Pension Benefits Act from time to time, the Member will be deemed to have elected to not make a transfer under this Section 7.3 and Section 7.4 shall apply.

- 7.4 Unless otherwise elected under Section 7.3 by the Member entitled to a deferred pension under Section 7.2, and subject to ARTICLE XIX, such Member's deferred Base Benefits pension under the New Brunswick Public Service Pension Plan shall remain in the New Brunswick Public Service Pension Plan and the Member shall be entitled to a deferred pension under the terms of this New Brunswick Public Service Pension Plan until the Member's pension commencement, death, or marriage or common law partnership breakdown (in circumstances where a payment to the Member's spouse or common-law partner or former spouse or common-law partner from the New Brunswick Public Service Pension Plan is required).
- 7.5 Upon the transfer of a Termination Value under Section 7.3 or a refund under Section 7.1, the Member has no entitlement to any further benefits or enhancements from the New Brunswick Public Service Pension Plan or payment from the Fund and shall cease to be a Member.
- 7.6 Any Pre-Conversion Deferred Vested Member shall not be entitled to a transfer in accordance with Section 7.3 or any other transfer from the New Brunswick Public Service Pension Plan, unless provided under ARTICLE XIX, and shall remain in the New Brunswick Public Service Pension Plan entitled to a deferred pension under the terms of this New Brunswick Public Service Pension Plan until the Pre-Conversion Deferred Vested Member's pension commencement, death, or marriage or common law partnership breakdown (in circumstances where a payment to the Pre-Conversion Deferred Vested Member's spouse or common-law partner or former spouse or former common-law partner from the New Brunswick Public Service Pension Plan is required).

**ARTICLE VIII
DEATH BENEFITS**

8.1 Upon the death of a Member prior to the Member's Vesting Date, the Member's contributions made in accordance with Article IV of the New Brunswick Public Service Pension Plan and Sections 3, 3.01, 3.1 and/or 4 of the PSSA Plan, with Accumulated Interest, shall be paid as follows:

- (i) if there is a surviving Spouse at the date of death and Section 19.6 does not apply, it shall be paid to the Member's surviving Spouse; or
- (ii) if there is a surviving Spouse at the date of death and paragraph 19.6(ii) applies, it shall be paid to:
 - (a) the Member's surviving Spouse; and
 - (b) the Member's Beneficiary;in the proportion elected on the form prescribed under the Pension Benefits Act as described under paragraph 19.6(ii); or
- (iii) if there is no surviving Spouse at the date of death, or if there is a surviving Spouse and paragraph 19.6(i) applies, it shall be paid to the Member's Beneficiary.

8.2 Upon the death of a Member on or after the Member's Vesting Date or upon the death of a Pre-Conversion Deferred Vested Member, provided the Member or Pre-Conversion Deferred Vested Member has not commenced to receive his or her pension, the death benefit payable is:

- (i) if the Member or Pre-Conversion Deferred Vested Member has a surviving Spouse and Section 19.6 does not apply, the surviving Spouse is entitled to elect to receive either:
 - (a) the Termination Value of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits pension in a lump sum or such surviving Spouse may direct that such Termination Value be transferred to the Spouse's Registered Investment Vehicle, as permitted under the Income Tax Act; or
 - (b) an immediate annual pension, payable in equal monthly instalments for the surviving Spouse's lifetime, equal to fifty percent (50%) of the Member's or Pre-Conversion Deferred Vested Member's accrued lifetime pension at the time of the Member's or Pre-Conversion Deferred Vested Member's death (without reference to Article XIII), and the provisions of Article VI and any adjustments required in accordance with Appendix C apply thereafter; or

- (ii) if the Member or Pre-Conversion Deferred Vested Member has a surviving Spouse and paragraph 19.6(ii) applies, the death benefit shall be:
 - (a) the Termination Value of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits pension in the proportion that was waived on the form prescribed under the Pension Benefits Act as described under paragraph 19.6(ii), paid in a lump sum to the Member's or Pre-Conversion Deferred Vested Member's Beneficiary; and
 - (b) the Member's or Pre-Conversion Deferred Vested Member's surviving Spouse is entitled to elect to receive either:
 - a. the benefit described in subparagraph 8.2(i)(a) reduced by the proportion waived on the form prescribed under the Pension Benefits Act as described under Section 19.6(ii); or
 - b. the benefit described in subparagraph 8.2(i)(b) reduced by the proportion waived on the form prescribed under the Pension Benefits Act as described under Section 19.6(ii); or
- (iii) if the Member or Pre-Conversion Deferred Vested Member does not have a surviving Spouse but has at least one Dependent Child, or if subparagraph 8.2(i)(b) or 8.2(ii)(b)(b.) applied and after the death of the surviving Spouse who was in receipt of the pension under subparagraph 8.2(i)(b) or 8.2(ii)(b)(b.) there is at least one Dependent Child, and in either case, the Dependent Child or Dependent Children is/are the Member's or Pre-Conversion Deferred Vested Member's Beneficiary or Beneficiaries, a Dependent Child's pension is payable to the Dependent Child (or if there is more than one child, to the Dependent Children in equal shares) equal to the surviving Spouse's pension that was being paid, or would have been payable had the Member or Pre-Conversion Deferred Vested Member had a surviving Spouse at the date of death, beginning with the month following the date of death of the Member or Pre-Conversion Deferred Vested Member (or the month following the date of death of the surviving Spouse in receipt of a pension under subparagraph 8.2(i)(b) or 8.2(ii)(b)(b.), as the case may be) and ending at the end of the Eligible Survivor Benefit Period, and the provisions of Article VI and any adjustments required in accordance with Appendix C apply thereafter; or
- (iv) if the Member or Pre-Conversion Deferred Vested Member did not have a surviving Spouse and did not have at least one Dependent Child or where a surviving Spouse's pension or Dependent Children's pension is not payable or ceases to be payable under subparagraph 8.2(i)(b), subparagraph 8.2(ii)(b)(b.) or paragraph 8.2(iii), as applicable, the Board of Trustees may grant to another dependent of the Member or Pre-Conversion Deferred Vested Member (who is the Member's or Pre-Conversion Deferred Vested Member's Beneficiary) a pension not exceeding an amount equal to the amount of the surviving Spouse's pension that could have been paid or was being paid under subparagraph 8.2(i)(b) or subparagraph 8.2(ii)(b)(b.) as the case may be. Such pension shall be paid

beginning with the month following the date of death of the Member or Pre-Conversion Deferred Vested Member, or surviving Spouse or Dependent Child or Children, whichever date is the latest, and ending at the end of the eligible survivor benefit period. In this paragraph 8.2(iv), dependent means a parent, grandparent, brother, sister, or grandchild of the Member or Pre-Conversion Deferred Vested Member who at the time of the Member's or Pre-Conversion Deferred Vested Member's death is both dependent on the Member or Pre-Conversion Deferred Vested Member for support and is:

- (a) under nineteen (19) years of age and will not attain nineteen (19) years of age in the calendar year in which the pension to the dependent becomes payable; or
- (b) in full-time attendance at an educational institution in the calendar year in which the pension to the dependent becomes payable; or
- (c) dependent on the Member or Pre-Conversion Deferred Vested Member by reason of mental or physical infirmity;

and eligible survivor benefit period means the latest of

- (d) where subparagraph (a) applies, the earlier of December 31 of the calendar year in which the dependent attains age eighteen (18) and the date of the death of the dependent; or
- (e) where subparagraph (b) applies, the day on which the dependent ceases to be in full-time attendance at an educational institution, or if earlier the dependent's twenty-fifth (25th) birthday; or
- (f) where subparagraph (c) applies, the day on which the dependent ceases to be infirm, or if there is no such day, the day of death of the dependent.

Any amount by which the Member's or Pre-Conversion Deferred Vested Member's Termination Value determined as at the date of death of such Member or Pre-Conversion Deferred Vested Member (reduced by any amount paid or payable under subparagraph 8.2(ii)(a) if Section 19.6 applies) exceeds the aggregate of all pension payments made under this Section 8.2 (to the surviving Spouse, the Dependent Child or Dependent Children and any other dependents), shall be paid to the Member's or Pre-Conversion Deferred Vested Member's Beneficiary.

- 8.3 If no survivor pension or Termination Value is payable under Section 8.2 upon the death of a Member or Pre-Conversion Deferred Vested Member, or if Section 19.6(i) applies, the Termination Value for such Member or Pre-Conversion Deferred Vested Member calculated as at the Member's or Pre-Conversion Deferred Vested Member's date of death shall be paid to the Member's or Pre-Conversion Deferred Vested Member's Beneficiary in a lump sum payment.

- 8.4 Death benefits, if any, payable after a Member's or Pre-Conversion Deferred Vested Member's pension commencement date shall be in accordance with ARTICLE XII and the elections made by the Member or Pre-Conversion Deferred Vested Member at the time of pension commencement.
- 8.5 Upon payment under Section 8.1 or the payment or transfer of a Termination Value or a residual amount of a Termination Value under Section 8.2 or the payment of a Termination Value under Section 8.3, the Member or Pre-Conversion Deferred Vested Member, as applicable, (including the Member's or Pre-Conversion Deferred Vested Member's Spouse, Dependent Children, Beneficiary or estate) has no entitlement to any further benefits or enhancements from the New Brunswick Public Service Pension Plan or Fund.

**ARTICLE IX
DESIGNATION OF A BENEFICIARY**

- 9.1 Subject to the provisions of any applicable laws or regulations in effect from time to time, by written notice to the Board of Trustees a Member may designate a Beneficiary or Beneficiaries to receive any benefit that may be payable to a Beneficiary or Beneficiaries under the terms of the New Brunswick Public Service Pension Plan on the Member's death, and by similar written notice may alter or revoke such designation.
- 9.2 If, on the death of a Member, there is no designated Beneficiary or the Beneficiary has predeceased the Member, any death benefits that are payable under the terms of the New Brunswick Public Service Pension Plan to the Member's Beneficiary shall be paid to the Member's estate.

ARTICLE X DISABILITY

- 10.1 A Member who is Disabled as of the Effective Date or becomes Disabled on or after the Effective Date and who is in receipt of benefits under a long-term disability plan provided by the Employer shall continue to accrue or shall accrue, as the case may be, Pensionable Service under the New Brunswick Public Service Pension Plan from the later of the Effective Date and the date he or she became or becomes Disabled, until the earlier of:
- (i) the Member's Normal Retirement Date, in which case Article XI applies; or
 - (ii) the date the Member ceases to receive disability benefits under a long-term disability plan provided by the Employer or ceases to be Disabled, in which case Article VII or XIII applies; or
 - (iii) the date the Member dies, in which case Article VIII applies.
- 10.2 The Member's Base Benefits for Pensionable Service accrued while Disabled under Section 10.1 shall be calculated in accordance with Section 5.3. The Member's Earnings used in the calculation of such Base Benefits shall be equal to the Earnings applicable to the Member's position or office in the Public Service during the period while Disabled, subject to limits on deemed Earnings imposed under the Income Tax Act.
- 10.3 A Member who is Disabled and accrues Pensionable Service under Section 10.1 shall not be required to make the Employee contributions required under Article IV during the time period that the Member is accruing Pensionable Service pursuant to Section 10.1 and, for greater certainty, the Employer shall not be required to make Employer contributions under Article IV in respect of such Member during such time period.

**ARTICLE XI
NORMAL RETIREMENT**

- 11.1 For the purposes of this New Brunswick Public Service Pension Plan, the Normal Retirement Date of a Member is the first of the month following the Member's sixty-fifth (65th) birthday.
- 11.2 A Member who terminates employment with the Employer or, in respect of a Member who is an MLA, who ceases to serve as an MLA on the Member's Normal Retirement Date and after the Member's Vesting Date shall commence receipt of Base Benefits pension payments on the Member's Normal Retirement Date calculated in accordance with Article V and shall receive the Normal Form Pension described in Section 12.1, or such optional form of pension as the Member may elect in accordance with the provisions of Section 12.3, and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.
- 11.3 A Member who terminates employment with the Employer or, in respect of a Member who is an MLA, who ceases to serve as an MLA before the Member's Normal Retirement Date and after the Member's Vesting Date, and who did not elect a transfer under Section 7.3, shall commence receipt of the Member's Base Benefits pension payments calculated in accordance with ARTICLE V on the Member's Normal Retirement Date and shall receive the Normal Form Pension described in Section 12.1 or such optional form of pension as the Member may elect in accordance with the provisions of Section 12.3, and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

ARTICLE XII
FORMS OF PENSION BENEFITS

12.1 Subject to Section 12.2, the Normal Form Pension benefit payable to a Member for his or her lifetime upon Early Retirement Date, Normal Retirement Date or Postponed Retirement Date, as applicable, is:

- (i) a pension payable in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable and payable for the lifetime of the Member; and
- (ii) in addition, for a Member who has a Spouse on the Member's date of death, a survivor pension payable upon the Member's death to the Member's surviving Spouse (who was the Spouse on the date of death of the Member) in equal monthly instalments for the lifetime of such Spouse at the rate of fifty percent (50%) of the amount that was being paid to the Member at death, or that would have been paid to the Member if no reduction for early payment under Article XIII applied at the Member's commencement date, (including COLA granted under Article VI and any adjustments required according to Appendix C), subject to a maximum of sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the pension the Member was receiving at death; and
- (iii) if the Member does not have a surviving Spouse as described in paragraph (ii) but has at least one Dependent Child at the time of the Member's death or if a surviving Spouse's pension was payable under paragraph (ii) and after the death of the surviving Spouse there is at least one Dependent Child, a Dependent Child's pension shall be payable at the same rate that was being paid to surviving Spouse under paragraph (ii), or that would have been paid to the surviving Spouse under paragraph (ii) had there been a surviving Spouse, to the Member's Dependent Child in equal monthly instalments (or if there is more than one child to the Dependent Children in equal shares) and ending at the end of the Eligible Survivor Benefit Period; and
- (iv) the aggregate of all pension amounts paid under paragraphs (i), (ii) and (iii) to the Member, a surviving Spouse and Dependent Child or Children and any bridge benefit amounts paid under Article XIII to the Member will never be less than the Member's own contributions made in accordance with Article IV of the New Brunswick Public Service Pension Plan and Sections 3, 3.01, 3.1 and/or 4 of the PSSA Plan, with Accumulated Interest, to the date of the Member's pension commencement, with any excess payable to the Member's Beneficiary.

For greater certainty, the Normal Form Pension benefit does not include the Member's annual bridge benefit, if any, described in Section 13.4.

12.2 A Member who has a Spouse at the time of pension commencement must receive a form of pension that provides a survivor benefit to that Spouse of not less than sixty percent (60%) of the pension the Member was receiving at the date of the Member's death through an optional form of pension described in paragraph 12.3(i) or (ii) unless:

- (i) the Member delivers to the Board of Trustees, within the twelve (12) month period immediately preceding the date upon which payment of the pension is to commence, the written waiver by the Member and the Member's Spouse in the form prescribed under the Pension Benefits Act; and
- (ii) this waiver is not revoked prior to the commencement of the pension.

For greater certainty, a Member who has a Spouse at the time of pension commencement must deliver a signed spousal waiver in order to select the Normal Form Pension or an optional form under paragraphs 12.3(iii), (iv), (v) or (vi).

12.3 Subject to the restriction under 12.2 and in lieu of the Normal Form Pension under Section 12.1, a Member may elect, before pension commencement, to receive his or her lifetime pension benefit in one of the following optional forms of pension,

- (i) **Joint and Survivor Pension – 60%** - Under this optional form of pension, payments are made to the Member in equal monthly instalments during the Member's lifetime and, if the Member predeceases the Member's Spouse (who was the Spouse at the date of pension commencement), payments are continued to such Spouse for his or her life in equal monthly instalments equal to 60% of the amount paid to the Member at the time of death (including COLA granted under Article VI and any adjustments required according to Appendix C). Survivor pensions payable to Dependent Children under paragraph 12.1(iii) apply to this optional form of pension.

The aggregate of all pension amounts paid under paragraphs 12.3(i) to the Member, a surviving Spouse and Dependent Child or Children and any bridge benefit amounts paid under Article XIII to the Member will never be less than the Member's own contributions made in accordance with Article IV of the New Brunswick Public Service Pension Plan and Sections 3, 3.01, 3.1 and/or 4 of the PSSA Plan, with Accumulated Interest, to the date of the Member's pension commencement, with any excess payable to the Member's Beneficiary.

- (ii) **Joint and Survivor Pension – 100%** – Under this optional form of pension, payments are made to the Member in equal monthly instalments during the Member's lifetime and, if the Member predeceases the Member's Spouse (who was the Spouse at the date of pension commencement), payments are continued to such Spouse for his or her life in equal monthly instalments equal to 100% of the amount paid to the Member at the time of death (including COLA granted under Article VI and any adjustments required according to Appendix C). Survivor pensions payable to Dependent Children under paragraph 12.1(iii) apply to this optional form of pension.

The aggregate of all pension amounts paid under paragraphs 12.3(ii) to the Member, a surviving Spouse and Dependent Child or Children and any bridge benefit amounts paid under Article XIII to the Member will never be less than the Member's own contributions made in accordance with Article IV of the New Brunswick Public Service Pension Plan and Sections 3, 3.01, 3.1 and/or 4 of the PSSA Plan, with Accumulated Interest, to the date of the Member's pension commencement, with any excess payable to the Member's Beneficiary.

- (iii) **Life Pension with Guaranteed Period of Five Years** – Under this optional form of pension, payments are made to the Member in equal monthly instalments during the Member's lifetime and, if the Member dies before receiving sixty (60) monthly instalments, payments are continued to the Member's Beneficiary until in total sixty (60) monthly instalments have been paid (including COLA granted under Article VI and any adjustments required according to Appendix C). Where the Member's Beneficiary is the Member's estate, the remaining monthly instalments shall be paid to the Member's estate in an actuarially equivalent lump sum payment. For greater certainty, the survivor pensions payable under paragraphs 12.1(ii) and (iii) do not apply to this optional form of pension.
- (iv) **Life Pension with Guaranteed Period of Ten Years** – Under this optional form of pension, payments are made to the Member in equal monthly instalments during the Member's lifetime and, if the Member dies before receiving one hundred and twenty (120) monthly instalments, payments are continued to the Member's Beneficiary until in total one hundred and twenty (120) monthly instalments have been paid (including COLA granted under Article VI and any adjustments required according to Appendix C). Where the Member's Beneficiary is the Member's estate, the remaining monthly instalments shall be paid to the Member's estate in an actuarially equivalent lump sum payment. For greater certainty, the survivor pensions payable under paragraphs 12.1(ii) and (iii) do not apply to this optional form of pension.
- (v) **Life Pension with Guaranteed Period of Fifteen Years** – Under this optional form of pension, payments are made to the Member in equal monthly instalments during the Member's lifetime and, if the Member dies before receiving one hundred and eighty (180) monthly instalments, payments are continued to the Member's Beneficiary until in total one hundred and eighty (180) monthly instalments have been paid (including COLA granted under Article VI and any adjustments required according to Appendix C). Where the Member's Beneficiary is the Member's estate, the remaining monthly instalments shall be paid to the Member's estate in an actuarially equivalent lump sum payment. For greater certainty, the survivor pensions payable under paragraphs 12.1(ii) and (iii) do not apply to this optional form of pension.
- (vi) **Other Optional Forms as determined by the Trustees** – Such other optional forms of pension as are determined from time to time by the Board of Trustees, and which comply with the Pension Benefits Act and the Income Tax Act.

The pension payable under an optional form that provides a survivor pension to the Spouse (who is the Member's Spouse at pension commencement) of not less than sixty percent (60%) of the amount paid to the Member at time of his or her death shall be the Actuarial Equivalent of the pension otherwise payable under Section 12.1. Any other pension payable under any other optional form shall be the Actuarial Equivalent of the pension otherwise payable under Section 12.1 to the Member assuming the Member does not have a Spouse at pension commencement. Notwithstanding this Section 12.3, the lifetime pension amount provided under an optional form of pension shall not exceed the lifetime pension amount provided under the Normal Form Pension. For greater certainty, any optional form of pension does not include the Member's annual bridge benefit, if any, described in Section 13.4.

- 12.4 Sections 12.1, 12.2 and 12.3 apply to a Member whose pension commencement date is on or after the Effective Date and to all Pre-Conversion Deferred Vested Members (with the necessary modifications where applicable) who had not started their pension at the Effective Date. For Pre-Conversion Retirees and Other Pre-Conversion PSSA Plan Claimants in receipt of a pension at the Effective Date, the provisions applicable to the form of payment of such pensions under the PSSA Plan at the Effective Date continue to apply under the New Brunswick Public Service Pension Plan except that COLA granted under Article VI and any adjustments required by Appendix C shall apply.

**ARTICLE XIII
EARLY RETIREMENT**

- 13.1 A Member who has attained the Vesting Date may elect to commence receipt of Base Benefits pension payments on the first day of any month following the date the Member has attained age fifty-five (55), provided the Member has terminated employment with the Employer or, in respect of a Member who is an MLA, has ceased to serve as an MLA. Such date shall be the Member's Early Retirement Date.
- 13.2 Upon his or her Early Retirement Date, a Member shall receive a Base Benefits pension calculated in accordance with Article V, including any COLA provided under Article VI before pension commencement, plus a bridge benefit calculated in accordance with Section 13.4 and such amounts shall be reduced for early payment in accordance with Section 13.3. The Member shall receive his or her adjusted Base Benefits pension in the Normal Form Pension described in Section 12.1, or such optional form of pension as the Member may elect under Section 12.3. The Member shall receive the adjusted annual bridge benefit payable in equal monthly instalments from the Member's Early Retirement Date to the month of the Member's death or attainment of age sixty-five (65), if earlier. The provisions of Article VI and any adjustments required according to Appendix C apply thereafter to the Member's adjusted Base Benefits pension and adjusted bridge benefit.
- 13.3 Subject to Article VI, a Member's Base Benefits pension and bridge benefit shall be permanently reduced for early payment as follows:
- (i) with respect to the Base Benefit pension and bridge benefit for Pensionable Service prior to the Effective Date, by three percent (3%) per year (or one quarter of one percent (1/4 of 1%) for each month) from the Member's Early Retirement Date to the first day of the month following the date the Member attains age sixty (60); and
 - (ii) with respect to the Base Benefits pension and bridge benefit for Pensionable Service on or after the Effective Date, by five percent (5%) per year (or five-twelfths of one percent (5/12 of 1%) for each month) from the Member's Early Retirement Date to the first day of the month following the date the Member attains age sixty-five (65).
- 13.4 Subject to Article VI, a Member's annual bridge benefit, prior to any reduction applied in Section 13.3, shall be equal to the lesser of the maximum bridging benefit in paragraph 8503(2)(b) of the Income Tax Regulations under the Income Tax Act and the sum of (i) and (ii) below including any COLA applied during the accrual period:
- (i) for each year of Pensionable Service prior to the Effective Date, 0.7% (or a proportionate amount for a fraction of a year) of the Average PSSA Salary, as defined in paragraph 5.4(i), up to the Average Maximum PSSA Salary, as defined in paragraph 5.4(ii); and

- (ii) for each year of Pensionable Service on and after the Effective Date, 0.6% (or a proportionate amount for a fraction of a year) of the Member's Earnings for each such year up to the YMPE for such year.

To the extent that COLA is granted in accordance with Article VI in any given year in which the Member accrues or is in receipt of a bridge benefit, such COLA shall apply to the annual bridge benefit.

- 13.5 Each Pre-Conversion Deferred Vested Member who was eligible for a deferred pension and had terminated employment with the Employer before being eligible to receive an immediate pension under the PSSA Plan, may elect to commence receipt of pension payments on the first day of the month following attainment of age fifty-five (55) and not later than the first day of the month following attainment of age sixty-five (65), in which event the Pre-Conversion Deferred Vested Member's Base Benefits pension shall, subject to Article VI, be permanently reduced for early payment by three percent (3%) per year (or one-quarter of one percent (1/4 of 1%) for each month) from the date of pension commencement to the first day of the month following the date the Pre-Conversion Deferred Vested Member will attain age sixty (60), and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter. No reduction for early payment applies if the Pre-Conversion Deferred Vested Member is age sixty (60) or older at his or her pension commencement date.
- 13.6 Each Pre-Conversion Deferred Vested Member who was eligible for an immediate pension upon termination of employment with the Employer, may elect to commence receipt of pension payments at any time on the first day of any month on or after the Effective Date and not later the first day of the month following attainment of age sixty-five (65), in which event the Pre-Conversion Deferred Vested Member Base Benefits pension shall, subject to Article VI, be permanently reduced for early payment by three percent (3%) per year (or one-quarter of one percent (1/4 of 1%) for each month) from the date of pension commencement to the first day of the month following the date the Pre-Conversion Deferred Vested Member will attain age sixty (60), and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter. No reduction for early payment applies if the Pre-Conversion Deferred Vested Member is age sixty (60) or older at his or her pension commencement date.
- 13.7 Each Pre-Conversion Deferred Vested Member who commences receipt of the pension payments in accordance with Section 13.5 or 13.6 is also entitled to a bridge benefit payable from the Pre-Conversion Deferred Vested Member's pension commencement date to the earlier of the first day of the month of the Pre-Conversion Deferred Vested Member's death and the first day of the month following the date the Pre-Conversion Deferred Vested Member attains age sixty-five (65) equal to the amount determined in paragraph 13.4(i) and reduced by the reduction factor for early payment, if any, applied to the Pre-Conversion Deferred Vested Member's Base Benefits pension under Section 13.5 or 13.6, as applicable, (and thereafter includes any COLA applied according to Section 13.4) and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

- 13.8 The amount by which a reduction of a Member's or Pre-Conversion Deferred Vested Member's Base Benefits pension for early payment or no reduction of Base Benefits pension for early payment in this Article XIII is less than an Actuarially Equivalent reduction from the Member's Normal Retirement Date or the first day of the month following the Pre-Conversion Deferred Vested Member's attainment of age sixty-five (65) is an Ancillary Benefit for purposes of Article VI. In addition, a Member's or Pre-Conversion Deferred Vested Member's bridge benefit payable under this Article XIII is an Ancillary Benefit for purposes of Article VI. Upon a Member's or Pre-Conversion Deferred Vested Member's attainment of age fifty-five (55), such Ancillary Benefits become part of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits.

**ARTICLE XIV
POSTPONED RETIREMENT**

- 14.1 In the event that a Member continues in employment with the Employer or, in respect of a Member who is an MLA, continues to serve as an MLA beyond the Member's Normal Retirement Date, contributions to the Fund by the Member, and in respect of the Member by the Employer or in respect of the Member who is an MLA by the Province, shall continue and Base Benefits shall continue to accrue in respect of the Member's Pensionable Service beyond the Member's Normal Retirement Date in accordance with Section 5.5 (taking into account any adjustments required by Appendix C) until such time as the Member reaches the Postponed Retirement Date under Section 14.2.
- 14.2 A Member described in Section 14.1 shall commence to receive Base Benefits pension payments on the first day of the month following the Member's date of termination of employment with the Employer or, in respect of a Member who is an MLA, the date the MLA ceases to serve as an MLA after having attained the Member's Vesting Date, but in no event shall the pension commencement date of a Member be postponed beyond the date prescribed by paragraph 8502(e) of the regulations under the Income Tax Act. Such pension commencement date shall be the Member's Postponed Retirement Date.
- 14.3 Upon a Member's Postponed Retirement Date, a Member's Base Benefits pension shall be calculated in accordance with ARTICLE V and the Member shall receive the Normal Form Pension described in Section 12.1 or such optional form of pension as the Member may elect under Section 12.3 and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

ARTICLE XV ADMINISTRATION

- 15.1 Effective January 1, 2014, a Board of Trustees constituted in accordance with this ARTICLE XV shall be established by Declaration of Trust and such Board of Trustees shall be the Administrator of the New Brunswick Public Service Pension Plan.
- 15.2 If the Board of Trustees has not been established by the Effective Date, the Minister shall assume the responsibility of the Board of Trustees on an interim basis. Once the newly constituted Board of Trustees is established in accordance with the Memorandum of Understanding and Declaration of Trust, the Minister shall cease to act as Trustee of the New Brunswick Public Service Pension Plan.
- 15.3 The initial Board of Trustees shall consist of six (6) Trustees. The Unions that have executed the Memorandum of Understanding have appointed three (3) Trustees as follows: one (1) Trustee appointed by the New Brunswick Nurses Union, one (1) Trustee appointed by the New Brunswick Union of Public and Private Employees, and one (1) Trustee appointed by Local 37 of the International Brotherhood of Electrical Workers. The Province has appointed three (3) Trustees, one of whom is a Pre-Conversion Retiree.
- Thereafter, the Board of Trustees shall consist of ten (10) Trustees. The Province shall appoint five (5) Trustees, one of whom shall be either a Pre-Conversion Retiree or post-conversion retiree. The Unions shall appoint five (5) Trustees as follows: one (1) Trustee shall be appointed by the New Brunswick Nurses Union, one (1) Trustee shall be appointed by the New Brunswick Union of Public and Private Employees, one (1) Trustee shall be appointed by Local 37 of the International Brotherhood of Electrical Workers, and two (2) Trustees shall be appointed by other Unions that have executed the Memorandum of Understanding, as determined by such Unions. In addition, there shall be two (2) observers, one (1) appointed by the New Brunswick Union of Public and Private Employees, and one (1) appointed by locals of CUPE Union that have executed the Memorandum of Understanding. Such observers shall have the right to attend meetings of the Board of Trustees, but shall not have a vote.
- 15.4 Within three (3) months of the establishment of the Board of Trustees, the Board of Trustees shall select a person who shall be called upon to cast the deciding vote in the event that the Board of Trustees is deadlocked. Such person shall not be a member of the Board of Trustees. The Board of Trustees may, from time to time, determine to change the person who shall be called upon to cast the deciding vote in the event that the Board of Trustees is deadlocked; provided that at all times there must be such a person selected by the Board of Trustees. In the event of such a deadlock before such selection has been made, the deadlock shall be decided by a third-party facilitator appointed by a two-thirds ($\frac{2}{3}$) majority vote of the Trustees.
- 15.5 The Board of Trustees shall have all the powers, duties and responsibilities set forth in the Declaration of Trust and under the Pension Benefits Act and the Income Tax Act.

Without limiting the generality of the foregoing, the Board of Trustees shall be responsible for:

- (i) all measurements and reporting required by the Pension Benefits Act, including annual funding policy actuarial valuations and stochastic modelling of the assets and the liabilities of the New Brunswick Public Service Pension Plan;
- (ii) establishing the Investment Policy (which is subject to annual review by the Board of Trustees);
- (iii) administering and investing the New Brunswick Public Service Pension Plan and Fund in accordance with the Pension Benefits Act, Income Tax Act, this New Brunswick Public Service Pension Plan and the Funding Policy; and
- (iv) all other requirements of an administrator under the Pension Benefits Act.

15.6 The Board of Trustees may enact rules and regulations relating to the administration of the New Brunswick Public Service Pension Plan and investment of the Fund to carry out the terms hereof and thereof and may amend such rules and regulations from time to time. Such rules and regulations shall not conflict with any provision of this New Brunswick Public Service Pension Plan, the Declaration of Trust, the Funding Policy, the Pension Benefits Act or the Income Tax Act.

15.7 The Board of Trustees may appoint one or more agents to carry out any act or transaction required for the administration, investment, custody and management of the New Brunswick Public Service Pension Plan and Fund or may retain advisors. Every agent appointed by the Board of Trustees shall report to and be subject to the direction and continuing supervision of the Board of Trustees.

15.8 The Board of Trustees shall be entitled to rely upon all statements and reports furnished by an actuary, an accountant, an appraiser, a lawyer or other professional advisor retained by the Board of Trustees.

15.9 Wherever the records of the Employer, or of the Province with respect to MLAs, are used for the purposes of the New Brunswick Public Service Pension Plan, such records shall be conclusive of the facts with which they are concerned.

15.10 In the absence of actual notice to the contrary, the Board of Trustees shall make payment in accordance with information provided by the Member, Pre-Conversion Retiree or other Claimant, as applicable. If there is a dispute as to whether a person is a Spouse, Dependent Child, child, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, Pre-Conversion Retiree or other Claimant, as applicable, the Board of Trustees may obtain court directions and the costs thereof may be paid from the Fund in accordance with Section 4.8, or may, at the discretion of the Board of Trustees, be charged to the person entitled to the benefit to be paid.

- 15.11 Every eligible Employee and eligible MLA shall furnish to the Board of Trustees, when required to do so, proof of age satisfactory to the Board of Trustees.
- 15.12 The duties, with respect to the administration of the New Brunswick Public Service Pension Plan, of the Employer, or of the Province with respect to MLAs, shall be as follows:
- (i) to provide to the Board of Trustees in the form prescribed by the Trustees complete up-to-date information on all matters relating to age, service, eligibility or remuneration of Members, their dates of retirement, death or termination of employment, and all other pertinent facts or information which the Board of Trustees may require for the operation and administration of the New Brunswick Public Service Pension Plan; and
 - (ii) where reasonably requested by the Board of Trustees, to communicate details of the New Brunswick Public Service Pension Plan to Members, to inform Employees and MLAs regarding eligibility requirements for participation in the New Brunswick Public Service Pension Plan, and to assist with the distribution and collection of the prescribed enrollment form for eligible Employees and eligible MLAs who are required to join the New Brunswick Public Service Pension Plan.

**ARTICLE XVI
DISCLOSURE**

- 16.1 Within the period prescribed by the Pension Benefits Act, the Board of Trustees shall provide to each Employee and each MLA who becomes eligible for membership in the New Brunswick Public Service Pension Plan (including, for greater certainty, those Members who became eligible as a result of the conversion of the PSSA Plan and the Pre-Conversion Retirees and Other Pre-Conversion PSSA Plan Claimants), a written description of the New Brunswick Public Service Pension Plan. Such description shall explain the terms and conditions of the plan applicable to the Employee, Pre-Conversion Retiree or Other Pre-Conversion PSSA Plan Claimant and the rights and obligations of such persons in respect of the New Brunswick Public Service Pension Plan. Such description shall include disclosure of the fact that the New Brunswick Public Service Pension Plan is a Shared Risk Plan for the purposes of the Pension Benefits Act. In addition, the disclosure will set out the purposes and characteristics of a Shared Risk Plan in accordance with the Pension Benefits Act.
- 16.2 Within the period required under the Pension Benefits Act the Board of Trustees shall provide a written explanation of each amendment to the New Brunswick Public Service Pension Plan to each Member, Pre-Conversion Retiree or other Claimant affected by the amendment.
- 16.3 The Board of Trustees shall permit a Member, or such person as is required to be permitted under the Pension Benefits Act, to inspect, to make extracts from or to copy the New Brunswick Public Service Pension Plan text and any other related documents required to be made available under the Pension Benefits Act at such time and place as may be required under the Pension Benefits Act.
- 16.4 To the extent required under the Pension Benefits Act, the Board of Trustees shall provide, on request, a Member, or such person as is required to be permitted under the Pension Benefits Act, with copies of any of the documents required to be made available under the Pension Benefits Act upon payment to the Board of Trustees of a reasonable fee.
- 16.5 Within the period prescribed under the Pension Benefits Act, the Board of Trustees shall provide each Member a written statement describing the benefits the Member has earned to date and such other information as required under the Pension Benefits Act.
- 16.6 Upon termination of employment of a Member or, in respect of a Member who is an MLA, upon the Member ceasing to serve as an MLA, or upon cessation of the Member's active membership in the New Brunswick Public Service Pension Plan, the Board of Trustees shall provide to the Member (or the Member's Spouse or other person entitled to benefits in the event of the Member's death) within the period prescribed under the Pension Benefits Act, a written statement containing the information prescribed under the Pension Benefits Act in respect of the benefits and options to which the Member or other person is entitled.

- 16.7 Within twelve (12) months after the review date of each funding policy actuarial valuation report prepared for the New Brunswick Public Service Pension Plan, the Board of Trustees shall provide the Employer, the Province, the Members, Pre-Conversion Retirees and other Claimants and the Unions a report containing the following information, in addition to any other information as may be required under the Pension Benefits Act from time to time:
- (i) the open group funded ratio and the termination value funded ratio, as such terms are defined in the Pension Benefits Act, of the New Brunswick Public Service Pension Plan;
 - (ii) the investment performance of the Fund;
 - (iii) the funding policy liabilities, as defined in the Pension Benefits Act;
 - (iv) the results of the testing performed using the asset liability model, including the probabilities associated with the risk management goals;
 - (v) the Board of Trustees' assessment of the need to reduce benefits or the opportunity to increase benefits, including a description of the risk factors affecting the New Brunswick Public Service Pension Plan;
 - (vi) a summary of the Funding Policy; and
 - (vii) a description of how Member, Pre-Conversion Retiree and other Claimant benefits would be calculated if the New Brunswick Public Service Pension Plan were terminated.
- 16.8 The Board of Trustees shall provide such other information regarding the New Brunswick Public Service Pension Plan, statistical or otherwise, as is required under the Pension Benefits Act and the Income Tax Act.
- 16.9 Such explanation, statement or right of disclosure of the New Brunswick Public Service Pension Plan text and other documents provided shall have no effect on the rights or obligations of any person under the New Brunswick Public Service Pension Plan, and shall not be referred to in interpreting or giving effect to the provisions of the New Brunswick Public Service Pension Plan. None of the Board of Trustees, each individual Trustee, the Employer, the Province, the Unions, nor any agent thereof, shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

ARTICLE XVII
INVESTMENT POLICY AND RISK MANAGEMENT FRAMEWORK

- 17.1 The Board of Trustees shall establish the Investment Policy.
- 17.2 The following shall be utilized in the establishment of the Investment Policy:
- (i) the purpose of the Investment Policy, which is to ensure that the desired security for the Base Benefits and the Ancillary Benefits is achieved;
 - (ii) stochastic financial and economic models that meet stringent statistical reliability criteria must be used to set investment allocations, including target investment durations, from time to time; and
 - (iii) the Investment Policy must reflect relevant factors including the maturity of the New Brunswick Public Service Pension Plan, the expected contributions into the New Brunswick Public Service Pension Plan, the expected benefits payable from the New Brunswick Public Service Pension Plan, the Funding Policy and the current New Brunswick Public Service Pension Plan funded status.
- 17.3 The Board of Trustees shall review, and amend as required, the Investment Policy at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 17.2 are applied.
- 17.4 The Board of Trustees shall establish a Risk Management Framework for the New Brunswick Public Service Pension Plan. Such Risk Management Framework shall:
- (i) establish the risk management goals and risk management procedures required by the Pension Benefits Act for the New Brunswick Public Service Pension Plan; and
 - (ii) contain the requirements set out in the Pension Benefits Act.
- 17.5 The Board of Trustees shall review, and amend as required, the Risk Management Framework at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 17.4 are applied.
- 17.6 In the administration and investment of the New Brunswick Public Service Pension Plan and the Fund, the Board of Trustees shall adhere to the Investment Policy and the Risk Management Framework.

**ARTICLE XVIII
FUNDING POLICY**

- 18.1 The Parties shall establish, and the Board of Trustees shall adopt, a Funding Policy in accordance with the Parameters.
- 18.2 The Funding Policy, shall at a minimum, contain:
- (i) a clear statement of the funding goals, which shall meet or exceed the minimum set out in the Pension Benefits Act;
 - (ii) a description of the cost sharing between the Employees and Employer, or the MLAs and the Province with respect to MLAs;
 - (iii) a description of the required contributions and what changes to contributions shall be permitted, or required, under various conditions;
 - (iv) a clear statement as to responsibility for expenses of the New Brunswick Public Service Pension Plan and the Fund, which shall provide that all expenses are to be paid by the New Brunswick Public Service Pension Plan unless otherwise agreed;
 - (v) a deficit recovery plan that shall contain both the priority order and the level of changes permitted. The deficit recovery plan shall be such that reduction of Base Benefits would occur as a last step in the deficit recovery plan in accordance with the Pension Benefits Act;
 - (vi) a funding excess utilization plan in accordance with the Parameters and the Pension Benefits Act;
 - (vii) a description of the financial measurement basis adopted by the New Brunswick Public Service Pension Plan; and
 - (viii) any other requirements prescribed under the Pension Benefits Act.
- 18.3 The Board of Trustees shall review, and amend as required, the Funding Policy at least once per year, in accordance with the Funding Policy and the Pension Benefits Act.
- 18.4 In the administration of the New Brunswick Public Service Pension Plan, the Board of Trustees shall adhere to the Funding Policy.

ARTICLE XIX
ASSIGNMENT AND COMMUTATION OF BENEFITS

- 19.1 Upon a Member's termination of employment or, in respect of a Member who is an MLA, upon the Member ceasing to serve as an MLA in accordance with Section 7.2 where the Termination Value of the Member's deferred pension is less than ten percent (10%) of the YMPE for the calendar year of termination of employment or ceasing to serve as an MLA, as applicable, or such other amount prescribed under the Pension Benefits Act from time to time, the Board of Trustees may require the Member to direct a transfer of the Termination Value in accordance with Section 7.3.
- 19.2 Upon a Member's termination of employment or, in respect of a Member who is an MLA, upon the Member ceasing to serve as an MLA in accordance with Section 7.2, the Member may elect, in lieu of the deferred pension, to receive a lump-sum payment (less applicable withholding taxes) equal to the Member's Termination Value if the adjusted Termination Value payable, determined in accordance with subsection 34(2) of the Pension Benefits Act, is less than forty per cent (40%) of the YMPE for the calendar year of termination of employment or ceasing to serve as an MLA, as applicable, or such other amount prescribed under the Pension Benefits Act from time to time, provided that if the Member has a Spouse, the Member has provided the Board of Trustees with a written waiver by the Spouse of any rights the Spouse may have under the New Brunswick Public Service Pension Plan or under the Pension Benefits Act in the Fund in the form prescribed under the Pension Benefits Act.
- 19.3 Subject to approval of the Board of Trustees, and based on conditions that the Board of Trustees may establish from time to time, and subject to the Pension Benefits Act, a Member who has attained the Vesting Date upon termination of employment with the Employer or, in respect of a Member who is an MLA, upon the Member ceasing to serve as an MLA, may elect, in lieu of the deferred pension payable hereunder, to receive a lump-sum payment (less applicable withholding taxes) equal to the Member's Termination Value if the Member and the Member's Spouse are not Canadian citizens and are not resident in Canada for purposes of the Income Tax Act and the Member's Spouse, if any, waives on the form prescribed under the Pension Benefits Act any right the Spouse may have under the New Brunswick Public Service Pension Plan or under the Pension Benefits Act in the Fund and provides such form to the Board of Trustees.
- 19.4 Upon the transfer or payment of a Termination Value in accordance with Section 19.1, 19.2 or 19.3, the Member has no entitlement to any further benefits from the New Brunswick Public Service Pension Plan or payment from the Fund and ceases to be a Member of the New Brunswick Public Service Pension Plan.
- 19.5 Except as otherwise provided by the Pensions Benefits Act,
- (i) a transaction that purports to assign, charge, anticipate or give as security any interest in or under the New Brunswick Public Service Pension Plan is void; and

- (ii) any interest under the New Brunswick Public Service Pension Plan and money payable thereunder are exempt from execution, seizure or attachment or other process of law;

except that the benefits of a Member, Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member may be divided between such person and such person's spouse or common-law partner or former spouse or former common-law partner in accordance with the provisions of the Pension Benefits Act and the Income Tax Act pursuant to:

- (iii) a decree, order or judgment of a court of competent jurisdiction in relation to the division of a benefit under the New Brunswick Public Service Pension Plan on the breakdown of a marriage or common-law relationship; or
- (iv) if a domestic contract provides for the division of benefits under the New Brunswick Public Service Pension Plan as a consequence of the breakdown of marriage or common-law relationship of the Member or Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member and that person's spouse or common-law partner;

and except that money payable under the New Brunswick Public Service Pension Plan is subject to execution, seizure or attachment or other process of law in satisfaction of an order for support or maintenance enforceable in New Brunswick but, other than in the case of a refund of the Member's contributions with Accumulated Interest, to a maximum of fifty percent (50%) of the payment unless otherwise ordered by a court of competent jurisdiction.

A transaction that purports to commute or surrender a pension is void.

19.6 Subject to 19.7, a Member's or Pre-Conversion Deferred Vested Member's Spouse may waive all or a portion of the Spouse's entitlement to a death benefit under Article VIII providing that:

- (i) the surviving Spouse is not entitled to the death benefit under Article VIII, if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, the written waiver by the Member's or Pre-Conversion Deferred Vested Member's Spouse in the form prescribed under the Pension Benefits Act indicating a waiver of the full entitlement to the pre-retirement death benefit; or
- (ii) the surviving Spouse is not entitled to a portion of the death benefit under Article VIII, if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, the written waiver by the Member's or Pre-Conversion Deferred Vested Member's Spouse in the form prescribed under the Pension Benefits Act indicating a waiver of a portion of the entitlement to the pre-retirement death benefit.

- 19.7 The Member or Pre-Conversion Deferred Vested Member and the Member's or Pre-Conversion Deferred Vested Member's Spouse may jointly revoke a waiver provided in accordance with Section 19.6 if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, a written revocation of the waiver in the form prescribed under the Pension Benefits Act.

**ARTICLE XX
MAXIMUM PENSION**

20.1 Notwithstanding any provision to the contrary in this New Brunswick Public Service Pension Plan and the Funding Policy, the annual lifetime pension payable to any Member under this New Brunswick Public Service Pension Plan, determined at the time of pension commencement, including any benefit payable to a Member's spouse or common-law partner or former spouse or former common-law partner as a result of the breakdown of a marriage or common-law relationship, shall not exceed, in respect of Pensionable Service after 1991, the Member's Pensionable Service for such period multiplied by the lesser of:

- (i) the defined benefit limit, as defined in the Income Tax Act (being \$2,770.00 for pension commencement dates in 2014); and
- (ii) two percent (2%) of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any three (3) non over-lapping periods of twelve (12) months,

and such maximum shall be reduced if the pension commencement date precedes the earliest of the day on which:

- (iii) the Member attains age sixty (60);
- (iv) the Member's age plus early retirement eligibility service (as defined in the Income Tax Act) would have equalled eighty (80); and
- (v) the Member would have completed thirty (30) years of early retirement eligibility service (as defined in the Income Tax Act) with the Employer or as an MLA,

by one-quarter of one percent ($\frac{1}{4}$ of 1%) for each month by which the pension commencement date precedes such earliest date assuming the Member had continued in employment with the Employer or, in respect of a Member who is an MLA, assuming the Member had continued to serve as an MLA to that date.

Subsequent to a Member's pension commencement, the maximum annual lifetime pension determined above shall be indexed annually according to increases in the Consumer Price Index for Canada as published by Statistics Canada or its successor, over the twelve (12) month period ending October of the immediately preceding Plan Year. For greater certainty, such indexation calculation is solely for purposes of determining the maximum pension under this Section 20.1.

20.2 In the event a bridge benefit is payable under Article XIII, the sum of the Member's annual Base Benefits pension for Pensionable Service after 1991 plus the annual bridge benefit for Pensionable Service after 1991 determined at the time of pension commencement, shall not exceed (i) plus (ii) as follows:

- (i) the defined benefit limit, as defined in the Income Tax Act (being \$2,770.00 for pension commencement dates in 2014) multiplied by the Member's Pensionable Service after 1991; plus
- (ii) twenty-five percent (25%) of the average of the YMPE for the year of pension commencement and each of two (2) immediately preceding years, multiplied by the Member's Pensionable Service after 1991 (maximum thirty-five (35) years).

Subsequent to a Member's pension commencement date, the maximum annual amount determined above shall be indexed annually according to increases in the Consumer Price Index for Canada as published by Statistics Canada or its successor, over the twelve (12) month period ending October of the immediately preceding Plan Year. For greater certainty, such indexation calculation is solely for the purposes of determining the combined maximum annual lifetime pension and bridge benefit under this Section 20.2.

20.3 The provisions of this Article XX also apply, with the necessary modification, to each Pre-Conversion Deferred Vested Member upon commencement of pension payments under this New Brunswick Public Service Pension Plan.

**ARTICLE XXI
AMENDMENT OR DISCONTINUANCE OF THE PLAN**

- 21.1 Subject to Section 21.2, the New Brunswick Public Service Pension Plan may be amended by the Board of Trustees from time to time.
- 21.2 Amendments to the New Brunswick Public Service Pension Plan related to the following, or which may affect any of the following, may only be made by the Province and the Unions:
- (i) composition of the Board of Trustees; and
 - (ii) the parameters set out in Schedule “A” to the Funding Policy that are prohibited to be amended by the Board of Trustees under the Funding Policy (subject to amendments required to comply with a law or regulation as set out in the Funding Policy).
- 21.3 The Board of Trustees may, from time to time, enter into an agreement with another employer or employers who participate in a Shared Risk Plan to be included as an Employer on Appendix E of this New Brunswick Public Service Pension Plan and to merge such other employer’s or employers Shared Risk Plan with this New Brunswick Public Service Pension Plan in accordance with such requirements as may be established by the Board of Trustees from time to time; provided that the Board of Trustees may only permit such other employer or employers to be included as an Employer and merge such other employer’s or employers’ Shared Risk Plan with this New Brunswick Public Service Pension Plan if their participation in the New Brunswick Public Service Pension Plan and the merger with the New Brunswick Public Service Pension Plan
- (i) does not adversely impact the Parties as of the commencement of such participation and merger of plans, and
 - (ii) requires such other employer or employers to be solely responsible for making the contributions required under Article IV in respect of such other employer’s or employers’ employees who become Members; and
- provided such other employer or employers pay all fees and expenses (including, but not limited to, all administrative, actuarial and investment fees and expenses) related to the merger of such other Shared Risk Plan with the New Brunswick Public Service Pension Plan.
- 21.4 The Province and the Unions intend and expect to continue the New Brunswick Public Service Pension Plan indefinitely. However, if unforeseen circumstances beyond the control of the Province and the Unions results in the discontinuance of the New Brunswick Public Service Pension Plan by the Province and the Unions, the assets of the Fund shall be used to provide benefits for Members, Pre-Conversion Retirees,

Claimants and their beneficiaries in accordance with the relevant provisions of the New Brunswick Public Service Pension Plan and the Pension Benefits Act.

- 21.5 In the event of the termination of the New Brunswick Public Service Pension Plan, all Members shall be deemed to be vested in their accrued benefits for all purposes, whether or not such Members have attained the Vesting Date.
- 21.6 Upon discontinuance of the New Brunswick Public Service Pension Plan, in whole or in part, any assets of the Fund shall first be used to discharge all liabilities under the New Brunswick Public Service Pension Plan for the accrued Base Benefits, as adjusted in accordance with Appendix C, of the affected Members, Pre-Conversion Retirees and Claimants in accordance with the Pension Benefits Act and the Funding Policy. If upon discontinuance of the New Brunswick Public Service Pension Plan the assets of the Fund are insufficient to discharge all liabilities under the New Brunswick Public Service Pension Plan, as adjusted in accordance with Appendix C, for the accrued Base Benefits of the affected Members, Pre-Conversion Retirees and Claimants, such Base Benefits shall be reduced in accordance with the Pension Benefits Act and the Funding Policy. If there are additional assets, these may be used to provide Ancillary Benefits in accordance with the Funding Policy. If there are surplus assets remaining after the discharge of liabilities for the accrued Base Benefits and any Ancillary Benefits provided in accordance with the Funding Policy, such assets shall be distributed to the Members, Pre-Conversion Retirees and Claimants, in accordance with Funding Policy and the Pension Benefits Act.

**ARTICLE XXII
CONVERSION DETAILS**

- 22.1 The New Brunswick Public Service Pension Plan will be effective from and after the Effective Date. All conversion benefit calculations will be made as of that date without regard to any administrative changes required to effect the conversion.
- 22.2 Benefits accrued under the PSSA Plan shall be converted as of the Effective Date in accordance with the provisions hereof and the Pension Benefits Act.
- 22.3 Effective as of the Effective Date, no person who has any entitlement under the terms of the New Brunswick Public Service Pension Plan shall have any entitlement or claim under or with respect to the PSSA Plan.
- 22.4 This New Brunswick Public Service Pension Plan is subject to the Pension Benefits Act and the Income Tax Act.
- 22.5 For greater certainty, the *Members' Pension Act* (New Brunswick) and the *Members Superannuation Act* (New Brunswick) are not converted with respect to MLAs' entitlements, if any, under those plans prior to the date MLAs become Members under Section 3.6.

ARTICLE XXIII
PURCHASES OF SERVICE AND RECIPROCAL AGREEMENTS

23.1 During the Purchase of Service Window, a Member who was a member of the PSSA Plan as of the Effective Date may purchase periods of service prior to the Effective Date (including elective service and non-elective service) under the terms of sections 4 and 5 of the PSSA Plan as Pensionable Service under this New Brunswick Public Service Pension Plan, subject to the limitations prescribed under the Income Tax Act and subject to the certification of any past service pension adjustment required by the Income Tax Act. The period of Pensionable Service so purchased shall be treated under this New Brunswick Public Service Pension Plan as Pensionable Service under the PSSA Plan prior to the Effective Date and the provisions of Section 5.4, and paragraphs 13.3(i) and 13.4(i) if applicable, shall apply.

Where, prior to the expiry of the Purchase of Service Window, a Member has elected to purchase any such period of Pensionable Service and has undertaken to pay for that Pensionable Service in instalments in accordance with subsection 5(4) of the PSSA Plan, the Member may continue to pay for such Pensionable Service in instalments. In the event the Member ceases to make the payments, ceases to be employed by the Employer or commences receipt of pension payments, as applicable, prior to completing the full purchase of any such period of Pensionable Service, the Member shall only be entitled to that portion of such Pensionable Service that has been fully purchased.

23.2 The Board of Trustees shall have the power to determine rules effective on and after the Effective Date regarding purchases of periods of Pensionable Service by a Member, which rules must be based on the principles underlying the New Brunswick Public Service Pension Plan, subject to the limitations prescribed under the Income Tax Act and subject to the certification of any past service pension adjustment required by the Income Tax Act.

Pensionable Service purchased under Section 23.3 in respect of periods of post-2013 service shall be treated under this New Brunswick Public Service Pension Plan as Pensionable Service on and after the Effective Date to provide Base Benefits under Section 5.5 (prior to any adjustments required by Article XIII and/or Appendix C) for each year of such Pensionable Service using the Member's Earnings in effect on the date of the Member's application to purchase such service (hereinafter in this Section 23.2 and Section 23.3, referred to as the "**Date of Application**") and the provisions of paragraphs 13.3(ii) and 13.4(ii) shall apply if the Member elects to commence receipt of Base Benefits pension payments on the Member's Early Retirement Date. Pensionable Service purchased under Section 23.3 in respect of periods of pre-2014 service shall provide the Member with Base Benefits (prior to any adjustments required by Article XIII and/or Appendix C) in accordance with the following formula:

- (i) one and three-tenths percent (1.3%) on the portion of the Member's Earnings in effect on the Date of Application up to the YMPE for the year when the election to purchase the service is made; plus

- (ii) two percent (2%) of the portion of the Member's Earnings in effect on the Date of Application, if any, that is greater than the YMPE for the year when the election to purchase the service is made;

and, if the Member elects to commence receipt of Base Benefits pension payments on the Member's Early Retirement Date, the provisions of paragraphs 13.3(i) and 13.4(i) shall apply, except that paragraph 13.4(i) in respect of such Pensionable Service shall be revised as follows:

for each such year of Pensionable Service prior to the Effective Date, 0.7% (or a proportionate amount for a fraction of a year) of the Member's Earnings in effect on the Date of Application up to the YMPE for the year when the election to purchase the service is made.

23.3 On and after January 1, 2015 in respect of a purchase of pre-2014 service by a Member who became Member pursuant to Section 3.1, and on and after March 28, 2014 in respect of a Member who became a Member pursuant to Section 3.3, 3.4 or 3.5 or in respect of a purchase of post-2013 service by a Member, a Member may, according to the provisions of Section 23.2, purchase the following periods of service as Pensionable Service:

- (i) **specific previously refunded service** – under this paragraph (i), a Member who received a refund of contributions plus interest under Section 7.1 or under section 9(1) of the PSSA Plan or under a provision of the *Teachers' Pension Act* (New Brunswick) or any plan successor thereto in respect of a period of service prior to becoming (or last becoming, as applicable) a Member may elect to purchase such period of previously refunded service as Pensionable Service:
 - (a) if the Member becomes (or again becomes, as applicable) an Employee required to join the New Brunswick Public Service Pension Plan within three (3) years of the date of the Employee's prior termination of employment with the Employer or with an employer that participates in the *Teachers' Pension Act* (New Brunswick) or any plan successor thereto, as applicable, and makes a contribution to the Fund for such purchase within one (1) year of becoming (or last becoming, as applicable) a Member equal to the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the Member's Earnings as of the Date of Application to purchase such period of previously refunded service and the contribution rate in effect on the Date of Application; or
 - (b) if subparagraph (a) above does not apply, if the Member makes a contribution to the Fund for such purchase equal to the greater of (I) the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the Member's Earnings as of the Date of Application to purchase such period of previously refunded service and the contribution rate in effect on the Date of Application, and (II) the Adjusted Termination Value of the pension in respect of such period of previously refunded service.

A purchase of previously refunded service under this paragraph (i) in respect of a refund from the *Teachers' Pension Act* (New Brunswick) or any successor thereto may only apply to post-1991 service.

- (ii) **other periods of past service** – under this paragraph (ii), a Member may elect to purchase a period of past service in respect of:
- (a) any period of Continuous Service (excluding any period of lay-off, work stoppage, or Break in Service) which is Full-Time and which occurred prior to becoming a Member or a member of the PSSA Plan and which is not already Pensionable Service;
 - (b) any period of authorized leave of absence without pay which is included in Continuous Service but which is not already Pensionable Service;
 - (c) any period of Continuous Service (excluding any period of lay-off, work stoppage, or Break in Service) after 1992 and between the date the Member ceased to be a contributor under the PSSA Plan or under Section 4.2, as applicable, and the date the Member commenced receipt of benefits under a long-term disability plan provided by the Employer;
 - (d) any period of service performed after 1991 during which the Member was employed in full-time employment with the Government of Canada, including any Crown corporation or agency of the Government of Canada, or with the Government of a Province or Territory of Canada and in respect of which the Member received a refund of contributions under the provisions of the *Public Service Superannuation Act* (Canada) or similar legislation of the Province or Territory of Canada;
 - (e) any period of service performed after 1991 during which the Member served as an MLA but in respect of which the Member is not entitled to a pension under the *Members Superannuation Act* (New Brunswick) or the *Members' Pension Act* (New Brunswick);

provided the Member makes a contribution to the Fund for such purchase equal to the greater of (I) the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the Member's Earnings as of the Date of Application to purchase such period of past service and the contribution rate in effect on the Date of Application and (II) the Adjusted Termination Value of the pension in respect of such period of past service.

Under this paragraph (ii), if a Member elects to purchase a period of past service under subparagraph (b) above within one (1) year of the date of returning to employment as an Employee required to contribute to the New Brunswick Public Service Pension Plan, the Member would only be required to make a contribution to the Fund for such purchase equal to the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the

Member's Earnings as of the Date of Application to purchase such period of past service and the contribution rate in effect on the Date of Application;

(iii) **prior non-contributory part-time service** – under this paragraph (iii), a Member may elect to purchase a period of Continuous Service (excluding any period of lay-off, work stoppage, or Break in Service) which is Other Than Full-Time in respect of employment prior to becoming a Member if the Member makes a contribution to the Fund for such purchase equal to the greater of (I) the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the Member's Earnings as of the Date of Application to purchase such period of prior non-contributory part-time service and the contribution rate in effect on the Date of Application and (II) the Adjusted Termination Value of the pension in respect of such period of prior non-contributory part-time service;

(iv) **other previously refunded service** – under this paragraph (iv), a Member who received a refund of contributions with interest from one of the following plans:

- Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals,
- Shared Risk Plan for CUPE Employees of New Brunswick Hospitals,
- Pension Plan for General Labourer, Trades and Services Employees of NB School Districts,
- Pension Plan for Full-Time CUPE 2745 Employees of NB School Districts,
- *Provincial Court Judges' Pension Act* (New Brunswick),
- *Provincial Court Act* (New Brunswick),

in respect of a period of post-1991 service under such plan may elect to purchase such period of post-1991 previously refunded service if the Member makes a contribution to the Fund for such purchase equal to the greater of (I) the amount the Member would have been required to contribute under Section 4.2 for that period of service based on the Member's Earnings as of the Date of Application to purchase such period of previously refunded service and the contribution rate in effect on the Date of Application and (II) the Adjusted Termination Value of the pension in respect of such period of previously refunded service;

(v) **previously commuted service** – under this paragraph (v), a Member who transferred the commuted value or termination value of the Member's pension benefit entitlement from one of the following plans:

- this New Brunswick Public Service Pension Plan,
- New Brunswick Teachers' Pension Plan,
- Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals,

- Shared Risk Plan for CUPE Employees of New Brunswick Hospitals,
- Pension Plan for General Labourer, Trades and Services Employees of NB School Districts,
- Pension Plan for Full-Time CUPE 2745 Employees of NB School Districts,
- *Provincial Court Judges' Pension Act* (New Brunswick),
- *Provincial Court Act* (New Brunswick),
- any Government of Canada, including any Crown corporation or agency of the Government of Canada, or Government of a Province or Territory of Canada pension plan under the provisions of the Public Service Superannuation Act (Canada) or similar legislation of the Province or Territory of Canada,

may elect to purchase the period of post-1991 service that was recognized under such plan if the Member makes a contribution to the Fund for such purchase equal to the greatest of (I) the amount of the original commuted value or termination value, as applicable, that was transferred from such plan in respect of the Member's post-1991 pensionable service under that plan, plus interest at the actual rate of return of the Fund (net of the administrative expenses paid by the Fund) and/or of the PSSA Plan prior to the Effective Date, between the original date of the transfer from such other plan to the Member's Date of Application to purchase such period of previously commuted service, (II) the amount the Member would have been required to contribute under Section 4.2 for that period of previously commuted service based on the Member's Earnings as of the Date of Application to purchase such period of previously commuted service and the contribution rate in effect on the Date of Application, and (III) the Adjusted Termination Value of the pension in respect of such period of previously commuted service.

Any contributions by a Member to make a purchase under this Section 23.3 may be made by direct transfer from another pension plan, retirement savings plan or retirement income fund registered under the Income Tax Act or by cash.

“Adjusted Termination Value” means, for purposes of this Section 23.3, the termination value as of the Date of Application to purchase a period of service under this Section 23.2 determined by the Actuary in accordance with the Pension Benefits Act, subject to the following: (I) the discount rate for the calculation of the funding policy liabilities shall be used; (II) the value of the vested and non-vested Ancillary Benefits shall be included by using the expected retirement age which maximizes the termination value; and (III) the termination value funded ratio applied shall be 1.0, provided that if the termination value funded ratio in the most recently filed funding policy valuation is greater than 1.0, such greater termination value funded ratio shall be applied.

Upon a Member's termination of employment with the Employer or, in respect of a Member who is an MLA, upon the Member ceasing to serve as an MLA, or upon death, the Termination Value of the Member's entitlement under this New Brunswick Public Service Pension Plan in respect of a period of service purchased under this Section 23.3 shall not be less than the cost to the Member, as determined under this Section 23.3, with Accumulated Interest, adjusted where required according to Appendix C.

23.4 An Employee who becomes a Member in accordance with Section 3.4 may elect, within the time period established by the Board of Trustees for such election, to transfer the Employee's money-purchase account from the Part-Time Plan to the New Brunswick Public Service Pension Plan in order to purchase a period of Pensionable Service in respect of the Employee's employment in the Public Service prior to the Effective Date, subject to the limitations prescribed under the Income Tax Act and subject to the certification of any past service pension adjustment required by the Income Tax Act. The amount of Pensionable Service to be purchased shall be determined based on the Employee's Earnings in effect on the date of the election and shall be subject to such rules and conditions as may be approved by the Board of Trustees from time to time on the principles underlying the New Brunswick Public Service Pension Plan. The period of Pensionable Service purchased under this Section 23.4 shall provide the Member with Base Benefits (prior to any adjustments required by Article XIII and/or Appendix C) in accordance with the following formula and the provisions of paragraphs 13.3(i) and 13.4(i) shall apply if the Member elects to commence receipt of Base Benefits pension payments on the Member's Early Retirement Date. For each year of such Pensionable Service, Base Benefits of:

- (i) one and three-tenths percent (1.3%) on the portion of the Member's Earnings in effect on the date of the election up to the average of the YMPE for the three (3) years prior to the Effective Date; plus
- (ii) two percent (2%) of the portion of the Member's Earnings in effect on the date of the election, if any, that is greater than the average of the YMPE for the three (3) years prior to the Effective Date.

23.5 Reciprocal transfer agreements in effect as at the Effective Date shall continue in force until the Effective Date. The Board of Trustees shall take all steps necessary to suspend or terminate any such reciprocal transfer agreements, effective as of the Effective Date (or as soon thereafter as possible) as soon as practicable. The Board of Trustees may, in its discretion, from time to time, enter into reciprocal agreements with the sponsors of other pension plans and shall take all reasonable steps to implement replacement reciprocal transfer agreements to be in place effective as of the Effective Date. Such reciprocal agreements may provide for the transfer of funds in respect of a Member who transfers from one pension plan to the other and may also provide for the transfer of some or all, of the Member's Pensionable Service.

23.6 Once Pensionable Service is purchased in accordance with this Article XXIII, the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

**ARTICLE XXIV
PRE-RETIREMENT OPTION**

- 24.1 In this Article XXIV, the following terms have the meanings provided below:
- (i) **Pre-Retirement Option**” means the pre-retirement option provided under this Article XXIV.
 - (ii) **“Pre-Retirement Period”** means the period, as elected by the Member, of up to five (5) years immediately prior to the Member’s commencement of Base Benefits pension payments under this New Brunswick Public Service Pension Plan.
 - (iii) **Pre-Conversion Pre-Retirement Participant**” means a PSSA Plan member who was participating in the pre-retirement option under the PSSA Plan as of the Effective Date and became a Member under Section 3.1.
- 24.2 Subject to Section 24.3, a Member, other than a Member who is an MLA, may participate in the Pre-Retirement Option under the New Brunswick Public Service Pension Plan for a period of up to five (5) years, as elected by the Member, immediately prior to the Member’s commencement of Base Benefits pension payments under Article XI or XIII, as applicable. Such period in respect of a Member participating in the Pre-Retirement Option shall be the Member’s Pre-Retirement Period. For greater certainty, any Pre-Conversion Pre-Retirement Participant shall continue to participate in the Pre-Retirement Option under the New Brunswick Public Service Pension Plan for the duration of the pre-retirement period elected under the PSSA Plan.
- 24.3 A Member is eligible for participation in the Pre-Retirement Option under the New Brunswick Public Service Pension Plan provided such Member:
- (i) is in Full Time employment with the Employer immediately prior to participation in the Pre-Retirement Option;
 - (ii) commences Other Than Full Time employment with the Employer;
 - (iii) will be eligible under Article XI or XIII to commence receipt of Base Benefits pension payments at the end of the Pre-Retirement Period;
 - (iv) has provided notice to the Board of Trustees and the Employer to participate in the Pre-Retirement Option and has specified the date (Normal Retirement Date or an Early Retirement Date) the Member intends to commence receipt of Base Benefits pension payments in such notice of the Member’s Pre-Retirement Option; and
 - (v) elects to continue to contribute under Section 4.2 on the same basis as if the Member continued in Full Time employment with the Employer.

- 24.4 Participation in the Pre-Retirement Option is subject to a six-month notice period, or such shorter period as may be approved by the Board of Trustees from time to time.
- 24.5 The Member may only choose a Pre-Retirement Period in accordance with Section 24.2 and 24.3 and a commencement date in accordance with Section 24.4 which ensures that participation in the Pre-Retirement Option ceases no later than the month prior to the Member's Normal Retirement Date or if earlier, five (5) years from the effective date of the commencement of the Member's Pre-Retirement Period.
- 24.6 While participating in the Pre-Retirement Option, a Member will
- (i) continue to contribute under Section 4.2 based on the Earnings the Member would have received had the Member continued to be employed in Full Time employment with the Employer, subject to any limitations imposed under the Income Tax Act, but without reference to the second paragraph of Section 2.20; and
 - (ii) continue to accrue Pensionable Service, subject to any limitations imposed under the Income Tax Act, but without reference to the second paragraph of Section 2.43.
- 24.7 The Member shall commence receipt of his or her Base Benefits pension in the month immediately following the month in which the Member's Pre-Retirement Period has ended. The Base Benefits pension payable to the Member will be calculated in accordance with Article XI or Article XIII, as the case may be.

**ARTICLE XXV
MISCELLANEOUS**

- 25.1 If the Board of Trustees receives notice that any person entitled to receive benefits under the New Brunswick Public Service Pension Plan is physically or mentally incapable of managing his or her affairs, the Board of Trustees may instruct the person responsible for the payment of benefits to pay the benefits for such person to the legally appointed representative or power of attorney of the intended recipient and such payment shall act as a full discharge thereof to the Board of Trustees and the New Brunswick Public Service Pension Plan.
- 25.2 If any provision of the New Brunswick Public Service Pension Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the New Brunswick Public Service Pension Plan and the New Brunswick Public Service Pension Plan shall be construed and enforced as if such provision had not been included therein.
- 25.3 Any determination made by the Board of Trustees with regard to any question of construction or interpretation arising under or in connection with the New Brunswick Public Service Pension Plan, Declaration of Trust and Funding Policy shall be binding and conclusive on all persons affected thereby.
- 25.4 Participation in the New Brunswick Public Service Pension Plan shall not enlarge nor diminish nor establish any rights to employment with the Employer or any rights as an MLA which the Member did or did not formerly possess as an Employee of the Employer or as an MLA.
- 25.5 The New Brunswick Public Service Pension Plan shall be governed and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.
- 25.6 Any benefits payable hereunder shall be subject to any tax withholdings required by applicable law.
- 25.7 All benefits payable under the New Brunswick Public Service Pension Plan shall be paid in the lawful currency of Canada.

**APPENDIX A
COLA GRANTED UNDER ARTICLE VI**

<u>Date</u>	<u>COLA Granted</u>
January 1, 2015	1.43%
January 1, 2016	1.49%
January 1, 2017	1.40%
January 1, 2018	1.47%
January 1, 2019	1.88%

APPENDIX B
CONTRIBUTION RATE ADJUSTMENTS

APPENDIX C
BENEFIT CHANGES

APPENDIX D
PSSA

APPENDIX E EMPLOYERS

As defined under the First Schedule of the *Public Service Labour Relations Act*:

All Part I government departments and agencies
All Part II school districts
All Part III regional health authorities
All Part IV corporations and entities

University of New Brunswick
Conseil Communautaire Beausoleil
Maritime College of Forest Technology
Maritime Forestry Complex Corporation
NB Insurance Board
Premier's Council on Disabilities
Le Centre Communautaire Sainte-Anne
New Brunswick Energy and Utilities Board
NB Research and Productivity Council
ARCf de Saint-Jean
Labour and Employment Board
Legislative Assembly
Assessment and Planning Appeal Board
Public Service Labour Relations Board
Office of the Access to Information and Privacy Commissioner
Office of the Auditor General
Office of the Child and Youth Advocate
Office of the Commissioner of Official Languages
Office of the Consumer Advocate for Insurance
Ombud New Brunswick
Elections New Brunswick
Public Trustee

As of January 1, 2014, the New Brunswick Union of Public and Private Employees with respect to its president.

As of January 1, 2014, FacilicorpNB.

As of February 6, 2015, Local 37 of the International Brotherhood of Electrical Workers.

As of such date as determined by the Board of Trustees:

Atlantic Provinces Special Education Authority (APSEA)

Vestcor Inc.

APPENDIX F UNIONS

New Brunswick Union of Public and Private Employees for its components:

- NBU – Administrative Assistants, Clerical and Regulatory, Office, Data Processing and Duplicating Equipment Operation
- NBU – Education (Instructional and non Instructional)
- NBU – Engineering & Field
- NBU – Technical Inspection, Laboratory and Medical
- NBU – Resource Services
- NBU – Specialized Healthcare Professionals
- NBU – Professional Support (Part II)
- NBU – Highway Supervisors
- NBU – Industrial Training and Certification Officers
- NBU Paramedical
- NBU – Admin and Program Support Services (NBCC)
- NBU – Educational Instructional (NBCC)
- NBU – Education Consultation and Development (NBCC)
- Syndicat du Nouveau-Brunswick – services d’administration et de soutien des programmes (CCNB)
- Syndicat du Nouveau-Brunswick – education enseignants (CCNB)
- Syndicat du Nouveau-Brunswick – education consultation et élaboration (CCNB)

New Brunswick Nurses Union for its bargaining units Nurses Part III and Nurse Managers and Nurse Supervisors

Local 37 of International Brotherhood of Electrical Workers

CUPE Local 1252

CUPE Local 1840 – Court Stenographers

CUPE Local 5017 – Operational Services (NBCC)