

# Shared Risk Plan for CUPE Employees of NB Hospitals ("CUPE Hospitals SRP")

## Types of Service Available for Purchase

Service Available for Purchase	Cost
<b>Previously Refunded Service</b> <ul style="list-style-type: none"> <li>From former Pension Plan for Full-Time CUPE Employees of NB Hospitals or CUPE Hospitals SRP</li> </ul>	<p><u>Greater of:</u></p> <p>Amount of Refund, plus interest</p> <p>Or</p> <p>1 X Current Contribution Rate</p> <p>Or</p> <p>Adjusted Termination Value</p>
<b>Leave of Absence Without Pay</b> <ul style="list-style-type: none"> <li>If leave commenced prior to July 1, 2012, member must have occupied a permanent full-time position immediately prior to leave.</li> <li>If leave commenced on or after July 1, 2012, must have been a member of the CUPE Hospitals SRP immediately prior to leave (cost and service credited on a pro-rated basis if part-time position immediately prior to leave).</li> </ul>	<p><u>Greater of:</u></p> <p>1 X Current Contribution Rate</p> <p>Or</p> <p>Adjusted Termination Value minus Employer Cost (1 X Current Contribution Rate) <i>(applicable if period is purchased after one year of recommencing contributions in the CUPE Hospitals SRP)</i></p>
<b>Waiting Period</b> <ul style="list-style-type: none"> <li>Prior non-contributory full-time service</li> </ul>	<p><u>Greater of:</u></p> <p>1 X Current Contribution Rate</p> <p>Or</p> <p>Adjusted Termination Value</p>

## Cost to Purchase Service

The cost to purchase prior periods of service under the CUPE Hospitals SRP varies depending on the type and period of service being purchased. The cost to purchase most types of service (refer to "Types of Service Available for Purchase") is **the greater of:**

### Adjusted Termination Value or Current Contribution Rate

#### ADJUSTED TERMINATION VALUE

This is an actuarial calculation that provides the maximum value for the associated service based on a number of plan assumptions. This is the true cost to the pension plan of providing the service. A member's age and salary at the date of calculation are important factors in the calculation. An Adjusted Termination Value calculation takes place when a member wishes to purchase service or transfer service under a reciprocal transfer agreement.

#### CURRENT CONTRIBUTION RATE

In the context of Purchase of Service, this is the required contributions for the period being purchased based on the CUPE Hospitals SRP contribution rate and the member's earnings in effect at the date of application.

The tables on the following pages provide the estimated cost to purchase one year of service assuming various salaries and ages at date of application.

There are three different time periods which are available for purchase:

- The table "Service prior to January 1, 1997" would apply for periods of service prior to January 1, 1997.
- The table "Service between January 1, 1997 and June 30, 2012" would apply for periods of service within those dates.
- The table "Service on and after July 1, 2012" would apply for periods of service on and after July 1, 2012.



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### Service prior to January 1, 1997

Annualized Salary at date of application →	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
Age at date of application	Cost to purchase 1 year of service based on <u>Adjusted Termination Value</u> :								
60	\$6,223	\$7,539	\$8,855	\$10,171	\$11,488	\$12,804	\$14,120	\$15,440	\$16,944
55	\$6,584	\$7,801	\$9,018	\$10,235	\$11,451	\$12,668	\$13,885	\$15,106	\$16,496
50	\$5,306	\$6,288	\$7,270	\$8,252	\$9,234	\$10,216	\$11,198	\$12,182	\$13,304
45	\$4,274	\$5,066	\$5,858	\$6,649	\$7,441	\$8,233	\$9,025	\$9,819	\$10,723
40	\$3,442	\$4,080	\$4,719	\$5,357	\$5,995	\$6,633	\$7,271	\$7,911	\$8,641
35	\$2,772	\$3,286	\$3,800	\$4,315	\$4,829	\$5,344	\$5,858	\$6,374	\$6,962
30	\$2,232	\$2,646	\$3,061	\$3,475	\$3,890	\$4,304	\$4,719	\$5,135	\$5,608

OR

Cost to purchase 1 year of service based on <u>Current Contribution Rate</u> :									
\$1,800	\$2,250	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500	\$4,950	\$5,400	

Annual Pension Benefit commencing at age 60* for 1 year of purchased service:									
\$566	\$654	\$741	\$829	\$916	\$1,004	\$1,091	\$1,179	\$1,279	

\*Please note that the benefit will change based on any future cost of living increases granted, and the bridge benefit ending at age 65.  
Please see CUPE Hospitals SRP Employee Booklet for additional information at [www.vestcor.org/cupe1252](http://www.vestcor.org/cupe1252)

### Example

At date of application: Employee age 60, Annualized Salary of \$40,000, purchasing 1 year waiting period (prior non-contributory full-time)

Cost is based on the greater of:  
Adjusted Termination Value or  
Current Contribution Rate

**Adjusted Termination Value Cost**  
**\$11,488**

**Current Contribution Cost**  
**\$3,600**

**Cost of Purchase of Service**  
**\$11,488**



## Shared Risk Plan for CUPE Employees of NB Hospitals ("CUPE Hospitals SRP")

Service between January 1, 1997 and June 30, 2012

Annualized Salary at date of application →	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
Age at date of application	Cost to purchase 1 year of service based on <u>Adjusted Termination Value</u> :								
60	\$5,170	\$6,223	\$7,276	\$8,329	\$9,382	\$10,435	\$11,488	\$12,550	\$14,054
55	\$5,610	\$6,584	\$7,557	\$8,531	\$9,504	\$10,478	\$11,451	\$12,433	\$13,824
50	\$4,521	\$5,306	\$6,092	\$6,877	\$7,663	\$8,448	\$9,234	\$10,026	\$11,148
45	\$3,641	\$4,274	\$4,908	\$5,541	\$6,174	\$6,808	\$7,441	\$8,080	\$8,985
40	\$2,932	\$3,442	\$3,953	\$4,463	\$4,974	\$5,484	\$5,995	\$6,510	\$7,239
35	\$2,360	\$2,772	\$3,183	\$3,595	\$4,006	\$4,418	\$4,829	\$5,244	\$5,832
30	\$1,900	\$2,232	\$2,563	\$2,895	\$3,227	\$3,558	\$3,890	\$4,224	\$4,698

OR

Cost to purchase 1 year of service based on <u>Current Contribution Rate</u> :									
\$1,800	\$2,250	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500	\$4,950	\$5,400	

Annual Pension Benefit commencing at age 60* for 1 year of purchased service:									
\$496	\$566	\$636	\$706	\$776	\$846	\$916	\$987	\$1,087	

\*Please note that the benefit will change based on any future cost of living increases granted, and the bridge benefit ending at age 65.  
Please see CUPE Hospitals SRP Employee Booklet for additional information at [www.vestcor.org/cupe1252](http://www.vestcor.org/cupe1252)

### Example

At date of application: Employee age 45, Annualized Salary of \$35,000, purchasing 1 year waiting period (prior non-contributory full-time)

Cost is based on the greater of:  
Adjusted Termination Value or  
Current Contribution Rate

**Adjusted Termination Value Cost**  
**\$5,541**

**Current Contribution Cost**  
**\$3,150**

**Cost of Purchase of Service**  
**\$5,541**



## Shared Risk Plan for CUPE Employees of NB Hospitals ("CUPE Hospitals SRP")

### Service on and after July 1, 2012

Annualized Salary at date of application →	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
Age at date of application	Cost to purchase 1 year of service based on <u>Adjusted Termination Value</u> :								
60	\$4,117	\$4,907	\$5,696	\$6,486	\$7,276	\$8,065	\$8,855	\$9,652	\$10,780
55	\$4,007	\$4,580	\$5,152	\$5,725	\$6,298	\$6,870	\$7,454	\$8,054	\$8,918
50	\$3,227	\$3,689	\$4,151	\$4,613	\$5,075	\$5,537	\$6,010	\$6,493	\$7,192
45	\$2,598	\$2,970	\$3,343	\$3,716	\$4,088	\$4,461	\$4,842	\$5,232	\$5,797
40	\$2,091	\$2,391	\$2,691	\$2,992	\$3,292	\$3,592	\$3,901	\$4,215	\$4,671
35	\$1,682	\$1,924	\$2,167	\$2,409	\$2,651	\$2,893	\$3,142	\$3,396	\$3,764
30	\$1,354	\$1,549	\$1,744	\$1,939	\$2,134	\$2,329	\$2,531	\$2,735	\$3,033

OR

Cost to purchase 1 year of service based on <u>Current Contribution Rate</u> :									
\$1,800	\$2,250	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500	\$4,950	\$5,400	

Annual Pension Benefit commencing at age 60* for 1 year of purchased service:									
\$426	\$479	\$531	\$584	\$636	\$689	\$741	\$794	\$869	

\*Please note that the benefit includes the Early Retirement Reduction Factor and will change based on any future cost of living increases granted and the bridge benefit ending at age 65. Please see CUPE Hospitals SRP Employee Booklet for additional information at [www.vestcor.org/cupe1252](http://www.vestcor.org/cupe1252)

### Example

At date of application: Employee age 30, Annualized Salary of \$25,000, purchasing 1 year waiting period (prior non-contributory full-time)

Cost is based on the greater of:  
Adjusted Termination Value or  
Current Contribution Rate

**Adjusted Termination Value Cost**  
**\$1,549**

**Current Contribution Cost**  
**\$2,250**

**Cost of Purchase of Service**  
**\$2,250**