

NBTPP

PENSION NEWS



New Brunswick Teachers' Pension Plan (NBTPP)

December 2017 - Volume 3, Issue 2

WHAT DO YOU THINK OF THIS ISSUE OF THE NEWSLETTER?

What articles do you prefer? Did you learn anything new? What type of information would you like to see in future newsletters?

Tell us what you think about this newsletter by completing a short (2 minute) survey. Thank you in advance for your feedback.

To complete the survey **online**, please
go to: vestcor.org/survey4

To complete the survey by **telephone**,
please contact us at 1 (800) 561-4012

2017

INDEXING ADJUSTMENT BENEFIT

The NBTPP provides for an Indexing Adjustment Benefit (IAB) each year as long as there is a large enough surplus in the pension plan, up to a maximum Consumer Price Index (CPI) of 4.75%.

For January 2018 the maximum IAB that can be provided is 1.47% and is based on the increase in the average CPI for the 12-month period ending June 30, 2017.

For **active teachers**, benefits accumulated will be adjusted on the basis of 100% of the increase in the CPI

1.47%

For **deferred members and retired teachers** (including survivors), pensions will be adjusted on the basis of 75% of the increase in the CPI

1.10% *

For active teachers and deferred members, the increase will be applied to the benefits they have earned up to December 31, 2016. For retired teachers, the increase will be applied to their monthly benefits effective January 1, 2018. They will be notified of these increases in December.

* Excludes members who retire in 2017.

INTEGRATION OF OUR SERVICE PROVIDERS

The logo for Vestcor, featuring the word "VESTCOR" in white capital letters. The letter "O" is stylized with a green outline and a horizontal green bar underneath it.

As previously announced, the two main service providers to your plan were transitioned into not-for-profit companies on October 1, 2016. The Pensions and Employee Benefits Division became Vestcor Pension Services Corporation and the New Brunswick Investment Management Corporation became Vestcor Investment Management Corporation. These companies are jointly owned by the New Brunswick Public Service Pension Plan (NBPSPP) and the NBTPP.

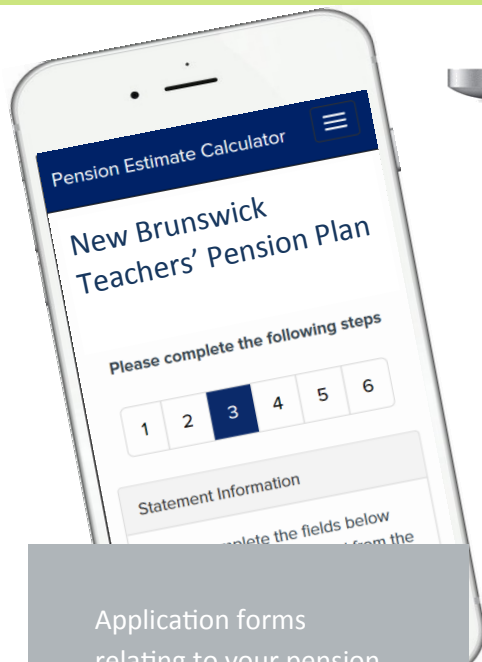
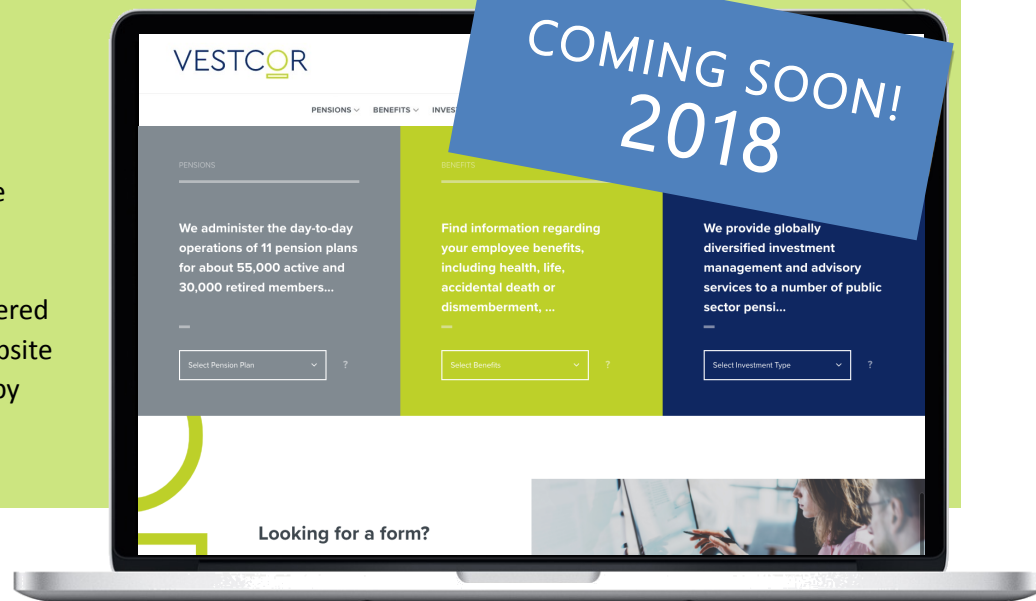
Your Board of Trustees is now pleased to share that these two companies began the process of merging into one company earlier this year. While continuing to receive the same quality and cost-effective services from them, this will allow the new organization to offer an integrated approach to governance best practices, risk management and organizational effectiveness.

As part of this integration, they've established a new brand allowing you to easily recognize Vestcor going forward as your trusted provider of pension and employee benefit services. Be on the lookout for their new logo as they continue to provide you with important information about your pension plan.

A NEW PENSIONS WEBSITE FOR MEMBERS

From Vestcor: Your Pensions and Employee Benefits Provider

Vestcor is excited to announce the upcoming launch of its new website. Created to improve the overall experience and service offered to pension plan members, the website will provide support to members by providing easy access to:



New and improved **Pension Estimate Calculator**. Using your most recent Employee Statement of Pension Benefits, you'll have the ability to quickly generate an estimate of your future monthly pension payment based on when you are planning to retire. In addition, for those eligible to purchase service, the Purchase of Service section offers a quick estimate of what you'll need to pay;

Application forms relating to your pension plan and employee benefits. An all **new search feature** will make it easier than ever to find the information you need right away;

Documents relating to your pension plan, including Member Booklets, Governance documents, financial results, and more;

Quickly sign up for **electronic versions** of newsletters and other general communication.

Additional resources will be added to the website over the coming year as Vestcor focuses on continuously improving its service offerings to you. Look out for this new site coming soon at **vestcor.org**!

VESTCOR

ANNUAL REPORT

DID YOU KNOW YOUR NBTPP...

HAD INVESTMENT
RETURNS OF **6.38%***
IN 2016

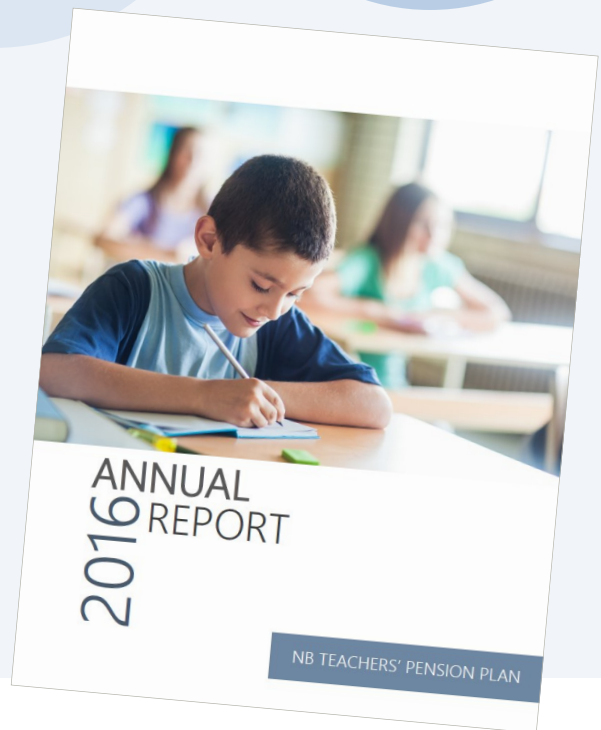
(ABOVE THE 5.06%
BENCHMARK)

IS GOVERNED BY A **BOARD
OF TRUSTEES**
CONSISTING OF EIGHT
TRUSTEES, APPOINTED BY THE
NBTF AND THE PROVINCE OF
NEW BRUNSWICK

IS COMPOSED OF
18,736 ACTIVE AND
RETIRED MEMBERS,
INCLUDING 11 MEMBERS
WHO ARE OVER THE AGE
OF **100**

HAD A FUNDING RATIO OF
105.6%** IN 2016
(UP FROM 104.7% IN 2015)

For more information regarding your pension plan's 2016 results and activities, view the plan's recently published 2016 Annual Report available at vestcor.org/nbtp.



* As of December 31, 2016, based on Financial Statements.

** As at August 31, 2016, based on results of the Actuarial Valuation.



FUNDING POLICY

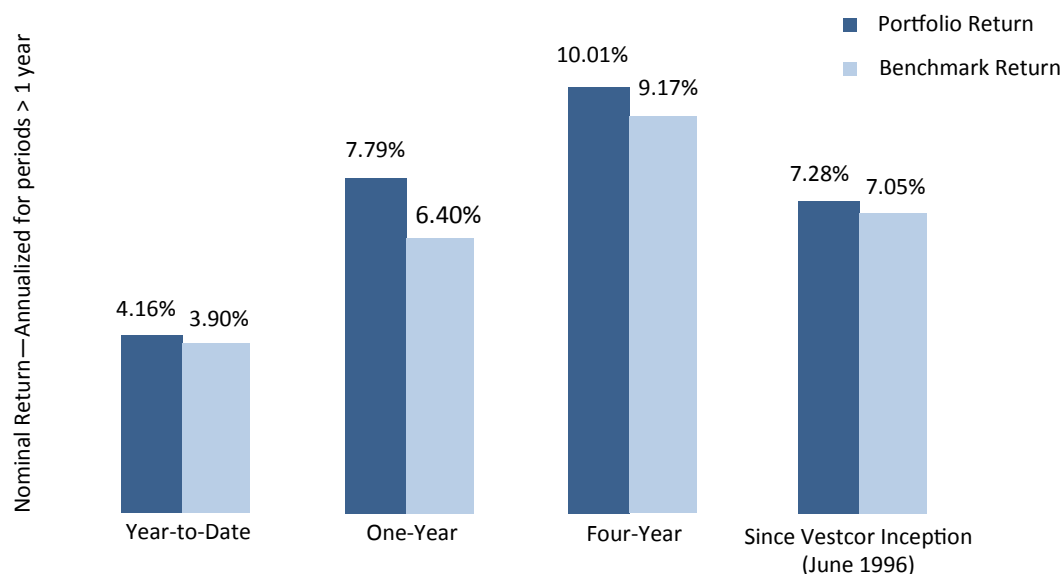
Your pension plan's Funding Policy is an important governance tool that is used by the Board of Trustees in managing pension plan risk and in adjusting benefits or contribution levels when the plan has a surplus or deficit.

For a summary of the information provided in the Funding Policy, please visit vestcor.org/nbtp

MID-YEAR INVESTMENT REPORT

INVESTMENT RETURNS

We are pleased to report that the gross investment return for the NBTPP for the first half of 2017 was approximately 4.16%, compared to its total fund benchmark return of 3.90%. Both the longer term four year annualized return of 10.01% and the return since VIMC's inception of 7.28% remain well in excess of the 5.85% discount rate set by the independent actuary.



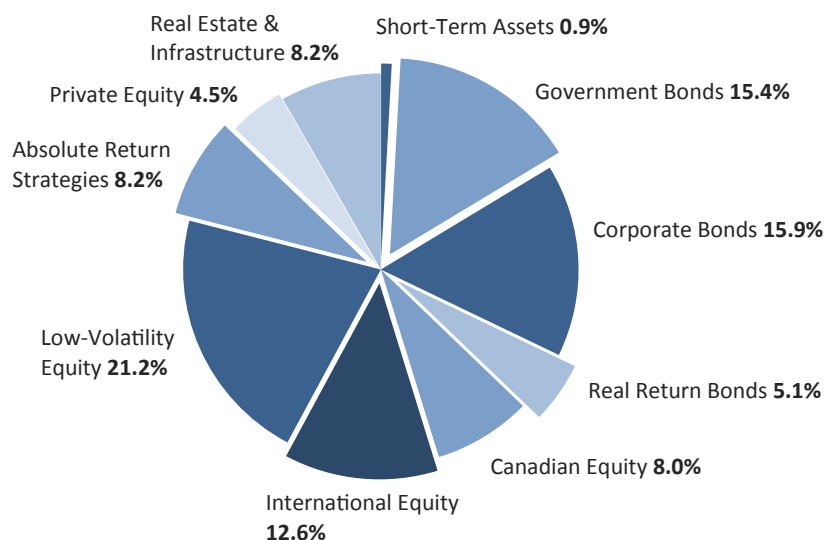
Global equity markets have remained solid in 2017, with particularly strong contributions from international markets combined with positive contributions from fixed income and alternative assets. With the strong continued performance, valuations across most markets have reached somewhat elevated levels, which, when combined with potential for continued central bank policy tightening in the coming quarters, leaves the market outlook somewhat mixed going forward.

The return earned in excess of the benchmark portfolio contributed positive value add at 0.26% for the current year to date, and 1.39% over the trailing one-year period.

INVESTMENT ASSETS

The fair value of the NBTPP assets at June 30, 2017 was \$5.635 billion, up \$151 million from the fair value at December 31, 2016. Investment asset mix weights were held fairly close to investment policy targets during the period and the pie chart outlines our asset mix at June 30, 2017.

For more information, please visit vestcor.org/market_update.



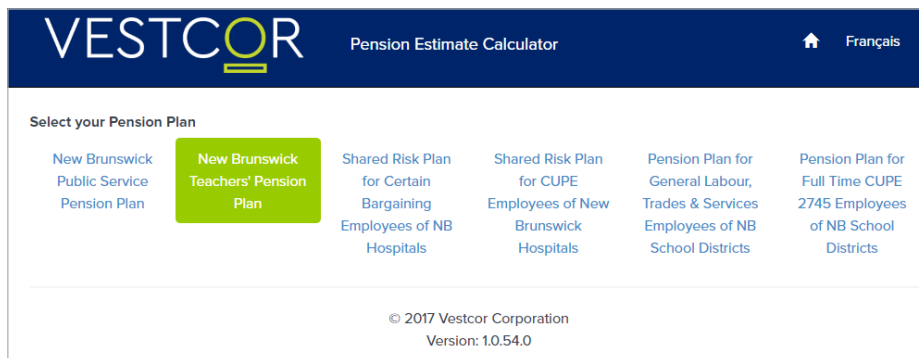
HOW MUCH WILL MY NBTPP PENSION BE?

In a few easy steps, our **new and improved pension estimate calculator** can give you an estimate of the monthly pension benefit you'll receive when you retire.

To estimate your NBTPP pension, you'll need some information from your most recent Employee Statement of Pension Benefits. You'll receive your 2017 statement in early 2018.

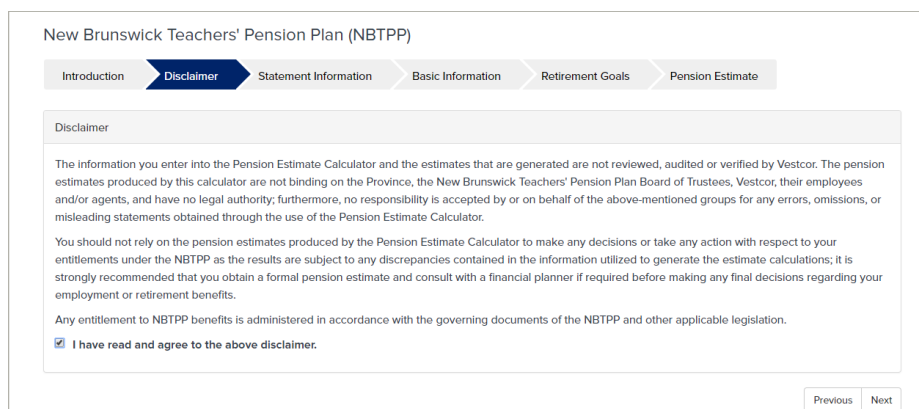
STEP ONE

Select your pension plan.



STEP TWO

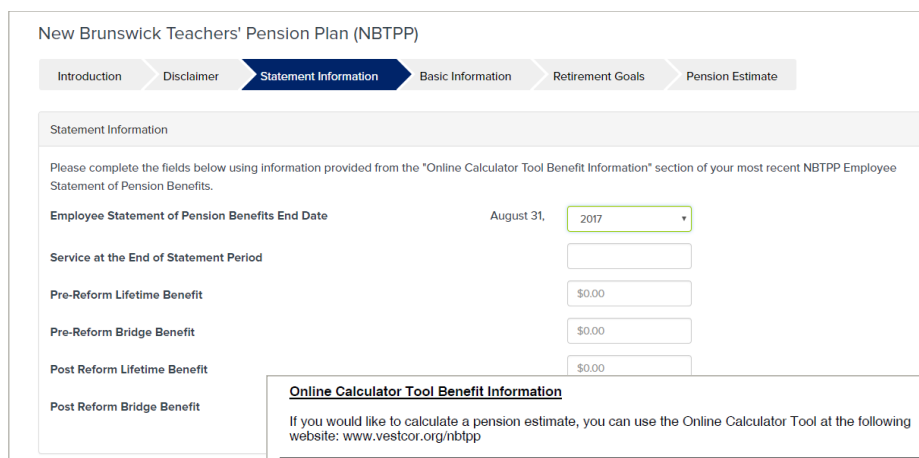
Read the introduction and accept the disclaimer.



STEP THREE

Complete the following statement information:

This information can be found in the "Online Calculator Tool Benefit Information" section of your most recent NBTPP Employee Statement of Pension Benefits



Online Calculator Tool Benefit Information

If you would like to calculate a pension estimate, you can use the Online Calculator Tool at the following website: www.vestcor.org/nbtp

Please note that in order to process an estimate, the Online Calculator is designed so that you will be required to input the information displayed below:	
1) Employee Statement of Pension Benefits End Date	August 31, 2017
2) Service at end of Statement Period	15.149
3) Pre-Reform Lifetime Benefit	\$13,528.18
4) Pre-Reform Bridge Benefit	\$4,514.70
5) Post-Reform Lifetime Benefit	\$3,603.08
6) Post-Reform Bridge Benefit	\$1,149.53

STEP FOUR

Complete the following basic information:

New Brunswick Teachers' Pension Plan (NBTPP)

Introduction > Disclaimer > Statement Information > **Basic Information** > Retirement Goals > Pension Estimate

Basic Information

Please enter the following information

Date of Birth Year Month Day

Current Gross Annual Salary [?] \$0.00
(before taxes or other deductions)

Percent of Full Time Hours Worked [?] 100 %

Employment Type [?] 10 Month

STEP FIVE

Enter your retirement goals and calculate!

New Brunswick Teachers' Pension Plan (NBTPP)

Introduction > Disclaimer > Statement Information > Basic Information > **Retirement Goals** > Pension Estimate

Retirement Goals

Please enter the following information

Projected Last Day of Work [?] Year Month Day

Pension Start Date [?] Year Month

REVIEW YOUR ESTIMATE

VESTCOR Pension Estimate Calculator 🏠 Français

New Brunswick Teachers' Pension Plan (NBTPP)

Introduction > Disclaimer > Statement Information > Basic Information > Retirement Goals > **Pension Estimate**

Pension Estimate

Gross Monthly Pension Payable (before deductions)

Calculations based on a termination date of April 3, 2018 and a pension start date of May 1, 2018.

Monthly Pension After Age 65

\$1234.56

[?] Summary

Summary of Results

Pension Start Date May 1, 2018

Early Retirement Reduction Factors

Service before Jul 1, 2014 0.00%

The online calculator gives you an estimate of what your future NBTPP pension benefit will be based on the information you input.

If you are nearing retirement, we encourage you to contact a Pension and Benefits Specialist at Vestcor to request a formal pension estimate.

FOR MORE INFORMATION

about your NBTPP pension, please visit vestcor.org/nbtpp or contact Vestcor at 1 (800) 561-4012.

Estimate your pension today!
vestcor.org/NBTPP

TIPS FOR RETIREES



T4As

As a retiree drawing your pension, you'll receive a T4A reporting your annual pension income in order to file your annual income tax return. The T4A is the equivalent of the T4 you would have received as an active employee reporting employment income. Depending on your personal situation, you may see amounts reported in other boxes such as income tax deductions and health/dental premium deductions.

If you are a non-Canadian resident, you will receive a NR4 instead of a T4A to report your pension income.

Vestcor will mail your T4A by February 28th of each year so it is very important to ensure that Vestcor has your current address. If your address recently changed, call them or complete the Change of Address form at vestcor.org/pensions.

Please contact Vestcor if you lose or do not receive your T4A. Requests for duplicate T4As can be made by calling them at 1-800-561-4012.

Please note that a duplicate T4A cannot be sent to a new mailing address until a change of address is provided and processed by Vestcor.



GOING PAPERLESS? SIGN UP TO RECEIVE YOUR NEWSLETTER BY EMAIL.

Simply contact Vestcor by telephone at 1-800-561-4012 or by email at info@vestcor.org.



NBTPP Pension Payment Dates in 2018

January	24
February	23
March	23
April	24
May	24
June	22
July	24
August	24
September	24
October	24
November	23
December	18

These dates are also available online.

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CONTACT INFORMATION

Write:
NBTPP Board of Trustees
c/o Vestcor
P.O. BOX 6000, Fredericton, NB E3B 5H1

Call: 1 (800) 561-4012 or (506) 453-2296

Email: info@vestcor.org

Visit: vestcor.org/nbtp

DISCLAIMER: This publication is provided on behalf of the Trustees of the New Brunswick Teachers' Pension Plan and is intended to provide information about the NBTPP. If there is a discrepancy between the information contained herein and the Plan Text, the latter will prevail.