

PENSION NEWS

November 2017



Shared Risk Plan for
CUPE Employees of NB
Hospitals (CUPE-H SRP)

Volume 4 · Issue 2

WE WANT TO HEAR FROM YOU!

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 by completing a short (2 minute) survey. Thank you in advance for your feedback.

To complete the survey **online**, please
go to: vestcor.org/survey2

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

MESSAGE FROM THE CHAIR

On behalf of the Shared Risk Plan for Canadian Union of Public Employees (CUPE) of NB Hospitals (the “CUPE Hospitals SRP”) Board of Trustees, I am pleased to provide the Fall 2017 CUPE Hospitals SRP newsletter.

As detailed within the summary of results of the most recent actuarial valuation provided in this edition of the newsletter, your pension plan continues to be in a strong financial position. With an open group funded ratio of 121.4% in 2016 (compared to 120.7 in 2015), the Plan is in a position to provide a full cost of living increase to Plan members on January 1, 2018 (detailed in the *Cost of Living Adjustment* section on the next page).

The Board is also excited to inform you that Vestcor, the day-to-day administrator of your pension plan, will soon be launching their new website (detailed in the *A New Pensions and Employee Benefits – Website for Members* section of this newsletter). We encourage you to visit their website in order to familiarize yourself with all of the useful resources available to you regarding your pension plan.

As always, your Board of Trustees is interested in receiving any comments or feedback regarding the newsletter or pension plan. As communicated on the cover page of this newsletter, you are encouraged to complete the short survey once you review this edition of the newsletter so that we may obtain important feedback which will allow us to focus on providing pension topics that are most important to you.

Sincerely,

David Matthews

Chairperson, CUPE Hospitals SRP Board of Trustees

CONTACT US

WRITE:

CUPE Hospitals SRP Board of Trustees

c/o Vestcor

PO Box 6000

Fredericton, NB E3B 5H1

CALL:

1-800-561-4012 (toll free)

or 506-453-2296 (Fredericton)

EMAIL: info@vestcor.org

YOUR BOARD OF TRUSTEES

NBCHU/
CUPE Local 1252

David Matthews
(Chairperson)

Brian Poirier

Brenda Vienneau

Bernard Brun



Renée Laforest
(Vice-Chairperson)

Luc J. Sirois

Jean-Claude Pelletier

Larry Guitard

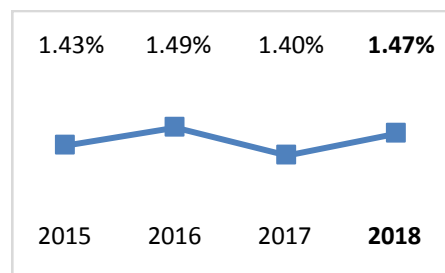
Province of NB

COST OF LIVING ADJUSTMENT

As a result of positive investment returns, the Board was able to award the full COLA to all members again this year.

The 2018 adjustment is 1.47%, and it will be applied on January 1, 2018. Active and deferred members will have the increase applied to the benefit that they have earned up to December 31, 2016. Retirees will have this amount applied to their monthly pension benefit effective January 1, 2018 and will receive notification in writing in December.

COLA Trends



COLA is based on the increase in the average of the Consumer Price Index (Canada) for the 12-month period ending the preceding June.

GOVERNING DOCUMENT AMENDMENTS

The New Brunswick *Pension Benefits Act* (PBA) requires that Plan members be provided with an update on any Plan amendments. As such, the Board of Trustees would like to inform you of the following amendments which have been filed earlier this year with the Superintendent of Pensions.

- An amendment to the Plan Text was filed on April 12, 2017 to amend Pre-retirement Death Benefit provisions as required by the PBA; and
- An amendment to the Funding Policy was filed on February 15, 2017 in order to provide the Board of Trustees the authority to approve and amend the Plan's discount rate.

The updated versions of the CUPE Hospitals SRP Plan Text and Funding Policy are available at the following website: vestcor.org/cupe1252.



ACTUARIAL REPORT

VALUATION AS A SHARED RISK PLAN

The actuarial valuation report for the CUPE Hospitals SRP was completed as of December 31, 2016, and filed with the Superintendent of Pensions on September 29, 2017.

RISK MANAGEMENT TESTING

The CUPE Hospitals SRP has successfully passed the following tests as part of the annual actuarial report:

REQUIREMENT	Result as of December 31, 2016	Result as of December 31, 2015
Primary Risk Management Goal — Achieve 97.5% probability that base benefits earned would not be reduced over the next 20 years.	99.75% (Passed)	99.85% (Passed)
1 st Secondary Risk Management Goal — Provide indexing in excess of 75% of CPI to members and retirees over the next 20 years.	89.40% of CPI (Passed)	91.3% of CPI (Passed)
2 nd Secondary Risk Management Goal — Achieve at least 75% probability that ancillary benefits (i.e., early retirement subsidy) will be provided over the next 20 years.	99.75% (Passed)	99.85% (Passed)

FUNDING STATUS OF THE PLAN

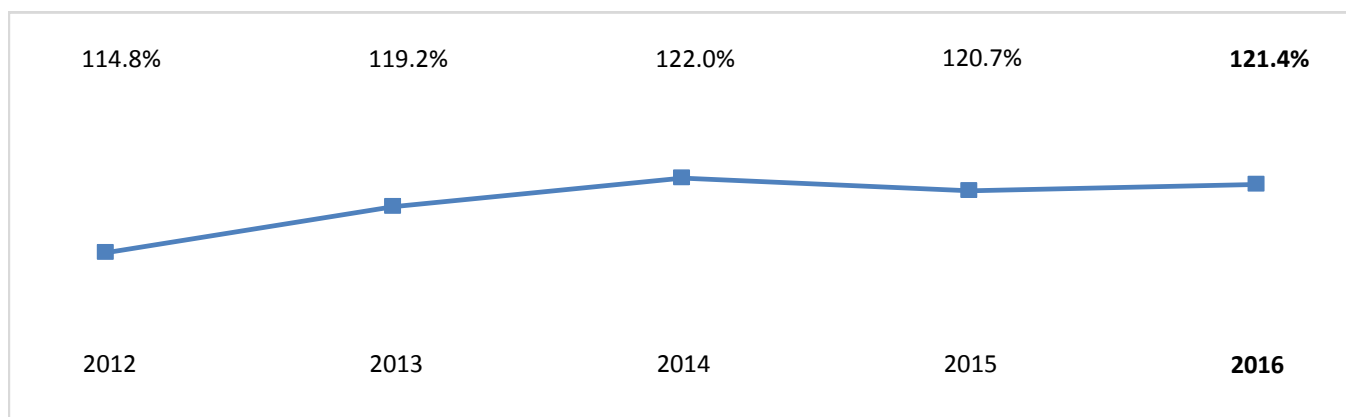
Termination Funded Ratio

As of December 31, 2016, the Plan had \$792.1 million in assets and \$932.0 million in liabilities for a termination value funded ratio of 85.0%.

15-Year Open Group Funded Ratio

As of December 31, 2016, the Plan's open group funded ratio was 121.4%.

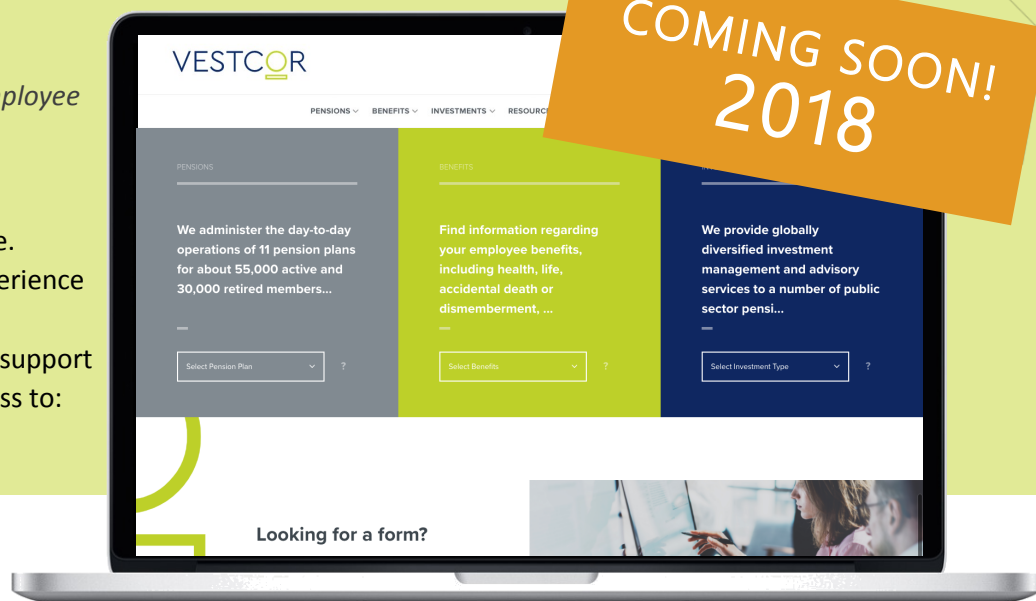
Open Group Funded Ratio



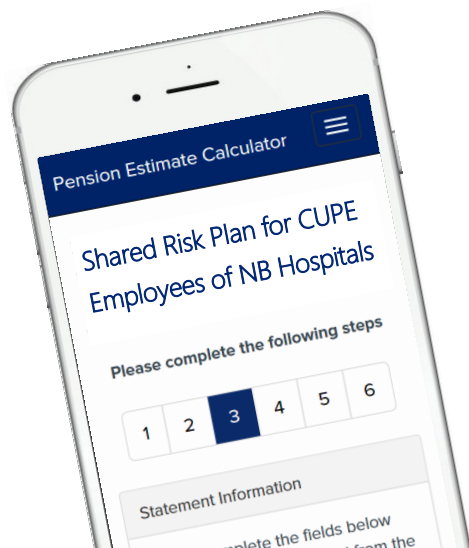
A NEW PENSIONS AND EMPLOYEE BENEFITS WEBSITE FOR MEMBERS

From Vestcor: Your Pension 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:



COMING SOON!
2018



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;

Application forms relating to your pension plan and employee benefits. An all **new search feature** makes 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

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](https://vestcor.org/pensions).

Please contact Vestcor if you lose or do not receive your T4A. Requests for duplicate T4As can be made by calling Vestcor 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 (toll free) or 453-2296 (Fredericton), by email at info@vestcor.org



Pension Payment Dates in 2018

January	1
February	1
March	1
March <i>(for April)</i>	29
May	1
June	1
June <i>(for July)</i>	29
August	1
August <i>(for September)</i>	31
October	1
November	1
November <i>(for December)</i>	30

These dates are also available online.

ISBN : 978-1-4605-1327-9

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