

NOTICE TO ACTIVE MEMBERS

Public Service Shared Risk Plan

Please be advised that the *New Brunswick Public Service Superannuation Act* (the “PSSA”) pension plan was converted to the shared risk pension model (the “Public Service Shared Risk Plan”) **effective January 1, 2014**.

As part of this new shared risk pension plan, a number of changes apply to service earned on or after January 1, 2014. An “At-a-Glance” document providing a summary of the pension plan provisions is included for your information. Please note that this document is being provided in the interim until the Public Service Shared Risk Plan Employee Booklet becomes available in the coming months.

Pension Contributions

Members of the Public Service Shared Risk Plan currently contribute **5.8%** on eligible earnings* up to the Year’s Maximum Pensionable Earnings (the “YMPE”) and **7.5%** on eligible earnings* above the YMPE (the YMPE for 2014 is \$52,500).

Effective April 1, 2014, your contributions will increase to **7.5%** of your eligible earnings* up to the YMPE and **10.7%** of your eligible earnings* above the YMPE.

Effective April 1, 2014, your employer’s contribution rate will increase to **12.5%** (for the first five years) on all eligible earnings (currently 8.932% up to the YMPE and 11.55% above the YMPE).

** Eligible earnings are earnings for regular hours worked, including earnings for any hours worked which exceed your regularly scheduled hours. The total hours that you make contributions on cannot exceed those of a full-time equivalent employee, and do not include overtime hours or premiums (i.e. standby, meal period, etc.).*

Designation of a Beneficiary

A new feature to members resulting from the introduction of the Public Service Shared Risk Plan involves the designation of a beneficiary provision. This will allow members to complete a “Designation/Change of Beneficiary” form and designate a beneficiary for the purposes of pre and post retirement death benefits. The designated beneficiary may also be changed at any time by the member by completing this form.

Please note that if a member has a spouse/common-law partner, and the member designates a person other than her/his spouse/common-law partner as a beneficiary, the entitlement to the spouse/common-law partner shall supersede the entitlement of the designated beneficiary to a death benefit (i.e. the spouse/common-law partner will be entitled to the death benefit). Please also note that if you have dependant children and your intent is that such dependant children would receive any death benefit if your spouse does not survive you, you must name such dependant children as your beneficiary.

The “Designation/Change of Beneficiary” form is available through your human resources/payroll office, or at the following website: www.qnb.ca/pssrp.

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Online Pension Estimate Calculator

Members who would like a pension estimate may use the online Pension Estimate Calculator to calculate their pension estimate. This calculator has been updated with the new provisions of the Public Service Shared Risk Plan and is located at the following website:

www.qnb.ca/pssrp

Members who are within twelve months of retirement should request an official estimate from the plan administrator by contacting their human resources/payroll office.

Purchase of Service

Members may purchase eligible periods of pensionable service under the terms of the former *PSSA* pension plan until December 31, 2014 if:

- they were active *PSSA* members immediately prior to January 1, 2014; and
- the periods of eligible service occurred prior to January 1, 2014.

The cost would be based on the salary and the contribution rate in effect as of the date of application. It is important to note that as a result of the contribution rate increasing on April 1, 2014, the cost of purchasing service will increase accordingly for applications dated after April 1, 2014.

Future rules regarding eligibility and the cost to purchase service will be determined and communicated to members at a later date.

If you are interested in obtaining a purchase of service estimate, please contact your human resources/payroll office in order to complete a purchase of service application form. Please note that as a result of the expected increase in volume of applications, there may be a delay in processing members' applications. However, any delay will not have an impact on the cost of a member's purchase.

Reciprocal Transfer Agreement – Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick

Members who have assets in the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick (the "Part-Time and Seasonal Plan") will still be able to transfer these funds to the Public Service Shared Risk Plan under a new reciprocal transfer agreement. The details surrounding how the transfer will take place have not been finalized and will be determined in the coming months. A communiqué will be sent to members once more information becomes available.

Questions

If you have any questions, please contact a Benefits Counselor with the Pensions and Employees Benefits office at 453-2296 (Fredericton) or toll-free at 1-800-561-4012.