

At-A-Glance

Welcome to your Plan!

When am I eligible to join the Plan?

Effective July 1, 2012, participation is mandatory* if you are a permanent full-time or part-time employee (as defined in the applicable collective agreement) under the age of 65 and are:

- a member of the Institutional Services bargaining unit, the Patient Services bargaining unit or the Clerical, Stenographic, and Office Equipment Operation bargaining unit of the Canadian Union of Public Employees; or
- a member who occupies an excluded position with Ambulance New Brunswick Inc., FacilicorpNB Ltd., New Brunswick Health Council, Horizon Health Network or Vitalité Health Network and whose position classification is included in the Collective Agreement.

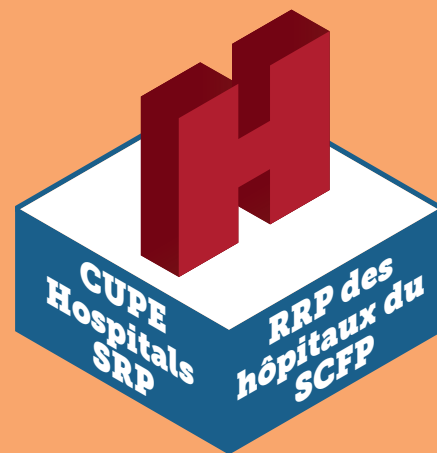
Effective July 1, 2014, participation is mandatory* if you are not a permanent full-time or part-time employee (as defined in the applicable collective agreement) but you are under the age of 65, you are a member of one of the groups listed above, and you meet the following eligibility requirements:

- have at least 24 months of continuous employment; and
- have earned at least 35% of the **YMPE** in the previous two calendar years

YMPE - Year's Maximum Pensionable Earnings used to calculate the Canada Pension Plan (CPP) contributions as per the Canada Revenue Agency.

YMPE for 2024 - \$68,500

*Religious Exemption: An employee who is a member of a religious group which has as one of its articles of faith the belief that members of the group are precluded from being members of a pension plan is not required to join the CUPE Hospitals SRP.



Also included within:

Career and Life Transitions p. 3

Planning for Retirement p.5

Disclaimer Clause: This fact sheet is for information purposes only. No rights are conferred by this fact sheet. If there are any discrepancies between this fact sheet and the official Pension Plan documents, the official Pension Plan documents will prevail.



How much do I contribute to the Plan?

Once you are a member of the Pension Plan, you contribute 9.0% on your eligible earnings.

As an example, an employee who has annual earnings of \$30,000 in 2024, will contribute \$2,700 to the Pension Plan:

$$\text{\$30,000} \times 9\% = \text{\$2,700}$$

Your employer contributes 10.1% on your eligible earnings.

When do I become eligible to receive a benefit under the CUPE Hospitals SRP?

You are eligible to receive a benefit under the CUPE Hospitals SRP (also referred to as “**vested**”) upon the completion of the earlier of:

- Five years of continuous employment;
- Two years of pensionable service; or
- Two years of membership in the CUPE Hospitals SRP, the CUPE Hospitals Pension Plan, the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick, and the Pension Plan for Employees of New Brunswick Hospitals.

When can I retire under the Pension Plan?

Once you are eligible to receive a benefit under the Pension Plan (are “**vested**”), you can retire:

- Between age 55 and 65 with an early retirement reduction;
- At age 65 without an early retirement reduction; or
- If you continue to work, as late as the end of the year you turn age 71.

Looking
for more
information?

This document was developed to provide you with a high-level overview of your Pension Plan and its provisions. You can find additional information and detail through the documents listed below. However, these are just some of the resources available to you as a Plan member - check out our website, cupeh.ca, for more!

Member Booklet

Provides you with a more in-depth overview of your Pension Plan and its benefits. cupeh.ca/booklet

Purchase of Service Booklet

Outlines all the information you need if you're considering a Purchase of Service. cupeh.ca/pos

Marriage Breakdown Booklet

Provides information for those who are experiencing a legal separation or divorce. cupeh.ca/marriagebooklet

Understanding your Employee Statement

Assists you in understanding each component of your annual employee statement. cupeh.ca/statement

Governing Documents

These documents guide the Board of Trustees in its oversight of the CUPE Hospitals SRP and will help you better understand your Plan's governance. cupeh.ca

Career and life transitions

Can I purchase past periods of service under the Pension Plan?

There are several types of service (certain restrictions apply) that can be purchased under the Pension Plan as follows:

Refunded Service

Service for which you have received a refund from the CUPE Hospitals SRP or CUPE Hospitals Pension Plan.

Other periods of past service

Includes approved unpaid leaves of absence (e.g., maternity leave) and the waiting period for prior non-contributory full-time service.

For more details and eligibility criteria on the types of service you can purchase, please refer to your **Member Booklet** (cupeh.ca/booklet). If you would like to proceed with a purchase of service, you should contact your Human Resources Office and complete an application form. If it is deemed an eligible period, the cost to purchase the service will be prepared and sent to you.



Purchasing service can be time sensitive. If you're thinking about a purchase of service, we encourage you to contact your Human Resources Office to complete an application form.

If my marriage ends, can my pension be divided?

If your marriage or common-law relationship ends through separation or divorce, your pension can be divided with your spouse or common-law partner. You can refer to the **Marriage Breakdown Booklet** (cupeh.ca/marriagebooklet) for additional detail with regard to the process. For more information or to complete a Marriage Breakdown application form, contact your Human Resources Office or Vestcor.

What happens if I terminate employment?

If you are not vested:

You will receive a refund of your employee contributions with accumulated interest.

If you are vested and under age 55, you can elect to:

1. Defer commencement of your pension benefit until:
 - Age 65 (receive an unreduced pension benefit); or
 - Between ages 55 and 65 (receive a reduced pension benefit);**OR**
2. Transfer your Termination Value in a locked-in lump sum to: a locked-in retirement account, a life income fund or your new employer's pension plan (if applicable).

If you are vested and are 55 years of age or older you can elect to:

1. Commence your pension benefit after termination of employment at any age prior to your 65th birthday and receive a reduced pension benefit;
- OR**
2. Commence your pension benefit at age 65 and receive an unreduced pension.

What happens if I die before I retire?

If you are not **vested**, your surviving spouse (or your designated beneficiary/estate if there is no spouse) will receive a refund of your employee contributions to the Pension Plan plus interest.

If you are **vested**, your surviving spouse (or your beneficiary if there is no spouse or if your spouse has waived his/her entitlement) will receive a lump sum equal to the **Termination Value** amount you would have received had you terminated service just before death.

What is “vested”?

Being vested means you are eligible to receive a benefit under the CUPE Hospitals SRP – please refer to the question entitled “When do I become eligible to receive a benefit under the CUPE Hospitals SRP” on page 2 for eligibility criteria.

What is a “Termination Value”?

Termination Value is the value of a member's pension benefit at date of termination, adjusted for the funded status of the Plan, and calculated in accordance with the requirements of the *Pension Benefits Act* (New Brunswick).

Planning for retirement

How is my pension benefit calculated?

The easiest way for you to calculate the value of your pension is to use Vestcor's online [Pension Estimate Calculator](#). However, if you are interested in how the calculation actually works, the detail below is provided for your information.

Your annual lifetime pension, before any adjustments for early retirement or postponed retirement (adjustments are outlined on the following page), is the sum of the following:

For each year (or part year) of pensionable service on and after July 1, 2012:

$$\left(\begin{array}{l} 1.4\% \times \text{Annualized Pensionable Earnings} \\ \text{accrued during the year} \\ \text{up to the YMPE for the} \\ \text{year} \end{array} + \begin{array}{l} 2\% \times \text{Annualized Pensionable Earnings} \\ \text{accrued during the year} \\ \text{in excess of the YMPE for} \\ \text{the year} \end{array} \right) \times \begin{array}{l} \text{Number of hours} \\ \text{worked (and} \\ \text{contributed)} / 1,950 \\ \text{hours} \end{array}$$

PLUS

For all pensionable service between January 1, 1997 and June 30, 2012:

$$\left(\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \times 1.4\% \end{array} \times \begin{array}{l} \text{Best 5 year average} \\ \text{earnings at June} \\ \text{30, 2012 up to the} \\ \text{average YMPE at} \\ \text{the same date} \end{array} \right) + \left(\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \times 2\% \end{array} \times \begin{array}{l} \text{Best 5 year average} \\ \text{earnings at} \\ \text{June 30, 2012} \\ \text{in excess of the} \\ \text{average YMPE at} \\ \text{the same date} \end{array} \right)$$

PLUS

For all pensionable service prior to January 1, 1997:

$$\left(\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \times 1.75\% \end{array} \times \begin{array}{l} \text{Best 5 year average} \\ \text{earnings at June} \\ \text{30, 2012 up to the} \\ \text{average YMPE at} \\ \text{the same date} \end{array} \right) + \left(\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \times 2\% \end{array} \times \begin{array}{l} \text{Best 5 year average} \\ \text{earnings at} \\ \text{June 30, 2012} \\ \text{in excess of the} \\ \text{average YMPE at} \\ \text{the same date} \end{array} \right)$$

PLUS

For all pensionable service:

Any Cost of Living Adjustments granted from time to time by the Board of Trustees in accordance with the Funding Policy.

YMPE - Year's Maximum Pensionable Earnings used to calculate the Canada Pension Plan (CPP) contributions as per the Canada Revenue Agency.

Average YMPE - 5 year average YMPE (2012 = \$47,360).

YMPE for 2024 - \$68,500

How is my pension benefit calculated? (continued)

The following adjustments may be applicable to you if you are retiring between ages 55 and 65 (early retirement) or after age 65, but not beyond age 71 (postponed retirement).

Early retirement adjustment:

You will receive a monthly pension calculated according to the annual basic lifetime pension benefit formulas previously described, with the following adjustments:

For the **portion of your benefit earned prior to July 1, 2012**, your annual basic lifetime pension will be permanently reduced by 3/12% for each month that your pension becomes effective prior to age 60.

For the **portion of your benefit earned on or after July 1, 2012**, your annual basic lifetime pension benefit will be permanently reduced by 5/12% for each month that your pension becomes effective prior to age 65.

The early retirement subsidy is an ancillary benefit.

Postponed retirement adjustment:

You will receive a monthly pension calculated according to the annual basic lifetime pension formula previously described with the following adjustment: your annual basic lifetime pension will be permanently increased by 3/5% for each month that your pension becomes effective after age 65.

What is the bridge benefit?

If you are eligible for early retirement, a bridge benefit is paid in addition to your lifetime pension. The monthly bridge benefit is calculated as follows:

$$\left(\$18 \times \begin{array}{l} \text{The number} \\ \text{of years of} \\ \text{pensionable service} \\ \text{up to July 1, 2012} \end{array} \right) + \left(\$18 \times \begin{array}{l} \text{The number of years} \\ \text{the member was a} \\ \text{contributor to the} \\ \text{CUPE Hospitals SRP} \\ \text{on and after July 1,} \\ \text{2012 (not pro-rated)} \end{array} \right)$$

The bridge benefit ceases to be paid when you reach age 65 or at your death, whichever is earlier. This benefit is also subject to any Cost of Living Adjustments granted by the Board of Trustees, and is not subject to any early retirement reductions.

Are my pension benefits adjusted for cost of living increases?

For active contributors to the CUPE Hospitals SRP, the benefit that you earn each year, including benefits earned up to June 30, 2012, may be adjusted by a cost of living adjustment up to the increase in the Consumer Price Index (CPI) if the funding status of the CUPE Hospitals SRP allows for it.

Once you retire, your lifetime pension and bridge benefit (if any) may be adjusted each year by a cost of living adjustment up to the increase in the CPI, provided that the funding status of the CUPE Hospitals SRP is adequate. If the funding status of the CUPE Hospitals SRP does not allow for cost of living increases to be granted in a given year, the increases are carried forward to future years and may be paid if the funding status of the CUPE Hospitals SRP allows. These rules also apply to any survivor pension benefit payable. COLA is an ancillary benefit under the Plan.

Are there different forms of pension that I can choose from?

There are different forms of pension available to you when you retire. Choosing the right option at retirement based on your individual circumstances is extremely important. **Once you start receiving your pension, you cannot change the option you have selected.**

If you are eligible to receive a pension under the CUPE Hospitals SRP and do not have a spouse when pension payments commence, the normal form of pension is the “Life Pension with Guarantee Period of Five Years”. If you do have a spouse, the automatic form of pension is the “Joint and Survivor Pension – 60%”. There are, however, optional forms of pension that you can select if your personal status allows. These optional forms of pension result in the reduction of your own pension to account for the payment of a higher survivor pension or a longer period of guarantee. The different forms of pension available to you are detailed below.

Form of Pension

Benefit Payable Following your Death

Life Pension with
Guarantee Period of
5 Years

If you die before receiving sixty (60) monthly installments, **lifetime pension payments are continued to your designated beneficiary or to your estate (in a lump sum) as applicable, until in total sixty (60) monthly installments have been paid.** This option is only available if you have no spouse at your date of retirement, or if your spouse at retirement signed a spousal waiver form in accordance with the *Pension Benefits Act*. The benefits described that are payable after your death do not include the bridge benefit. It is important to note that if you choose this option your surviving spouse will not receive a lifetime pension.

Life Pension with
Guarantee Period of
10 Years

If you die before receiving one hundred twenty (120) monthly installments, **lifetime pension payments are continued to your designated beneficiary or to your estate (in a lump sum) as applicable, until in total one hundred twenty (120) monthly installments have been paid.** This option is only available if you have no spouse at your date of retirement, or if your spouse at retirement signed a spousal waiver form in accordance with the *Pension Benefits Act*. The benefits described that are payable after your death do not include the bridge benefit. It is important to note that if you choose this option your surviving spouse will not receive a lifetime pension.

Joint and Survivor Pension
60%

If you predecease your spouse (refers to the spouse at retirement), **payments are continued to your spouse during your spouse’s lifetime at a level equal to 60% of your lifetime pension.** This option is only available if you have a spouse at the date of retirement in accordance with the *Pension Benefits Act*. The benefits described that are payable after your death do not include the bridge benefit.

Joint and Survivor Pension
75% or 100%

If you predecease your spouse (refers to the spouse at retirement), **payments are continued to your spouse during your spouse’s lifetime at a level equal to either 75% or 100% (chosen by you at retirement) of your lifetime pension.** This option is only available if you have a spouse at the date of retirement in accordance with the *Pension Benefits Act*. The benefits described that are payable after your death do not include the bridge benefit.

Who can I contact if I have questions about my Pension Plan?

You can contact Vestcor’s Member Services team by phone at 1-800-561-4012 or 506-453-2296 (Fredericton), or in writing at info@vestcor.org.