



SHARED RISK PLAN FOR CERTAIN
BARGAINING EMPLOYEES OF NB HOSPITALS

PENSION NEWS

SPRING 2019

VOLUME 4



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YOUR EMPLOYEE STATEMENT OF PENSION BENEFITS

Keep an eye on your mailbox for your Employee Statement of Pension Benefits, which will arrive this summer. This statement will provide you with updated estimated pension amounts as of December 31, 2018.

Need help making sense of it? A guide to Understanding your Employee Statement of Pension Benefits will be included with your statement. This guide is also available at www.vestcor.org/cbe under "Booklets".



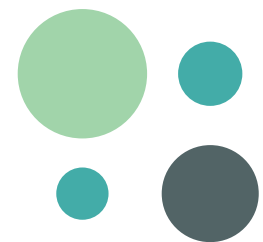
CALCULATE YOUR OWN PENSION ESTIMATES ONLINE

Did you know that you can quickly and easily get an estimate of your future monthly pension using Vestcor's Online Pension Estimate Calculator? There are no forms to fill out and return, no waiting, and you can calculate as many estimates as you like. Want to know what your pension may look like at ages 55, 60, or 65? You can calculate estimates for all of these ages and more in minutes.

You'll want to make sure you have your most recent Employee Statement of Pension Benefits (see the article above) handy when you visit the website. It has information you'll need to use the calculator.

If you need help using the calculator tool, an easy-to-follow video tutorial is also available on the Vestcor website. This quick video will walk you through the steps in using the calculator. Go to www.vestcor.org/calculators to get started.

Are you within a year of retirement? Complete a formal pension estimate using the form available on www.vestcor.org/cbe, under "Application Forms".

A screenshot of the VESTCOR Pension Estimate Calculator website. The page title is "Shared Risk Plan for Certain Bargaining Employees of NB Hospitals (CBE SRP)". The navigation menu includes "Introduction", "Disclaimer", "Statement Information", "Basic Information", "Retirement Goals", and "Pension Estimate". The main content area shows a "Gross Monthly Pension Payable (before deductions)" of \$1,234.56. Below this, there is a "Summary" section with "Pension Start Date" of August 1, 2019 and "Age when Pension Starts" of 65 years. A "Calculation Details" section provides a link to the calculator: <http://www.cba-arc.gc.ca/arc/arc-srps/bat/bat-srps-proc-eng.html>. A large pixelated mouse cursor is pointing at the bottom right of the calculator interface.

DISCLAIMER: This newsletter is a publication on behalf of the Board of Trustees of the Shared Risk Plan for Certain Bargaining Employees of NB Hospitals. This publication is intended to provide information about the Shared Risk Plan for Certain Bargaining Employees 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.

TRANSFER AGREEMENT REMINDER

Just a reminder that if you are an active contributor to the CBE SRP and have previously contributed to either the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick (the PT&S Pension Plan) or the Pension Plan for the Employees of New Brunswick Union of Public and Private Employees (the NBU Plan), you still have the option to transfer your PT&S Pension Plan or NBU Plan contributions to the CBE SRP. Transferring these past contributions will provide you with more service when calculating your pension benefit under the rules of the CBE SRP upon your retirement.

If you are interested in finding out how your past PT&S Pension Plan or NBU Plan contributions could increase your pension benefit under the CBE SRP, please complete and submit a “Reciprocal Transfer Agreement Application Form CBE SRP – PT&S” or “Reciprocal Transfer Agreement Application Form NBU Plan – CBE SRP” which can be found at www.vestcor.org/cbe. If you have any questions, please contact Vestcor’s Member Services Team at 1 800 561 4012.



AMENDMENTS TO GOVERNING DOCUMENTS

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 that the Statement of Investment Policies was updated to apply changes to the asset mix, as well as apply amendments which were “housekeeping” in nature. These amendments were filed with the Superintendent of Pensions on October 26, 2018.

The Plan Text was amended in order to document the Cost of Living Adjustment (COLA, also known as indexation) awarded as of January 1, 2019. The amendment was filed with the Superintendent of Pensions on February 12, 2019.

The updated versions of the CBE Statement of Investment Policies and Plan Text are available at the following website: www.vestcor.org/cbe.

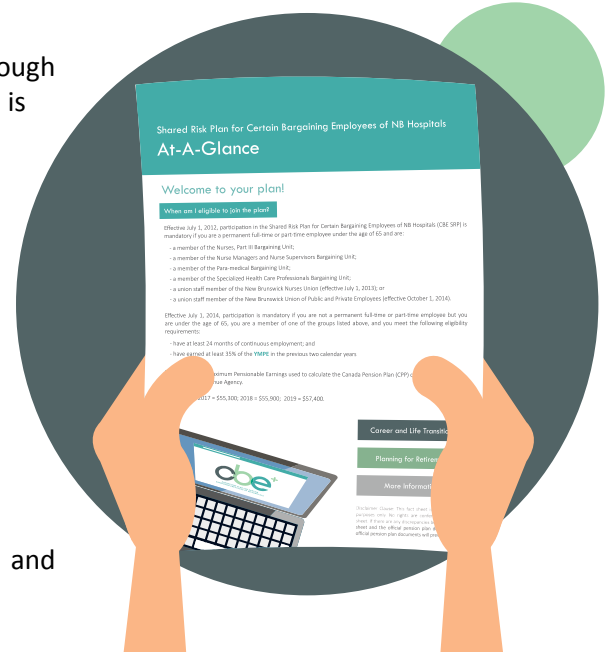
CBE SRP AT-A-GLANCE

Do you feel like you could use a simplified document to help walk you through the basics of the CBE SRP? Good news! The updated CBE SRP At-A-Glance is the document you’re looking for.

Designed for those who are new to the Plan, or for members who are looking for a refresher on how the Plan works, the At-A-Glance gives a quick but thorough overview of many of the most important aspects of the CBE SRP.

Wondering how much you contribute to the Plan? It’s in there! Curious as to how your pension benefit is calculated? It’s in there too! Wondering how transitions in your life can affect your pension? The At-A-Glance covers that as well!

You can find the CBE SRP At-A-Glance by visiting www.vestcor.org/cbe and looking under “Booklets”.



A SNAPSHOT OF WHERE YOUR PENSION PLAN STANDS AS AT DECEMBER 31, 2018

INVESTMENT ASSETS
\$2.144 BILLION

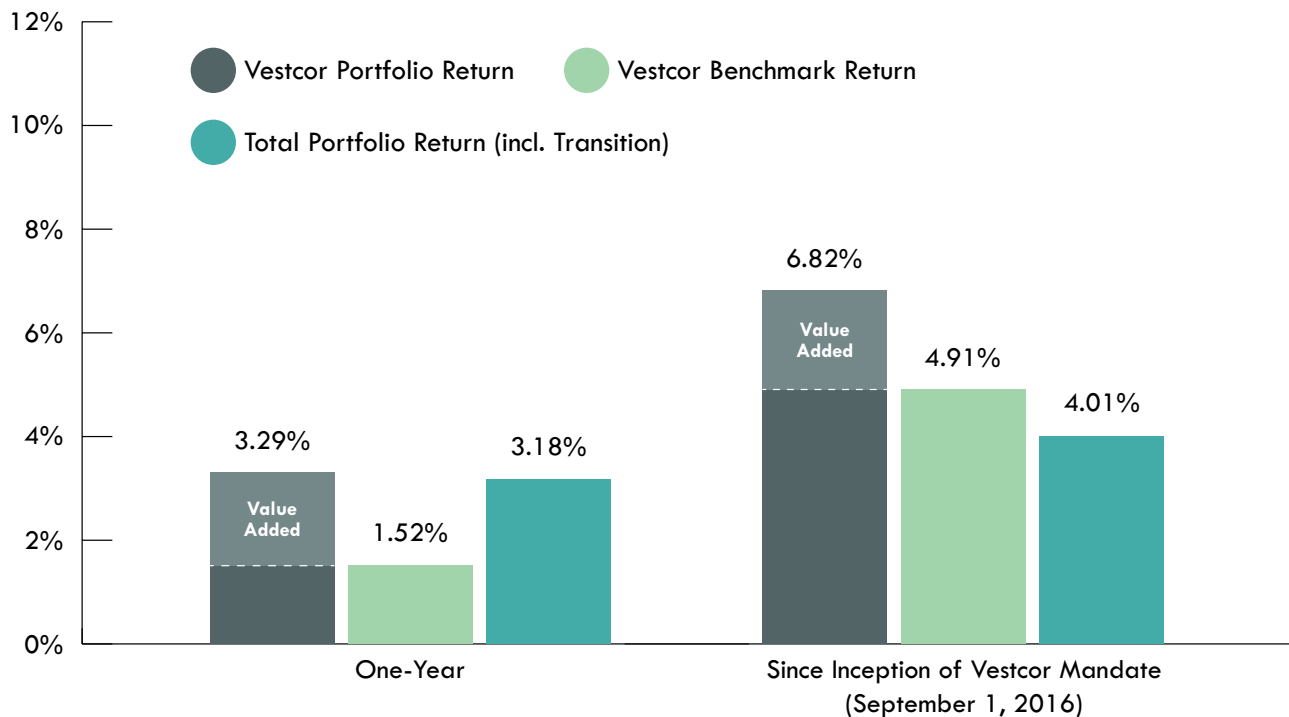
2018 GROSS INVESTMENT RETURN
3.18%

2018 concluded as an uncertain year for global financial markets. The markets fluctuated significantly, with equity markets taking a negative turn toward the end of the year. Despite this, the CBE SRP Pension Fund’s gross annual investment return at December 31, 2018 ended on a positive note at 3.18%.

We’re pleased to report that our investment program led to this positive investment return in an environment where many other pension funds have faced negative annual returns¹. The return of 3.18% is based on the total Pension Fund assets, including a small portion that were still managed by other investment managers but have since been transitioned to Vestcor. Of those assets that were managed by Vestcor only, the return was 3.29%.

As mentioned in previous newsletters, the Plan has been transitioning all of its assets from several investment managers to Vestcor over the last year or so. The transition was recently completed, and all assets are now managed by Vestcor.

Below is a visual of these returns, referred to as nominal returns.



The 2018 return brought the Pension Fund’s four-year total annualized return as of December 31, 2018 to approximately 5.66%, and the ten-year annualized return to 8.33%. Both of these long-term returns exceed the long-term discount rate of 4.75% set by the Plan’s independent actuary.

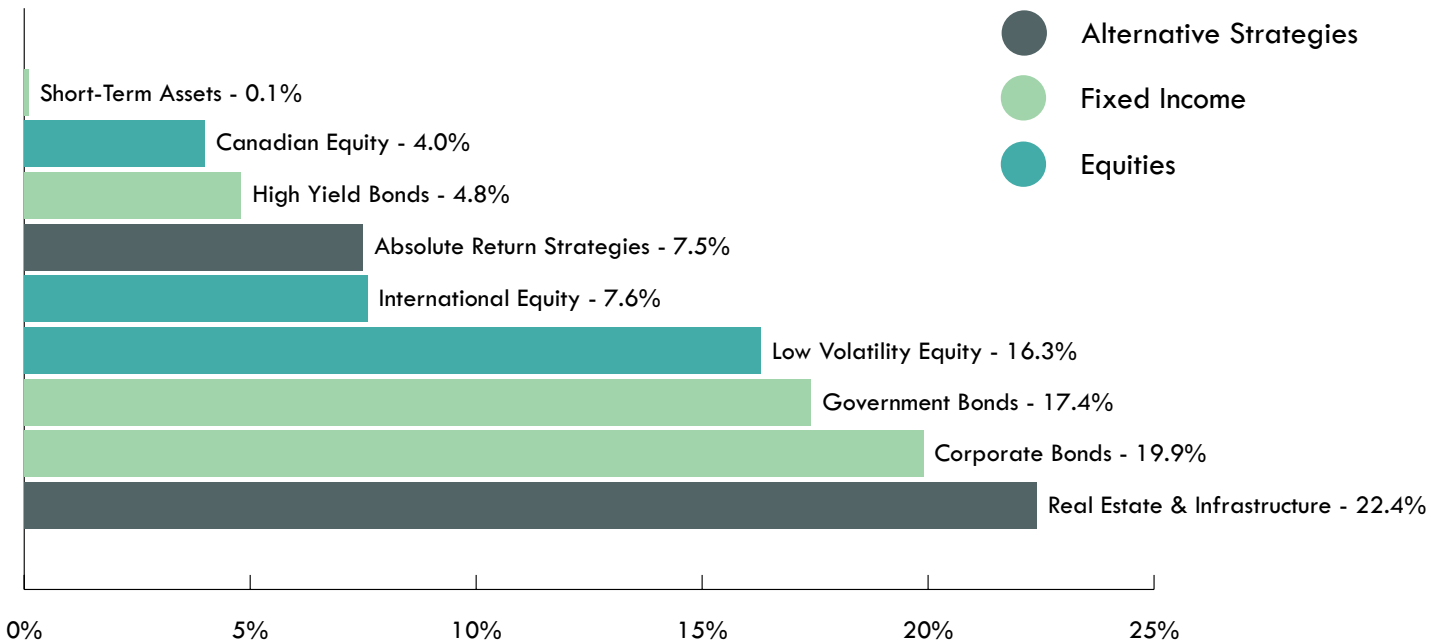
The “value added” outlined in the chart is the return provided above the CBE SRP’s Investment Policy goal, through the expertise provided by Vestcor known as “Active Management”. This active management provided a value added return of 1.77% for the year ended December 31, 2018 to the Pension Fund, and 1.91% since the Vestcor relationship was initiated in 2016.

¹ RBC Investor & Treasury Services reports a Canadian defined benefit pension plan median annual return of -0.7% for the year ended December 31, 2018.

PENSION FUND ASSETS

The fair value of the CBE SRP’s investment assets at December 31, 2018 was \$2.144 billion, up \$78 million from the fair market value at December 31, 2017.

A visual outline of the asset mix, which is the breakdown of where the Fund is invested, is included below.



MARKET SNAPSHOT

As mentioned, most global equity markets were negative in 2018, although the United States market earned a 4% return, boosted by foreign exchange gains from a weakening Canadian dollar. Positive contributions from fixed income and alternative assets helped offset the negative equity market results. The global geopolitical outlook remains mixed, with continuing uncertainty in Brexit negotiations, U.S-China Trade, and various political events around the globe continuing to weigh on investors.

For more information, including a summary of the market outlook for this period, visit the **Quarterly Market Updates** provided by Vestcor at www.vestcor.org/marketupdates.

HELPFUL DEFINITIONS

Gross Investment Return: Return before fees are deducted, for example, investment management fees.

Nominal Returns: The rate of return without adjusting for inflation.

Discount Rate: Set by the Plan’s independent actuary, the discount rate is the assumed investment rate of return (net of expenses and margins for security) the Pension Fund can conservatively earn over the long-term given its current investment policy.

Fair Value: The value of an asset (or liability) based on the market where the funds are traded, on the date reported.

Global Equity Markets: The markets used for trading equity securities, also referred to as stock markets.

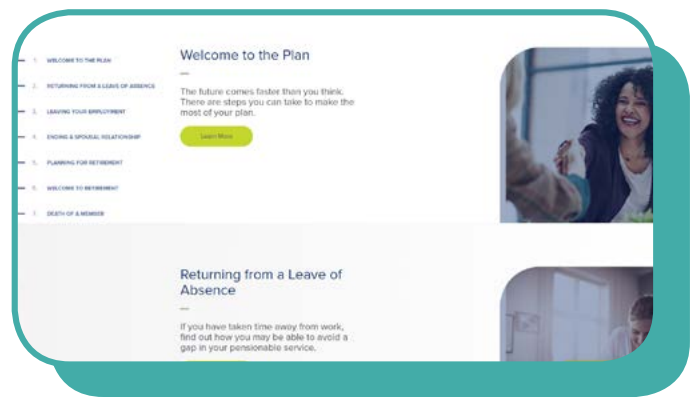
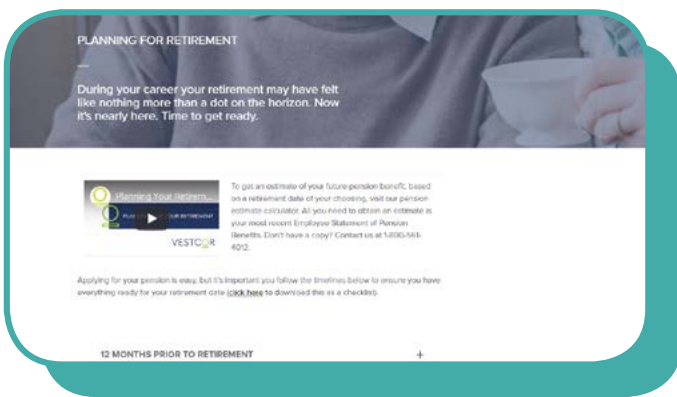
LIFE EVENTS

Do you ever wonder how your pension will be affected by times of transition in your life? Vestcor has launched a new section of their website to help you easily find the information you need relating to your pension during these transitional periods.

This new portion of the site is called Life Events, and you can navigate through it based on what stage of your life you are in. It's divided into the following sections:

- **Welcome to the Plan**
- **Returning from a Leave of Absence**
- **Ending a Spousal Relationship**
- **Leaving your Employment**
- **Planning for Retirement**
- **Welcome to Retirement**
- **Death of a Member**

Visit www.vestcor.org/lifeevents today to experience it for yourself.



TIPS FOR RETIREES



UPDATING YOUR INFORMATION

- Is a move in your near future? You can update your address with Vestcor using their change of address form available at www.vestcor.org/address. If you would rather call, you can also contact them at 1 800 561 4012.
- If you have owed money after filing your income tax return in the past few years, you may want to consider increasing the amount of tax withheld from your monthly pension payment. By doing so, you can reduce how much money you owe when you file your tax return next year. The form is available at www.vestcor.org/incometax.
- Have you opened a new bank account? Go to www.vestcor.org/banking to find the form you need to update your banking information with Vestcor. You can also contact Vestcor by phone at 1 800 561 4012. Remember to keep your old account open until you've seen a payment deposited in your new account.