

NEW BRUNSWICK

# Teachers'

PENSION PLAN



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## CONTACT US

**WRITE:**  
**NBTPP 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](mailto:info@vestcor.org)

# COST CERTIFICATE

The most recent Actuarial Valuation Report for the NBTPP was completed as of August 31, 2016. A valuation report must be completed every three years with the next one scheduled as of August 31, 2019.

In the years in which an actuarial valuation is not prepared by the NBTPP, the actuary must prepare a Cost Certificate. In preparing a Cost Certificate, the actuary calculates the financial position of the NBTPP by using the actual asset value at August 31 and the estimated plan liabilities extrapolated from the date of the last completed actuarial valuation.

## FUNDING STATUS OF THE NBTPP

The extrapolated termination value funded ratio of the NBTPP based on the August 31, 2018 Cost Certificate was 108.5%. This ratio compares the fair market value of the pension plan's assets with the pension plan's extrapolated funding liability at August 31, 2018.

## NBTPP AT-A-GLANCE

Do you feel like you could use a simplified document to help walk you through the basics of the NBTPP? Good news! The NBTPP 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 NBTPP.

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 NBTPP At-A-Glance by visiting [www.vestcor.org/nbtp](http://www.vestcor.org/nbtp) and looking under "Booklets".



**DISCLAIMER:** This newsletter is a publication on behalf of the Board of Trustees of the New Brunswick Teachers' Pension Plan. This publication is intended to provide information about the New Brunswick Teachers' Pension Plan. If there is a discrepancy between the information contained herein and the pension plan text or other appropriate governing documents, the latter will prevail.

## INVESTMENT RETURNS

Global financial markets ended an increasingly volatile and uncertain 2018 with significant equity market declines in the later part of the fourth quarter. Despite this volatility the gross investment return for the NBTPP for the year ended December 31, 2018 was approximately 2.05%, compared to its total fund benchmark return of 0.94%.

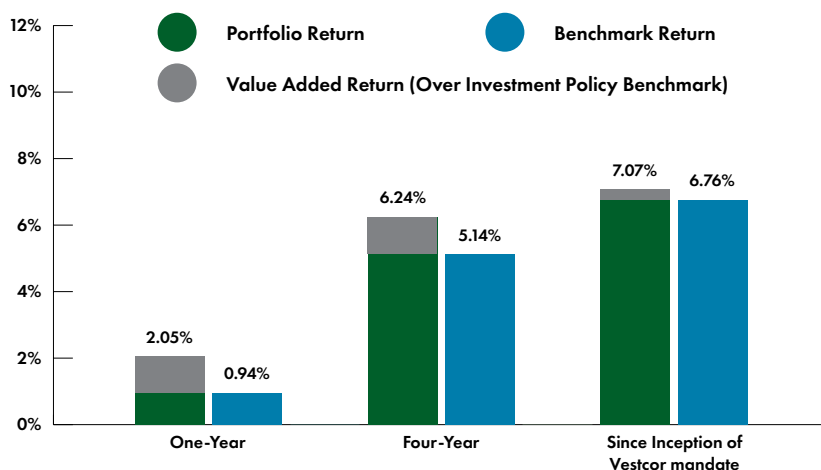
The investment program significantly exceeded the policy benchmark in 2018, and led to a positive investment return in an environment where many other pension funds had negative annual returns<sup>1</sup>.

More importantly, both the longer term four-year annualized return of 6.24%, and the return since the inception of Vestcor's management in 1996 of 7.07%, remain in excess of the 5.85% discount rate set by the independent actuary.

### NOMINAL RETURN - ANNUALIZED FOR PERIODS > 1 YEAR

Most global equity markets were negative in 2018, although the U.S. market earned a 4% return boosted by foreign exchange gains from a weakening Canadian dollar. In addition, positive contributions from fixed income and alternative assets more than offset equity market results. The global geopolitical outlook remains mixed, with continuing uncertainty as to the likely form of resolutions in Brexit negotiations, U.S.-China trade, and various political events around the globe continuing to weigh on investors.

The return earned in excess of the benchmark portfolio contributed positive value add at 1.11% for the year ended December 31, 2018.

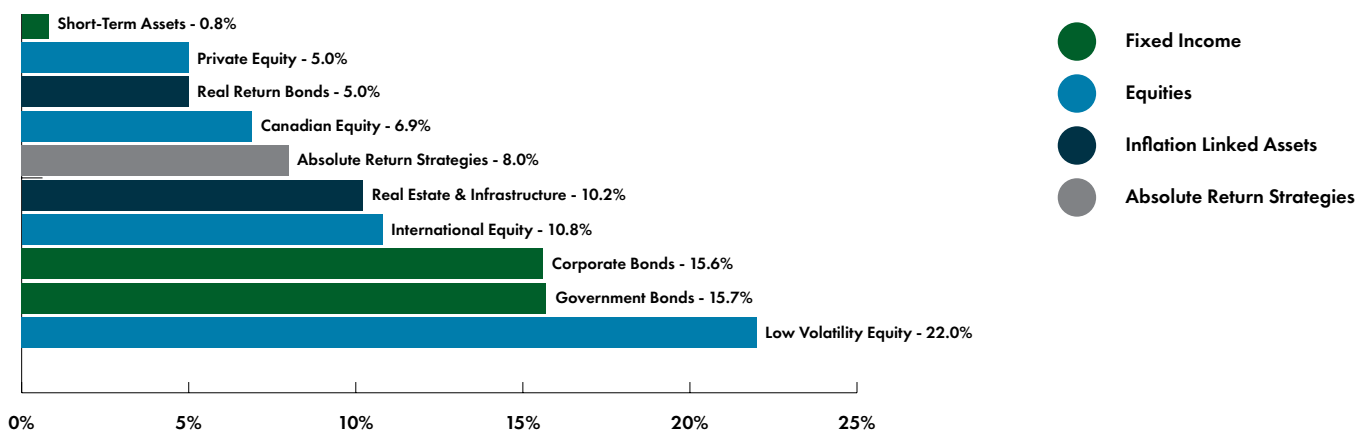


### INVESTMENT ASSETS

The fair value of the NBTPP assets at December 31, 2018 was \$5.744 billion, down \$36 million from the fair value at December 31, 2017. The decline in fund assets as at December 31, 2018, is due to the sum of active member contributions and investment returns being slightly less than the benefits paid out to retirees throughout the year. This type of difference can occur over short-term time periods and is recovered through stronger long-term investment returns.

Investment asset mix weights were held close to investment policy targets during the year. The chart below outlines the portfolio asset mix at December 31, 2018.

For more information, please visit [www.vestcor.org/marketupdates](http://www.vestcor.org/marketupdates).



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



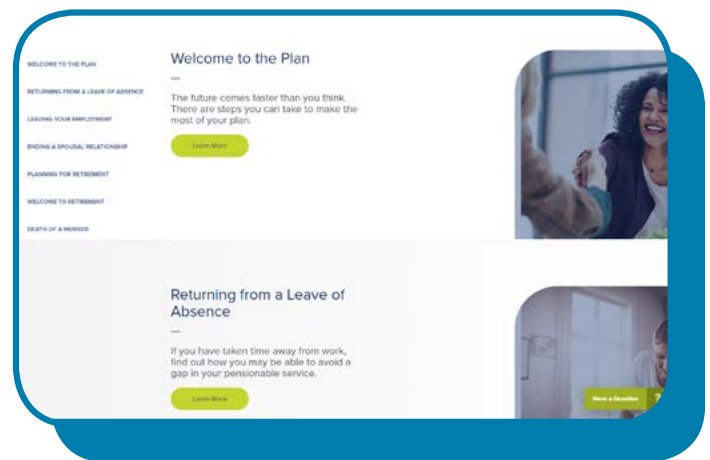
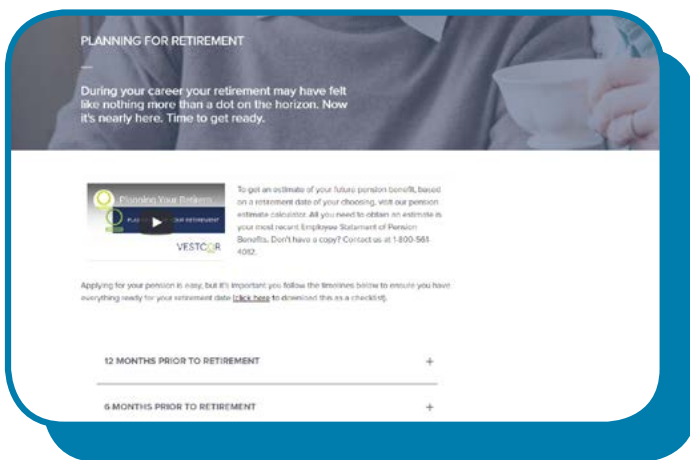
# LIFE EVENTS

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](http://www.vestcor.org/lifeevents) today to experience it for yourself.



# POWER OF ATTORNEY

## WHAT IS A POWER OF ATTORNEY?

A Power of Attorney (POA) is a legal document that you sign to give one or more people the authority to manage your personal affairs on your behalf. In most of Canada, the person you name is called **an attorney** (please note that this person does not need to be a lawyer).

## WHY NAME AN ATTORNEY?

Developing or dealing with an illness or disability can be difficult for you and your family. To minimize any risks associated with how your affairs are managed (including your pension or health care needs) should you unfortunately become ill or disabled and no longer able to manage your affairs, you may want to consider naming an attorney under a POA. With a POA, you can choose ahead of time who will manage your personal affairs if the need arises. Without a POA, someone will be appointed for you by the courts, and it may not be the person you would choose for yourself.

If you're a retired member, having to depend on an attorney to manage your affairs will not impact the amount of your pension. Your attorney will simply be able to provide information to Vestcor on your behalf such as a change of address or change of bank accounts.

Your personal circumstances can affect who you select to be your attorney, and the powers you choose to grant that person. The legal requirements for a valid POA may vary from jurisdiction to jurisdiction, so it is recommended to seek legal and estate planning advice. It is also important to review your POA from time-to-time to ensure it meets your needs.

## ACTING UNDER A POWER OF ATTORNEY

If authorized to do so under the POA, the person you name will be able to communicate with our Member Services team to request general or specific information concerning your pension and/or benefits. If you grant someone a Power of Attorney, you should provide that person with:

- an original, notarized or a certified true copy of the POA bearing the original signature of the lawyer, notary, commissioner of oaths or justice of the peace; and
- contact information for Vestcor.



# NBTPP MEMBER SURVEY

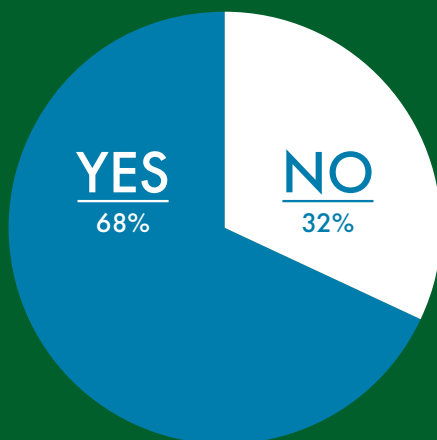
Last Fall, the Board launched a survey with the intention of better understanding how you, as a member of the NBTPP, perceive your pension plan. We wish to thank all members who took the time to respond to the survey. Your responses will help guide us moving forward. Below is an overview of your responses.



## INDEXING ADJUSTMENT BENEFIT (IAB)

When asked if aware that an IAB was provided to all members last year, 68% of members responded that they were.

Did you know that an IAB positively impacts the pension benefits of all members, whether they are active, deferred, or retired? Refer to the Fall 2018 newsletter to find out more about the most recent IAB provided.



## GOVERNANCE



Find out more about your Board's experience and expertise by reading their biographies and board accomplishments at [www.vestcor.org/nbtpp](http://www.vestcor.org/nbtpp).

**ONLY 1 IN 2 MEMBERS FEEL THEY HAVE A SOMEWHAT OR VERY GOOD UNDERSTANDING OF THE PLAN.**



Have you visited the new NBTPP website?

**VESTCOR.ORG/NBTPP**

Find your member booklet, application forms, pension estimate calculator, governing documents, financial results and much more. Learn about your pension plan today!



# YOUR NBTPP BOARD OF TRUSTEES

Based on feedback that we received from the Member Survey, we know that many of you are unfamiliar with the people who serve you on the NBTPP Board of Trustees. With this in mind, we want to provide you with a quick background on the members of your Board.

## **LARRY JAMIESON (CHAIR)**

Larry Jamieson is the Executive Director of the New Brunswick Teachers' Association. He taught and worked in middle schools and high schools for 21 years; the last 12 of these as Principal of Harvey High School.

## **DAVID NOWLAN, CPA, CA (VICE-CHAIR)**

David Nowlan is Assistant Comptroller, Accounting, Reporting and Financial Systems, Department of Finance and Treasury Board. He has held numerous positions in the public and private sphere, including Director of Audit and Consulting Services and Acting Comptroller.

## **JENNIFER MORRISON, CPA, CA (TRUSTEE)**

Jennifer Morrison is currently the Treasurer at the University of New Brunswick. Prior to joining the University, Jennifer held the role of Director of Trust Fund Administration with the Treasury Division of the Department of Finance.

## **RENO THÉRIAULT (TRUSTEE)**

Reno Thériault worked in education for 18 years before becoming President of the AEFNB (1987-89). He then served the Association as a Professional Development Officer and Executive Director (and Pension Advisor) until retirement in 2005. From 2006 to 2016, he served on the Board of Directors of the New Brunswick Investment Management Corporation.

## **MIKE SPRINGER (TRUSTEE)**

Mike Springer retired as Director of Teacher Welfare Services at the New Brunswick Teachers' Association in 2002. After retirement from the NBTA, he worked several years in the investment field.

## **JANE GARBUTT (TRUSTEE)**

Jane Garbutt is Vice-President of Corporate Operations and Administration at Ocean Capital, in Saint John. She also served in deputy ministerial roles at Finance, Human Resources and Government Services.

## **LEONARD LEE-WHITE (TRUSTEE)**

Leonard Lee-White is the Assistant Deputy Minister of the Department of Finance and Treasury Board, and has extensive experience in providing pension plan investing and risk management advice to government and boards of trustees. He is a former Vice-President with the New Brunswick Investment Management Corporation.

## **MARCEL LAROCQUE (TRUSTEE)**

Marcel Larocque is Deputy Executive Director of the Association des enseignantes et enseignants francophones du Nouveau-Brunswick. He served as President of the association from 2007 to 2009 and, before that, was a Teacher, Vice-Principal and then Principal at École Marie-Esther.

## **BOB FITZPATRICK (OBSERVER)**

Bob Fitzpatrick taught for eighteen years in the Miramichi area. He was President of the New Brunswick Teachers' Association for two years and later served as Executive Director of the association for 16 years.

## **KERRY LEOPKEY (OBSERVER)**

Kerry Leopkey is currently the Executive Director and Chief Spokesperson for the New Brunswick Teachers' Federation. He has held a variety of positions in the area of Human Resources and Labour Relations over the past 25 years in both the private and public sectors.

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As you can see, your Board members have very diverse backgrounds, providing a strong board composition. It is also important to note that while each member has been nominated to the Board by the provincial government or the NBTF, they must always act in the best interest of the Plan and all its members when administering the affairs of the Plan. Full biographies can be found at [www.vestcor.org/nbtpp](http://www.vestcor.org/nbtpp) under "Plan Governance".



# AMENDMENTS TO GOVERNING DOCUMENTS

The *New Brunswick Pension Benefits Act* 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 Plan Text was amended in order to document the Indexing Adjustment Benefit (IAB) awarded as of January 1, 2019. The amendment was filed with the Superintendent of Pensions on January 24, 2019.

## 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](http://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](http://www.vestcor.org/incometax).
- Have you opened a new bank account? Go to [www.vestcor.org/banking](http://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.

