



FOR IMMEDIATE RELEASE

September 10, 2020

Plan awards full cost of living adjustment for 8th consecutive year

Fredericton, New Brunswick - The Board of Trustees of the New Brunswick Public Service Pension Plan (NBPSPP) is pleased to announce that it has been able to provide its nearly 40,000 members with a full cost of living adjustment (COLA) for the 8th consecutive year. The Board has been able to award full COLA every year since the NBPSPP's conversion. Based on Canada's Consumer Price Index, this year's COLA is 1.46%. This adjustment is applied to the benefits of every Plan member, whether they are actively employed, retired, or have chosen to defer their pension. The increase helps ensure members' current and future pension benefits reflect the increase in today's cost of living.

The announcement was made by the chair of the Board of Trustees, Leonard Lee-White, after he and the Board recently reviewed the pension plan's financial position, along with the results of a series of independent risk management tests as required by the Plan's Funding Policy to determine the financial health of the Plan.

"We are happy to report that the Plan remains sufficiently over-funded, allowing us to once again provide the full cost of living adjustment to all of our members," Lee-White said. "While the investment returns in 2019 were strong, our focus as the Board of Trustees must remain on the long-term returns. The Plan is designed to be lower risk, allowing it to better withstand market downturns than traditional pension plans during volatile periods such as we experienced as recently as the second half of 2018 and more currently in 2020, due to the impact of the COVID-19 pandemic."

The Plan's assets, managed by Vestcor, saw an investment return of 11.65% (gross of investment management fees) in 2019, exceeding our Investment Policy benchmark of 11.15% and yielding \$720 million in net investment income being added to the Plan.

Additional information can be found in the Plan's 2019 Annual Report now available at vestcor.org/NBPSPP2019. These results will be discussed in more detail at the NBPSPP's Annual Information Meeting, which will be broadcast online on Monday, September 21st at 12:00 pm. Visit vestcor.org/nbpspp2020aim for event details.

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Chair, Board of Trustees

New Brunswick Public Service Pension Plan

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