

# Pension News

Pension Plan for Full-Time CUPE 2745 Employees of NB School Districts

Volume 2 | 2020



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## Choosing the Right Pension Option for You

Choosing the right pension option is one of the most important decisions you'll make regarding your retirement.

Let us help you make an informed decision.

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## Purchasing Prior Service

Learn more about how you can purchase prior periods of service, and how it can positively affect your future pension.



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## Who is Vestcor?

Vestcor is your pension plan's day-to-day administrator. Find out who they are and what they do.

## Your Pension Committee

Learn more about how your pension committee provides advice and recommendations relating to the governance of your pension plan.

# Choosing the Right Pension Option for You

There are six different forms of pension available to you when you retire. **With all options you will receive your pension benefit to the end of your life.** However, the optional forms differ in how any survivor benefits are paid.

## Normal Form of Pension

### Life Pension with 5 Year Guarantee

If you die before receiving 60 monthly payments, the unpaid balance\* is paid in a lump sum to your designated beneficiary or estate.

## Optional Forms of Pension

### Life Pension with 10 Year Guarantee

If you die before receiving 120 monthly payments, the unpaid balance\* is paid in a lump sum to your designated beneficiary or estate.

### Life Pension with No Guarantee Period

There will be no benefits payable after your death.

### 50% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement, as well as the time of your death) is still living, your spouse will receive 50% of your lifetime pension for the remainder of their life.

### 66.66% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement, as well as the time of your death) is still living, your spouse will receive 66.66% of your lifetime pension for the remainder of their life.

### 100% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement, as well as the time of your death) is still living, your spouse will receive 100% of your lifetime pension for the remainder of their life.



## Remember

Choosing the right form of pension at retirement based on your individual circumstances is extremely important. Once you start receiving your pension, you cannot change the option you have selected.

To ensure you understand what the different options mean to you (and your loved ones) upon retirement, please contact Vestcor's Member Services team at 1-800-561-4012.

An adjustment will be made to your monthly pension if you choose an option other than the Life Pension with 5 Years of Guaranteed Payments. The adjustment takes into account whether the pension plan may end up paying a benefit upon your death, and the possible size of any such benefit.

\*actuarial equivalent value

# Purchasing Prior Service

**Did you know that you can purchase prior periods of service to increase your future pension? We're here to let you know what types of prior service can be purchased, and what the process is.**



## What types of past service can be purchased?

### Refunded service

If you have previously left a position where you contributed to the Plan, received a refund of your contributions (or commuted value as applicable) when you left, and have returned to a job that allows you to again contribute into the Plan, you can buy back your earlier period of refunded service.

You can also purchase certain periods of refunded service from another pension plan covered by the Intra-Provincial Reciprocal Transfer Agreement.

### Leaves of absence without pay

This includes approved unpaid leaves of absence (e.g., maternity leave or sick leave).

### Probationary periods

This includes periods of continuous full-time employment where there was a waiting period before joining the plan.

## What is the process?

To apply for a purchase of service, contact your employer and fill out an application form.

Within 60 days of receiving your application, Vestcor will provide you with documents outlining:

- the cost to purchase the service;
- the amount of credited service you are purchasing;
- payment options; and
- important deadlines.

You can always learn more about purchasing service by visiting [www.vestcor.org/time-off](http://www.vestcor.org/time-off).

**The most important thing to remember is that it's often to your advantage to purchase prior service sooner rather than later. The cost typically increases based on your age and salary.**

**No matter when you apply for the purchase of service, there is no processing fee from Vestcor.**

# Who is Vestcor?

## Your source for information about your pension plan

**Vestcor is the day-to-day administrator of your Pension Plan.**

### What services does Vestcor provide to your pension plan?

Vestcor provides a wide variety of key services to the Pension Plan for Full-Time CUPE 2745 Employees of NB School Districts (CUPE 2745), including:

- Online resources, including a pension estimate calculator ([www.vestcor.org/calculators](http://www.vestcor.org/calculators)) and a website which provides you with helpful information and application forms relating to your pension ([www.vestcor.org/CUPE2745](http://www.vestcor.org/CUPE2745));
- A Member Services team available to answer any of your pension-related questions by telephone or by email, from Monday to Friday, 8:15 am to 5:00 pm;
- Pension and termination calculations, along with purchase of service, reciprocal transfer agreement and marriage breakdown calculations; and
- Payment of monthly pensions to retirees.

### Who is Vestcor?

Vestcor is a not-for-profit organization made up of the former Pension and Employee Benefits Division of the Government of New Brunswick and the former New Brunswick Investment Management Corporation. The amalgamation of these two organizations in 2018 led to an integrated approach to governance best practices, risk management and organizational effectiveness while continuing to offer your pension plan the same quality and cost-effective services.

Vestcor is based in Fredericton and provides pension, employee benefits and investment management services to over 90,000 members of pension plans and/or employee benefits plans from over 130 New Brunswick based employers. Vestcor employs over 140 New Brunswickers, all of whom are based in the Fredericton office.



### How can you contact Vestcor?

**Website:** [www.vestcor.org/CUPE2745](http://www.vestcor.org/CUPE2745)

**Telephone:** 1-800-561-4012 or 506-453-2296

**In Writing:** PO Box 6000, Fredericton, NB E3B 5H1

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## Your Pension Committee

Your pension committee meets quarterly and is responsible for providing oversight and advice relating to the governance of your pension plan. It is composed of members appointed by the following groups: 3 members appointed by the Canadian Union of Public Employees, 2 members by the Department of Education and Early Childhood Development and 2 members appointed by the Department of Finance and Treasury Board. For more information on your Plan's governance structure and operations, visit [www.vestcor.org/CUPE2745](http://www.vestcor.org/CUPE2745).