



FOR IMMEDIATE RELEASE

September 16, 2021

Plan awards full cost of living adjustment for 9th 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 over 40,000 members with a full cost of living adjustment (COLA) for the 9th 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 strong financial health and stable growth of the NBPSPP is helping to ensure that the pension benefits of all NBPSPP members keep pace with the increase in today's cost of living, today and into the future.

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.

"Our long-term focus and prudent approach to risk-management continues to benefit the members of the NBPSPP as we have been able to grant full cost of living adjustments every year since the Plan converted to the Shared Risk model. This marks the 9th consecutive year we have been able to grant all retired, active, and deferred members this increase to their benefits." Lee-White said. "The NBPSPP has remained resilient through a number of tumultuous periods in the financial markets. Our conservative, stable approach that focuses on the sustainability of the Plan has helped to keep the NBPSPP in its well-funded position."

The Plan's assets, managed by Vestcor, saw an investment return of 7.23% (gross of investment management fees) in 2020, exceeding our Investment Policy benchmark of 7.09% and adding \$411 million in total assets to the Plan. Over the more important longer-term period since the Plan's conversion in 2014, Vestcor's investment return has been 7.74% per annum versus an Investment Policy benchmark return of 6.89%.

Additional information can be found in the Plan's 2020 Annual Report now available at vestcor.org/NBPSPP2020. These results will be discussed in more detail at the NBPSPP's Annual Information Meeting, which will be broadcast online on Wednesday, October 6th at 12:00 pm. Visit vestcor.org/nbpspp2021aim for event details.

The NBPSPP Board is currently comprised of nine trustees (one vacancy) and two observers. Four trustees have been appointed by Unions and five have been appointed by the Provincial Government.

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