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PENSION NEWS

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Shared Risk Plan for
CUPE Employees of
NB Hospitals
(CUPE Hospitals SRP)
vestcor.org/cupe-h

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An Important Update from your Board of Trustees

Dear Members:

It was recently announced that Paramedics and LPNs have changed unions and have therefore left our pension plan, the Shared Risk Plan for CUPE Employees of NB Hospitals. We want to reassure you, our members, that we are actively assessing the impact of these departures on the Plan and its remaining members.

Our fiduciary duty is to you, our members, and as part of this duty, we have:

- Been working closely with the Plan's independent actuary to assess the financial impact to the Plan on a short- and long-term basis. The impact of the departure of Paramedics has been included in the most recent Actuarial Valuation Report, reviewed by the Board on October 14, 2021, and the departure of the LPNs will be examined in the coming months; and,
- Contacted the governing parties of the Plan, the Government of New Brunswick's Treasury Board and NB Council of Hospital Union CUPE Local 1252, to provide recommendations on corrective measures that will further protect the Plan moving forward.

We want to assure you that we are working diligently to minimize any impact to you our members, which include contributing employees, deferred members, and retirees. In addition, we are pleased to share that the Plan is still in a position to provide the cost of living adjustment (COLA) as noted on the following page.

Further details will be provided in the coming months through our Plan's newsletter and website.

Your Board of Trustees



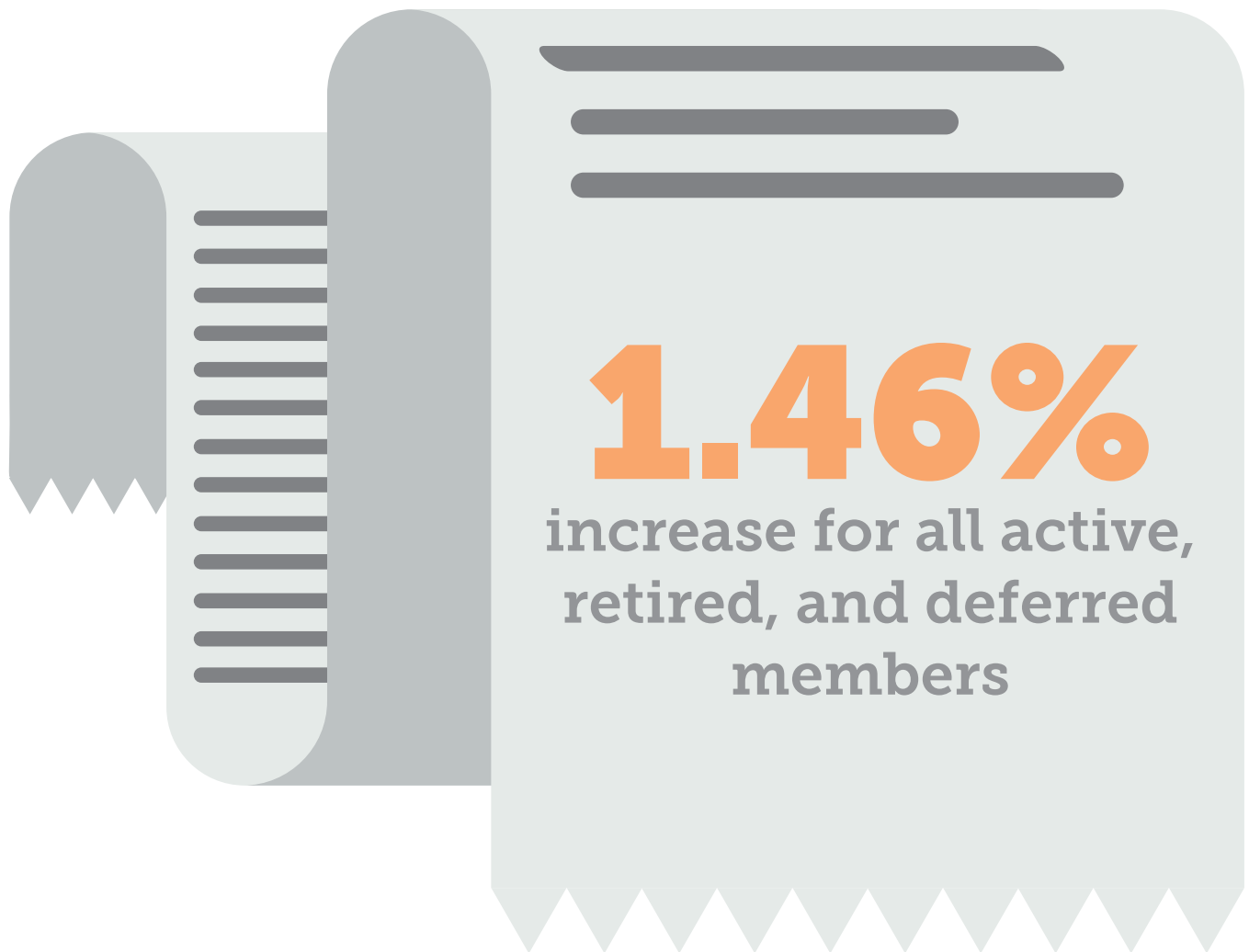
DISCLAIMER: This newsletter is a publication on behalf of the Board of Trustees of the CUPE Hospitals SRP. This publication is intended to provide information about the Shared Risk Plan for Canadian Union of Public Employees (CUPE) of NB Hospitals. If there is a discrepancy between the information contained herein and the pension plan text or other appropriate governing documents, the latter will prevail.

YOUR PENSION BENEFIT IS INCREASING AGAIN

Your Board of Trustees is pleased to announce that it has once again been able to provide all Plan members with a cost of living adjustment (COLA) effective January 1, 2022. Due to positive returns of the Plan, the Board was able to approve the full COLA, matching Canada's Consumer Price Index (CPI). The CPI looks at how much the price of things we buy has changed over the last year, including food, gas, housing, and much more. The COLA for members of the CUPE Hospitals SRP is based on the increase in the CPI from July 2020 to June 2021. Similar to the previous year, the increase in the CPI for this period was 1.46%.

If you're an active or deferred member, the increase will be applied to the benefits you've earned up to December 31, 2020, which has a positive effect on the pension you'll receive when you retire.

If you're a retiree, the increase will be applied to your monthly pension benefit as of January 1, 2022. You'll receive notification of this increase in writing in December 2021.

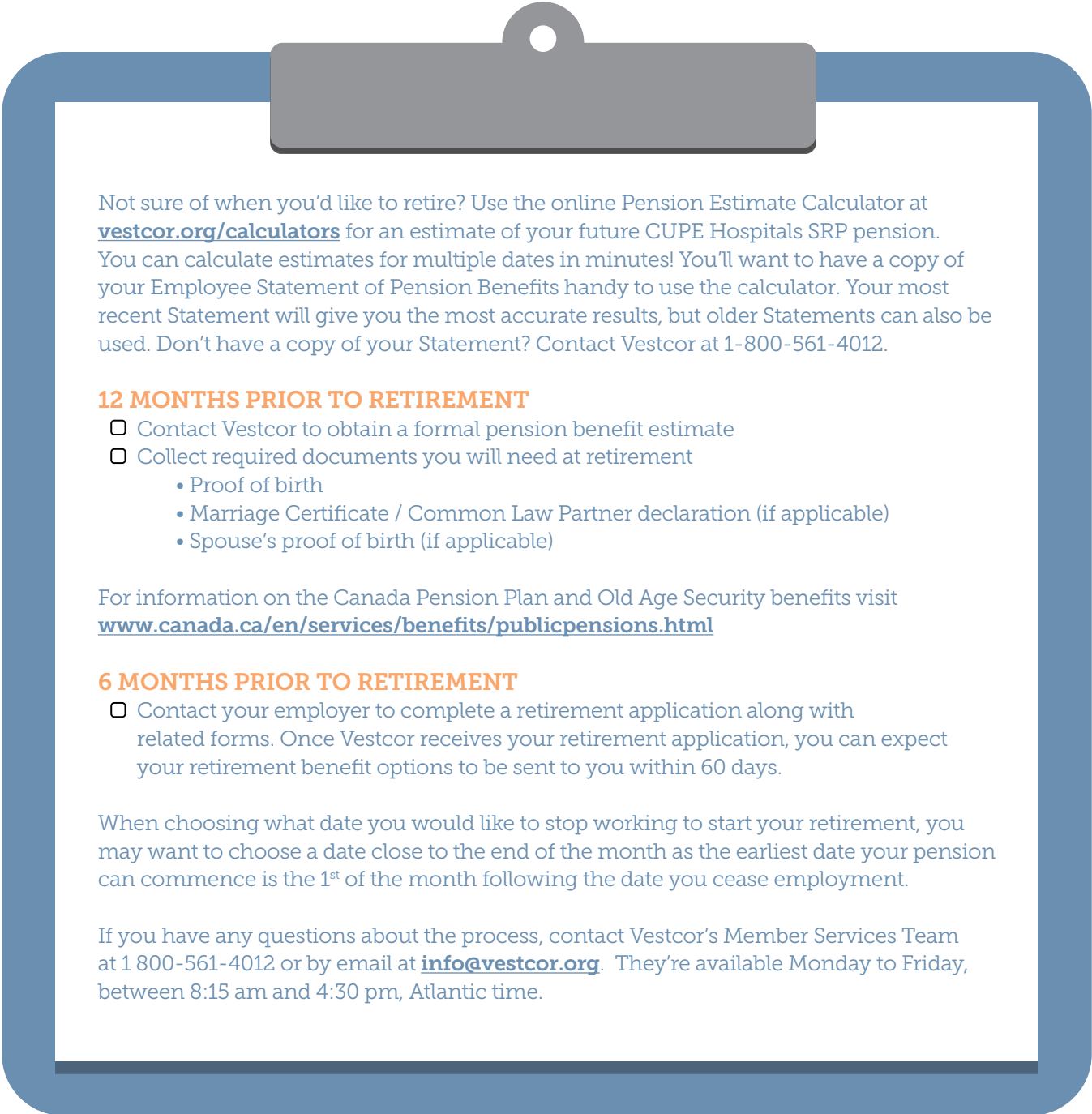


CUPE HOSPITALS SRP RETIREMENT PLANNING CHECKLIST

AS YOU THINK ABOUT RETIRING, THE FOLLOWING CHECKLIST WILL HELP YOU WITH YOUR PLANNING

You've worked hard for years, and though it may have seemed a long way off, your retirement is just around the corner. It's time to get planning.

Applying for your CUPE Hospitals SRP pension is easy, but there are some important timelines you should keep in mind, to make sure everything is ready for your retirement date.

A large blue clipboard graphic with a grey clip at the top, containing the checklist text.

Not sure of when you'd like to retire? Use the online Pension Estimate Calculator at vestcor.org/calculators for an estimate of your future CUPE Hospitals SRP pension. You can calculate estimates for multiple dates in minutes! You'll want to have a copy of your Employee Statement of Pension Benefits handy to use the calculator. Your most recent Statement will give you the most accurate results, but older Statements can also be used. Don't have a copy of your Statement? Contact Vestcor at 1-800-561-4012.

12 MONTHS PRIOR TO RETIREMENT

- Contact Vestcor to obtain a formal pension benefit estimate
- Collect required documents you will need at retirement
 - Proof of birth
 - Marriage Certificate / Common Law Partner declaration (if applicable)
 - Spouse's proof of birth (if applicable)

For information on the Canada Pension Plan and Old Age Security benefits visit www.canada.ca/en/services/benefits/publicpensions.html

6 MONTHS PRIOR TO RETIREMENT

- Contact your employer to complete a retirement application along with related forms. Once Vestcor receives your retirement application, you can expect your retirement benefit options to be sent to you within 60 days.

When choosing what date you would like to stop working to start your retirement, you may want to choose a date close to the end of the month as the earliest date your pension can commence is the 1st of the month following the date you cease employment.

If you have any questions about the process, contact Vestcor's Member Services Team at 1 800-561-4012 or by email at info@vestcor.org. They're available Monday to Friday, between 8:15 am and 4:30 pm, Atlantic time.

CUPE HOSPITALS SRP ACTUARIAL VALUATION REPORT

The actuarial valuation report is a vital tool to assess the CUPE Hospitals SRP's ability to provide long-term benefits to members and helps guide the Board in making decisions regarding the finances of the Plan, such as granting COLA (see page 2). As a shared risk plan, the CUPE Hospitals SRP is subject to requirements under the provincially legislated *Pension Benefits Act* (PBA) to complete an annual actuarial valuation. This valuation includes risk management testing and reporting on risk management goals. These tests are meant to ensure the Plan's security, and the results may cause the need for short-term adjustments, as outlined in the PBA and the CUPE Hospitals SRP Funding Policy.

The actuarial valuation report is a complex assessment completed using models developed by the actuary which examines the Plan's assets and liabilities as at December 31 of a given year; membership information; and investment, economic and demographic assumptions. The key results of the actuarial valuation report as at December 31, 2020 can be found below.

RISK MANAGEMENT RESULTS

Primary Risk Management Goal

Achieve 97.5% probability that past **base benefits earned will not be reduced** over the next 20 years.

Target 97.5%	Result as at December 31, 2020 - 99.65% (PASSED)	Target
	Result as at December 31, 2019 - 99.95% (PASSED)	

1st Secondary Risk Management Goal

Ability to **provide cost of living adjustments (indexing) in excess of 75% of the Consumer Price Index to members and retirees** over the next 20 years.

Target 75%	Result as at December 31, 2020 - 90.70% (PASSED)	Target
	Result as at December 31, 2019 - 94.20% (PASSED)	

2nd Secondary Risk Management Goal

Achieve at least 75% probability that **ancillary benefits (i.e., early retirement subsidy) can be provided** over the next 20 years.

Target 75%	Result as at December 31, 2020 - 99.65% (PASSED)	Target
	Result as at December 31, 2019 - 99.95% (PASSED)	

FUNDING STATUS OF THE PLAN

- **The Termination Value Funded Ratio** is 94.9% as at December 31, 2020. This ratio is used in the calculation of a member's benefits on termination of employment, death or marriage breakdown.
- **The 15-year Open Group Funded Ratio**, as at December 31, 2020, is 123.4%. This ratio is used to determine the actions, such as granting COLA, to be taken by the Board under the Plan's Funding Policy.

INFORMATION FOR RETIREES - T4As

As a retiree drawing your pension, you'll receive a T4A reporting your annual pension income to file your annual income tax return. The T4A is similar to the T4 you would have received as an active employee reporting employment income. Depending on your personal situation, you may see amounts reported in other boxes such as income tax deductions and health/dental premium deductions.

If you are a non-resident of Canada, you will receive a NR4 instead of a T4A to report your pension income.

Vestcor will mail your T4A by February 28th of each year, and it is very important to ensure that they have your current mailing address. If your mailing address has recently changed, complete the Change of Address form at vestcor.org/address or contact Vestcor at 1-800-561-4012.

If you lose or do not receive your T4A, requests for duplicate T4As can be made by calling Vestcor at 1-800-561-4012. Please note that a duplicate T4A cannot be sent to a new mailing address until a change of address form is provided and processed by Vestcor.



2022 CUPE HOSPITALS SRP PENSION PAYMENT DATES

JANUARY	FEBRUARY	MARCH	APRIL	APRIL	JUNE
1	1	1	1	29 (FOR MAY)	1
JUNE	JULY	SEPTEMBER	SEPTEMBER	NOVEMBER	DECEMBER
30 (FOR JULY)	29 (FOR AUGUST)	1	30 (FOR OCTOBER)	1	1



AMENDMENTS TO GOVERNING DOCUMENTS

The New Brunswick *Pension Benefits Act* (PBA) requires that members be provided with an update on any amendments to the CUPE SRP governing documents. As such, the Board of Trustees would like to inform you of the following amendments which were filed with the Superintendent of Pensions:

- The Plan Text was amended in order to include details regarding the approved benefit increase associated with Steps 1-4 of the Funding Policy (effective January 1, 2021); and
- The Board of Trustees approved amendments to the Statement of Investment Policy and Goals on September 9, 2021 in order to enhance governance and document the addition of infrastructure debt and commercial mortgages to the CUPE SRP portfolio.

To view the current CUPE Hospitals SRP governing documents please visit vestcor.org/cupe-h.