

NEW BRUNSWICK PUBLIC SERVICE PENSION PLAN AWARDS ITS HIGHEST COST OF LIVING ADJUSTMENT TO DATE



Despite historically challenging financial markets worldwide, the NB Public Service Pension Plan remains positively funded and awarded a cost of living adjustment of 5.32% to all its 43,000+ members.

September 6, 2023

Fredericton, New Brunswick - Following the release of the Consumer Price Index (CPI) for June 2023 by Statistics Canada, the Board of Trustees of the New Brunswick Public Service Pension Plan (NBPSPP) met to review the financial status of the Plan. Under the guidance of the NBPSPP's Plan Text and Funding Policy, and the results of its most recent Actuarial Valuation Report, the Board identified that the Plan was in a position to award a cost of living adjustment to all participating members of 5.32% as of January 1, 2024, out of a possible 5.59 % (change in CPI over the 12-month period ending June 30, 2023).

The announcement is especially welcome given how challenging 2022 was for financial markets and investment returns worldwide. While pension plans across Canada reported median losses of approximately -10%, according to a report by RBC Investor and Treasury Services, the NBPSPP experienced a much smaller loss, -3.87%. "The NBPSPP's risk minimizing design and the Board's continued prudent oversight of the Plan succeeded in protecting the current and future pensions of all Plan members. The challenges of the past year have once again provided reassurance that the NBPSPP is doing exactly what it was designed to: providing all members with a secure, affordable, and sustainable long-term pension plan," shared Kathy Greenbank, Chair of the Board of Trustees of the NBPSPP.

The risk minimizing design played a crucial role in maintaining an overfunded status for the Plan. Even with the tougher returns in 2022, the Plan's funding status at December 31, 2022 was 130.1%. Of great importance, its four-year gross annual investment return remained very positive at 5.89%, while the return since the Plan converted in 2014 was 6.55%. Both longer-term returns are above their respective Investment Policy benchmarks.

For more information, refer to the recently released 2022 annual report, available now at nbpspp.ca. The Board of Trustees will also provide a detailed update on the Plan at its upcoming Annual Information Meeting. Held virtually, this live meeting will take place on Tuesday, September 19 at 12:00 pm (noon). Additional details are available at nbpspp.ca/2023aim.

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ABOUT THE NEW BRUNSWICK PUBLIC SERVICE PENSION PLAN

The New Brunswick Public Service Pension Plan Board of Trustees is currently comprised of nine Trustees (out of a possible 10, currently one vacancy) and two observers. Four Trustees are appointed by the unions who signed the NBPSPP's Memorandum of Understanding, and five Trustees have been appointed by the provincial government (including a minimum of one retiree). Their biographies are available at nbpspp.ca.

MEDIA CONTACT

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