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PENSION NEWS

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Shared Risk Plan for
CUPE Employees of
NB Hospitals
(CUPE Hospitals SRP)
cupeh.ca

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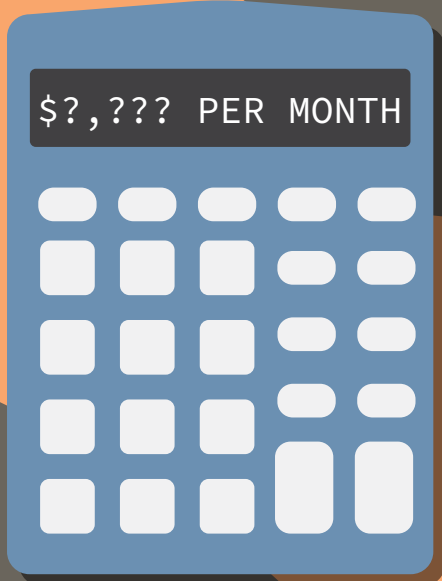
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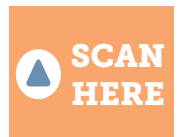
LOOK INTO YOUR FUTURE



If you're a member of the CUPE Hospitals SRP, you can estimate your future CUPE Hospitals SRP Pension Benefit anytime using the custom online calculator. It only takes a few minutes to obtain an estimate, and you can try a variety of retirement dates to know what your future pension could be, whether you choose to retire as early as age 55 or wait until you reach 65 for your unreduced pension.

Using the calculator is simple. All you need is:

- 1. A copy of your Employee Statement of Pension Benefits.** This statement is mailed to you annually in the Summer. If you were an active member of the CUPE Hospitals SRP in 2022, your 2022 Employee Statement of Pension Benefits was sent to you this past June. Don't have your copy? Contact the Member Services team at Vestcor (our pension administrator) at 1 800 561 4012.
- 2. Access to the online Pension Estimate Calculator.** Using a computer, tablet or mobile device, visit cupeh.ca/calculators or scan the QR code to the right. (Instructions for QR: If you have a smart mobile device (Apple iPhone or Android for example), open the camera and point it at this code to scan it.) There, you'll gain access to the calculator and an instructional video to guide you through the process.



Find out what your pension benefit could look like based on your years of service and the earnings you've accumulated to date. For other retirement planning resources, visit cupeh.ca/moneymatters or by phone at 1 800 561 4012. It's never too early to begin planning your retirement.

It's important to note that there are factors beyond contributions and years of service that can help your pension grow. Some of these factors, including Cost of Living Adjustments (COLA), are approved by your Board of Trustees. Learn more about COLA on the next page.

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 COST OF LIVING ADJUSTMENT

This year's COLA granted to all CUPE Hospitals SRP members is:

3.60%

If you're an active or deferred member, the increase will be applied to the benefits you've earned up to December 31, 2022. Each increase you receive will continue to compound until you retire. If you're a retiree, the increase will be applied to your monthly pension benefit as of January 1, 2024. You'll receive notification of this increase in writing in December 2023.

Cost of Living Adjustment (COLA) Awarded Since the Plan Became the CUPE Hospitals SRP

Year Awarded (January 1 st)	COLA	Canadian Consumer Price Index (CPI)
2024	3.60%*	5.59%
2023	2.74%*	5.56%
2022	1.46%	1.46%
2021	1.46%	1.46%
2020	2.12%	2.12%
2019	1.88%	1.88%
2018	1.47%	1.47%
2017	1.40%	1.40%
2016	1.49%	1.49%
2015	1.43%	1.43%
2014	1.36%**	0.96%
2013	2.00%*	2.40%

*Partial COLA awarded

**Includes 0.96% increase in the Canadian CPI, plus 0.40% that was not awarded for January 1, 2013.

COLA RESOURCES

Follow the links below or scan the QR codes with your mobile device to access more COLA-related resources.

Video: How COLA is Calculated
cupeh.ca/colavideo



Information Sheet: Explaining COLA
cupeh.ca/cola



Statistics CPI Index chart
cupeh.ca/statscan



The Plan's 2022 Actuarial Valuation
cupeh.ca/valuation



Much more information, including a "Cost of Living Adjustments" section is available at cupeh.ca. Prefer it in print? Call 1 800 561 4012.

HOW DOES THE PLAN CALCULATE COLA?

COLA for the CUPE Hospitals SRP is calculated using a method similar to the one used by the Canada Pension Plan (CPP) and other pension plans, which base their calculations on the average annual change in the Consumer Price Index (CPI) provided by Statistics Canada. Statistics Canada measures the change in Consumer Price Index by looking at the change in prices for a number of different kinds of goods across Canada, from food and shelter to clothing and recreational products.

WHAT?

COLA is measured by determining the change in the 12-month average of the Consumer Price Index for the most recent July 1st to June 30th period by comparing it to the average of the same period for the previous year.

WHO?

Your Plan’s actuary, TELUS Health, completes this calculation. The Board then compares the results with the CUPE Hospitals SRP Funding Policy to decide if and what amount of COLA can be awarded.

HOW?

For COLA awarded on January 1, 2024 your Plan’s actuary:

- Compared the average Consumer Price Index for the period of July 2022 to June 2023 with the average Consumer Price Index for the period of July 2021 to June 2022.
- The Consumer Price Index from each month was added together, and then divided by 12 for the 12 months of the year, to obtain the average monthly Consumer Price Index. For the period of July 2022 to June 2023 it was 154.47.

Month Year	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Avg.
CPI	153.1	152.6	152.7	153.8	154.0	153.1	153.9	154.5	155.3	156.4	157.0	157.2	154.47
Inflation %	7.6%	7.0%	6.9%	6.9%	6.8%	6.3%	5.9%	5.2%	4.3%	4.4%	3.4%	2.8%	

- Then the same calculation was done for the previous year. For the period of July 2021 to June 2022 the average Consumer Price Index was 146.29.

Month Year	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	Avg.
CPI	142.3	142.6	142.9	143.9	144.2	144.0	145.3	146.8	148.9	149.8	151.9	152.9	146.29
Inflation %	3.7%	4.1%	4.4%	4.7%	4.7%	4.8%	5.1%	5.7%	6.7%	6.8%	7.7%	8.1%	

The rate available for COLA was then calculated by determining the percentage change in the average Consumer Price Index for those two periods using the calculation you see below. It is important to note that a negative COLA rate would never be applied under the Plan.

$$\frac{154.47 \text{ (average Consumer Price Index for 12-months ending June 30, 2023)} - 146.29 \text{ (average Consumer Price Index for 12-months ending June 30, 2022)}}{146.29 \text{ (average Consumer Price Index for 12-months ending June 30, 2022)}} = 5.59\% \text{ Maximum COLA that could be awarded for 2024}$$


ACTUAL COLA TO BE AWARDED BASED ON AVAILABLE SURPLUS IS 3.60%


Based on the calculation, the maximum COLA that could be provided to all members of the CUPE Hospitals SRP for 2024 was 5.59%. Looking at the financial health of the Plan, using the actuarial valuation report, and following the rules laid out in the Funding Policy, the Board is awarding 3.60% this year, and the rest in future years if possible.


THE PLAN'S ACTUARIAL VALUATION

As required by the *Pension Benefits Act*, your Board of Trustees and the Plan's independent actuary review the funding level and risk management of the Plan annually to determine the financial health of the Plan. This review helps your Board make decisions about the Plan, such as granting COLA (see page 2) and other benefit improvements for members. This review is summarized in the actuarial valuation report.

RISK MANAGEMENT RESULTS

Primary Risk Management Goal 99.95%
Achieve 97.5% probability that past base benefits earned will not be reduced over the next 20 years. 
Passed

1st Secondary Risk Management Goal 97.10%
of CPI
Provide indexing in excess of 75% of Consumer Price Index (CPI) to members and retirees over the next 20 years. 
Passed

2nd Secondary Risk Management Goal 99.95%
Achieve at least 75% probability that ancillary benefits (i.e., early retirement benefit) can be provided over the next 20 years. 
Passed

WHAT WERE THE FUNDING RESULTS IN 2022?

To determine the funding levels of the CUPE Hospitals SRP, the Plan's actuary, TELUS Health, compares the Plan's assets to its liabilities. The results are below.

Termination Value Funded Ratio

97.9%


Used in calculating a member's benefits upon termination of employment, death or marriage breakdown.

15-Year Open Group Funded Ratio

125.4%

Used to determine the actions to be taken by the Board of Trustees per the CUPE Hospitals SRP Funding Policy, such as granting COLA.





NAMING YOUR BENEFICIARY: YOUR PRE-RETIREMENT BENEFITS & THE PEOPLE THAT MATTER MOST TO YOU

WHAT IS A BENEFICIARY?

Beneficiaries are the individuals designated by you to receive the benefit available under the CUPE Hospitals SRP in the event of your death.

Your spouse is your pension beneficiary in the event of your death, unless the appropriate waiver has been signed (see below). You do not have to name your spouse as your beneficiary. Even if you were to name someone other than your spouse as your beneficiary, your spouse would still be entitled to the death benefit available upon your death.

Under the CUPE Hospitals SRP, a spouse is a person who is either:

- legally married to the member; or
- has cohabitated in a conjugal relationship with the member for a continuous period of at least two years immediately before the date in question.

WHAT IF I WANTED SOMEONE OTHER THAN MY SPOUSE TO RECEIVE THE BENEFIT?

If you would like someone other than your spouse to receive the pension benefit in the event of your death, and your spouse agrees, your spouse can sign a **Pre-retirement Death Benefit Waiver Form** and waive all or a portion of their entitlement to the death benefit. This form can be found at cupeh.ca or by phone at 1 800 561 4012.

If you do not have a spouse, you can name the beneficiary of your choice.

WHAT HAPPENS IF I DON'T NAME A BENEFICIARY?

If you do not name a beneficiary and you do not have a spouse at the time of your death, the death benefit will be paid to your estate. Naming a beneficiary or beneficiaries allows for the direct payment of the death benefit without it having to go through your estate.

HOW DO I DESIGNATE OR CHANGE MY BENEFICIARY?

If you would like to designate or change a beneficiary, please complete the Designation/Change of Beneficiary Form found at cupeh.ca and forward it to Vestcor.

If you need additional help with the process, contact the Vestcor Member Services Team at 1 800 561 4012.

Naming more than one beneficiary?

When filling out your Designation/Change of Beneficiary Form, you will be asked to assign a percentage of the benefit to each beneficiary. Remember, the percentages assigned to your beneficiaries must total 100%.

For example, if you include three beneficiaries and wish to provide them with equal shares, two must receive 33.33% and one 33.34%, so that the total equals 100%.

$$33.33\% + 33.33\% + 33.34\% = 100\%$$

TIPS FOR RETIREES

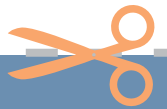
UPDATING YOUR INFORMATION

- Is a move in your near future? You can update your address with the change of address form available at cupeh.ca/address. If you would rather call, you can also contact Vestcor at 1 800 561 4012.
- If you have owed money after filing your income tax return in the past few years, you may want to consider increasing the amount of tax withheld from your monthly pension benefit. By doing so, you can reduce how much money you owe when you file your tax return next year. The form is available at cupeh.ca/incometax or by phone at 1 800 561 4012. You may want to contact a tax specialist before making any decisions regarding your income tax deductions.
- Have you opened a new bank account? Go to cupeh.ca/banking to find the form you need to update your banking information. You can also contact Vestcor by phone at 1 800 561 4012. Remember to keep your old account open until you've seen a payment deposited in your new account.



2024 CUPE HOSPITALS SRP PENSION PAYMENT DATES

JANUARY 1	FEBRUARY 1	MARCH 1	MARCH 28 (FOR APRIL)	MAY 1	MAY 31 (FOR JUNE)
JUNE 28 (FOR JULY)	AUGUST 1	AUGUST 30 (FOR SEPTEMBER)	OCTOBER 1	NOVEMBER 1	NOVEMBER 29 (FOR DECEMBER)



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 Hospitals SRP governing documents. As such, the Board of Trustees would like to inform you of the following amendment which was filed with the Superintendent of Pensions:

- The Plan Text was amended to reflect changes to the *Pension Benefits Act* with respect to religious exemption from CUPE Hospitals SRP enrollment. The amendment was filed with the Superintendent of Pensions on March 23, 2023.

The governing documents of the CUPE Hospitals SRP are available at cupeh.ca, and include:

- The Funding Policy: the tool used by the Board of Trustees to manage the inherent risks of the Plan. It is a document that provides guidance and rules regarding decisions that must, or may, as applicable, be made by the Board of Trustees around funding levels, contributions and benefits. The Funding Policy is accessible at cupeh.ca/fp. A quick summary of some of the main provisions of the Funding Policy of the CUPE Hospitals SRP is available at cupeh.ca/sfp.

PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?

Contact us at info@vestcor.org or by calling 1 800 561 4012.