



December 5, 2023

Dear Retiree,

Re: Proposed change to your pension plan

The purpose of this letter is to advise you of proposed new legislation which, if adopted, will impact the pension plan from which you currently receive monthly pension benefits. Important details are provided below.

On November 29, 2023, the Government of New Brunswick introduced the *Pension Plan Sustainability and Transfer Act* in the Legislative Assembly. After the Bill goes through approval processes in the Legislative Assembly and becomes law, the eventual result will be the transfer of your pension plan into a larger well-established shared risk pension plan administered within New Brunswick. This will ensure current retirees and those still working have a sustainable pension in the future.

You will continue to receive the same monthly pension payment amount currently being provided to you under the terms of your current plan following the transfer.

You will also become eligible to receive the same periodic adjustments to your pension as other shared risk plan retirees based on the terms of the shared-risk plan.

Shared risk plans within New Brunswick are highly regulated pension plans that must be administered in accordance with the *Pension Benefits Act* (New Brunswick). Shared risk plans, whose guiding principles are security, sustainability, and affordability, enjoy the following features:

- Shared risk plans are administered by an independent board of trustees containing both Government and employee appointees – their legal duty is to make decisions in the best interest of all members of the shared risk plan.
- The pension funds of shared-risk plans are invested in a diversified portfolio of assets which generally makes investment returns less volatile and leads to security for these pension funds during negative economic periods.



- Stringent risk management testing is performed on shared risk plans on an annual basis to ensure that benefits remain secure under a variety of economic scenarios.

Further updates regarding this matter will be communicated to you as they become available. In addition, please note information is available on the Pension reform website www.gnb.ca/pension.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ernie L. Steeves", with a long horizontal flourish extending to the right.

Hon. Ernie L. Steeves
Minister of Finance and Treasury Board