



PENSION NEWS

Volume 10 | Spring 2024

Introducing the new
CUPE Hospitals SRP logo!
Look for this logo when you want
reliable information on your Pension Plan.



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

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SEPARATED SPOUSES AND YOUR PENSION



As a member of the CUPE Hospitals SRP, both you and your spouse are entitled to various benefits under the Plan. But what if you are separated from your spouse? What are they potentially entitled to?

The following section is designed to answer some common questions and misconceptions regarding the entitlement of separated spouses along with the actions that you may want to take to ensure that any entitlement to your pension benefit is what you expected.

WHAT IS A “SPOUSE”?

A “spouse” under the CUPE Hospitals SRP means a person who:

- is legally married to the member (regardless of whether or not they live with the member); or
- is a common-law partner, which is someone who lived with the member in a conjugal relationship for a continuous period of at least two years immediately before the date in question (e.g., retirement start date, date of death, etc.).

WHAT IS MY SPOUSE ENTITLED TO UNDER THE CUPE HOSPITALS SRP?

The CUPE Hospitals SRP may provide a benefit to your spouse in the future depending on the circumstances. Benefits which may be payable to your spouse include:

- If you die before starting your pension, a refund of your employee contributions plus interest or the termination value (as applicable).
- Upon your death as a retiree, a survivor pension (e.g., a pension payable for the rest of their lives or for a limited guarantee period, depending on the optional form of pension you chose at retirement).
- A payout to your spouse of up to 50% of the benefit earned in the Plan while you were married/living together, if you and your spouse undergo a marriage/common-law partnership breakdown.

I’M SEPARATED FROM MY SPOUSE – ARE THEY STILL ENTITLED TO MY PENSION BENEFIT?

Generally speaking, a spouse you are separated from is entitled to a payout of 50% of the pension benefit earned in the Plan while you were married/living together. If a marriage/common-law partnership breakdown payout has not taken place, your separated spouse may still be entitled to the applicable death benefit payable upon your death if 1) you are not divorced; or 2) there is no court order or domestic contract (e.g., separation agreement, etc.) which addresses the treatment of the pension benefit.

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.

SEPARATED SPOUSES AND YOUR PENSION

WHY IS IT IMPORTANT FOR ME TO HAVE MY LEGAL AFFAIRS IN ORDER REGARDING MY MARITAL STATUS?

If you are separated from your spouse but 1) are not divorced from them; or 2) there is no court order or domestic contract which addresses the treatment of the pension benefit, the separated spouse still has a right to the pension benefit.

This means that if you now have a common-law partner, the spouse you are separated from could still be the person entitled to any survivor death benefit.

Even if you don't have a new common-law partner, you may still run into problems in the future. For example:

- Your pension options (i.e., optional forms of pension) at retirement may be limited because you are recognized as having a spouse; or
- Your designated beneficiaries' (e.g., your children) entitlement upon your death may not apply as the benefit would default to your separated spouse (unless they have signed the applicable waiver form prior to your death).

I HAVE OTHER QUESTIONS REGARDING MY MARITAL STATUS AND ITS IMPACT ON MY PENSION BENEFIT – WHO SHOULD I CONTACT?

Questions regarding your marital status and the entitlement of current and former spouses can be very tricky. **If you have any questions regarding a specific scenario, please reach out to Vestcor's Member Services Team toll-free at 1 800 561 4012 for further information.**

Remember, it is usually best to address situations regarding your marital status sooner rather than later. That way you can ensure that the individual that you intend to benefit from your pension (e.g., a survivor benefit) is the person who is ultimately entitled to receive the benefit.



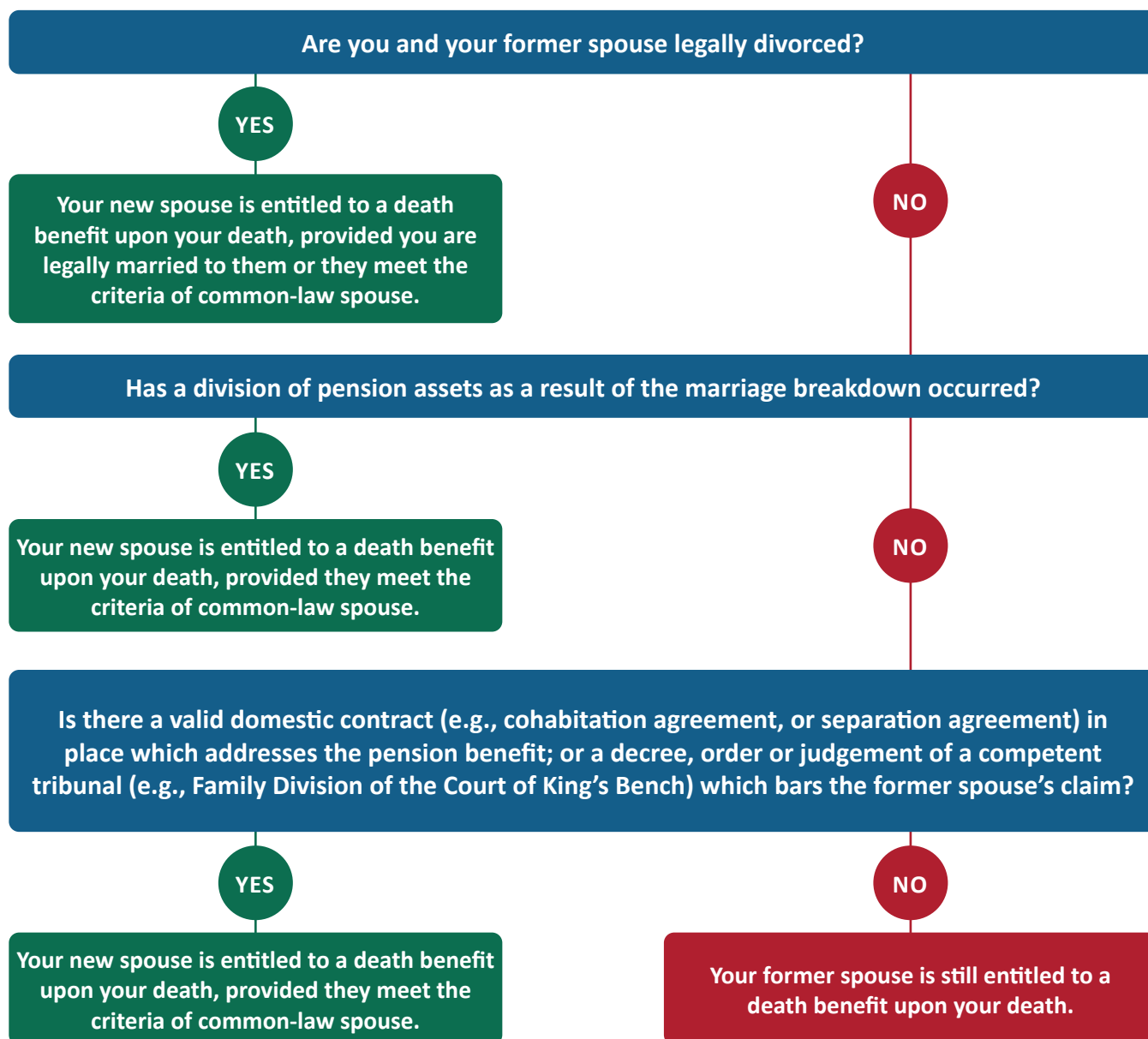
Still unsure of your situation? The chart on the next page may be able to help!

SEPARATED SPOUSES

AND YOUR PENSION

FOR ACTIVE MEMBERS:

Were you previously married? Are you currently in a common-law relationship? If you were to pass away, do you know who would be eligible to receive your death benefit? Ask yourself the questions in the chart below.



Have more questions? Contact Vestcor's Member Services Team toll-free at 1 800 561 4012 and they'll be happy to help.

INVESTMENT UPDATE

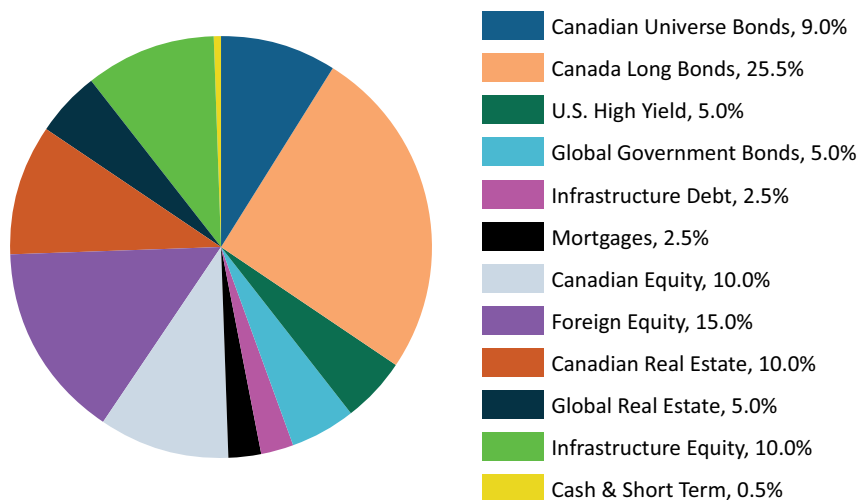
The CUPE Hospitals SRP Board of Trustees is responsible for all decisions related to the investment policy for the Plan, subject to specific risk management constraints set out in their Funding Policy and the *Pension Benefits Act (PBA)*.

ASSET MIX

The development of the asset mix for the CUPE Hospitals SRP is dependent on the actuarial liability of the Pension Plan and the Pension Plan's ability to pass the risk management tests under the Funding Policy and requirements of the PBA.

Total assets under management as at December 31, 2023 were \$1.1 billion. The current target asset mix is shown to the right:

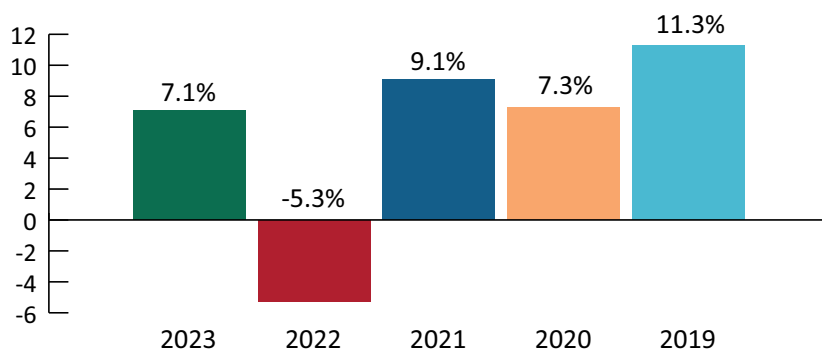
CUPE HOSPITALS SRP CURRENT TARGET ASSET MIX (AS AT DEC. 31, 2023)



INVESTMENT PERFORMANCE (AS AT DEC. 31, 2023)

The investment objective of the CUPE Hospitals SRP is to follow investment principles and guidelines which are appropriate to the needs and objectives of the plan.

For the year ended December 31, 2023, the rate of return was 7.1%. Investment returns are reported gross of investment management fees. The calendar year returns over the past 5 years can be seen in the chart to the right.



HELPFUL DEFINITIONS

ASSET: An investment of economic value owned by an investor. For example, public stocks, bonds, and real estate investments would all be considered financial assets.

BENCHMARK: An industry standard against which rates of return can be measured, such as equity and bond market indices developed by stock exchanges and investment dealers.

FUNDING POLICY: The decision framework created to help ensure a pension plan maintains a fully funded status.

GROSS INVESTMENT RETURN: Return before fees are deducted (for example, investment management fees).

PENSION BENEFITS ACT (PBA): A government act created to regulate employee pension plans.

PORTFOLIO: A group of investments and financial instruments that are grouped together for specific investment purposes.

STATEMENT OF INVESTMENT POLICIES: A legal document that outlines the investment policies and procedures of a fund.

ESTIMATING YOUR FUTURE CUPE HOSPITALS SRP PENSION

Workplace pension plans that offer a lifetime retirement pension are becoming increasingly rare. For many of you, your CUPE Hospitals SRP pension benefit will be a very important part of your retirement income. How can you find out how much your pension could be?

As a member of the CUPE Hospitals SRP, there are tools you can use to get a clearer picture of what your future pension benefit could be. See below to learn about a few of the tools available to you.



YOUR EMPLOYEE STATEMENT OF PENSION BENEFITS

If you were an active member of the CUPE Hospitals SRP in 2023, your 2023 Employee Statement of Pension Benefits will arrive soon. **This statement will provide you with your updated estimated pension amounts as of December 31, 2023.** Your statement also includes the information you need to use Vestcor's Online Pension Estimate Calculator.

Need help with your statement? A guide will be included with your Employee Statement. This guide is also available by scanning the code to the right with your mobile device or at cupeh.ca under "Booklets".



ONLINE PENSION ESTIMATE CALCULATOR

Did you know that you can quickly and easily get an estimate of your future monthly pension using Vestcor's Online Pension Estimate Calculator? There are no forms to fill out and return, no waiting, and you can calculate as many estimates as you like. Want to know what your pension may look like at ages 55, 60, or 65? You can calculate estimates for all of these ages and more in minutes. You'll want to make sure you have your most recent Employee Statement of Pension Benefits handy when you visit the website. It has information you'll need to use the calculator. Don't have a copy of your statement? Contact Vestcor at 1 800 561 4012 or info@vestcor.org to request a copy. Go to vestcor.org/calculators to get started.

Are you within a year of retirement? Complete a formal pension estimate using the form available at cupeh.ca, under "Application Forms", and then "Retirement".

Upcoming Information Sessions

In our ongoing efforts to help you better understand the CUPE Hospitals SRP, we will soon begin offering employee information sessions on a variety of topics, such as Planning for Retirement. We will make every effort to make sure these presentations are accessible to all active members of the Plan by offering them in a number of locations, at a number of times.

Keep an eye on the Plan's website at cupeh.ca to see when the next information session is taking place.



YOUR BOARD OF TRUSTEES

CUPE 1252 Appointed

Brenda Carter Vienneau
Chairperson

Bernard Brun
Trustee

Heather Parker
Trustee

Donna Smith
Trustee

Provincially Appointed

Carolyn Roberts
Vice-Chairperson

Larry Guitard
Trustee

Sonia Mabie
Trustee

Jean-Claude Pelletier
Trustee

Trustees in Training

Nick Bhagan

Adrian Crossman

Your Board of Trustees is responsible for the overall governance and administration of the CUPE Hospitals SRP. The Board makes its decisions according to provincial and federal law, including the *Pension Benefits Act* and the *Income Tax Act*. The Board must also follow the Plan's governing documents, including the Funding Policy, Statement of Investment Policies, and the CUPE Hospitals SRP Plan Text. These documents can be found at cupeh.ca under "Governance".

The Board's duties include, but are not limited to:

- providing oversight of the Plan's service providers;
- triggering increases (such as cost of living adjustments) or decreases in benefits payable to members of the CUPE Hospitals SRP when the Plan reaches a specific funding threshold as determined by the Funding Policy; and
- ensuring the integrity and accuracy of the CUPE Hospitals SRP's financial reporting. This includes overseeing the appointment of external auditors, maintaining strong internal controls, managing financial risk, and complying with acts and regulations.

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. 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.

AMENDMENTS TO GOVERNING DOCUMENTS

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

- The CUPE SRP Funding Policy was amended and filed with the Superintendent of Pensions on September 29, 2023 to incorporate the new discount rate of 5.00% per annum; approved by the Board of Trustees on September 6, 2023 and effective December 31, 2022.
- The CUPE SRP Funding Policy was amended and filed with the Superintendent of Pensions on October 6, 2023 to update Section VII – Termination Rates; approved by the Board of Trustees on September 6, 2023 and effective December 31, 2018.
- The CUPE SRP Statement of Investment Policies and Goals was amended and filed with the Superintendent of Pensions on September 29, 2023 to reflect the new discount rate of 5.00%, the inclusion of Farmland and Low Volatility Equity mandates, update to demographic and financial statistics based on new valuation year (2022), as well as a change to the cash account upper limit from 0.5% to 0.75% and routine date updates; approved by the Board of Trustees on September 6, 2023 and effective December 31, 2022.
- The CUPE SRP Plan Text was amended by the CUPE SRP Board of Trustees on September 6, 2023 and filed with the Superintendent of Pensions on January 8, 2024 in order to include details regarding the approved benefit increase associated with Step 1 of the Funding Policy; effective January 1, 2024.

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.