



FOR IMMEDIATE RELEASE

## **A Decade of Transformation: The New Brunswick Public Service Pension Plan Demonstrates Sustainability and Security For Plan Members In Its First Ten Years**

September 6, 2024

Fredericton, NB – The New Brunswick Public Service Pension Plan (NBSPPP) reached an important milestone this year: a decade since the conversion of New Brunswick’s former defined benefit pension plan, the *Public Service Superannuation Act* (PSSA), to a shared risk pension plan. Unlike the former PSSA, the NBSPPP is governed by an autonomous Board of Trustees, working for the best interests of the Plan’s members. In addition, shared risk plans by design require low risk investment strategies, aiming to protect the assets of plan members through ever-changing economic landscapes. This allows for additional benefits to be awarded to contributing members and retirees based on the Plan’s funding status. This includes cost of living adjustments awarded to all Plan members to help them contend with inflation.

Unlike traditional pension funds, the shared risk approach prioritises collaboration, adaptability, and risk-sharing between Plan members and employers in an effort to ensure predictable and reliable income streams for retirees.

Ten years in, the model is working.

### **Key Achievements of the NBSPPP Over the Past Decade**

The Plan has resolutely weathered economic downturns and market fluctuations throughout the past decade. The prudent investment strategies used by the Plan continue to safeguard the retirement income of current and future NBSPPP retirees. As of January 1, 2024, the NBSPPP’s funding status was 111%, with a surplus of nearly one billion dollars.

The healthy funding status of the NBSPPP has allowed the Board of Trustees to grant cost of living adjustments, applicable to all Plan members (actively contributing, deferred, retired and survivors), every year. These adjustments are limited to the annual rate of inflation, calculated as the average change in the Consumer Price Index as provided by Statistics Canada. Increases totalling 27.93% have been granted since 2014, equalling the rate of inflation for the same period, helping members manage their cost of living in the high inflationary period we’ve seen as of late. The ability of the Plan to respond to these periods of high inflation speaks volumes about the continued resilience of the NBSPPP.

The Plan's most recent actuarial valuation, undertaken by TELUS Health, noted that the Plan passed all risk management tests, measuring the Plan's ability to pay base and supplementary benefits for the next 20 years.

Vestcor, the NBPSPP's chosen administration service provider and investment manager, has served over 45,000 NBPSPP members, and supported over 7,100 members in their retirement process over the past decade. In addition, they've achieved a rate of return of 6.61% since the Plan's conversion, exceeding the current 5.00% target discount rate set by the Plan's independent actuary.

### **Looking Ahead**

"We have built a solid foundation for the future of the Plan," shared Katherine Greenbank, Chair of the NBPSPP Board of Trustees. "The track record of stability and strong financial returns from our first ten years bodes well for the future of the NBPSPP. We remain steadfast in our commitment to delivering a sustainable, secure, and affordable pension plan for generations to come, and we are proud to take a moment to recognize where we are today. We thank all who have supported us in achieving the results we have to date. Most importantly, we continue to provide detailed, valuable information to our Plan members so they better understand how well their Plan is working for them."

The Board of Trustees will once again host an Annual Information Meeting in September. The virtual meeting will be held on September 25 at 12:00 pm (noon). For more information, visit [nbpspp.ca/2024aim](https://nbpspp.ca/2024aim).

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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](https://nbpspp.ca). To learn more about the NBPSPP and access the 2023 Annual Report, visit [nbpspp.ca](https://nbpspp.ca).

#### **For media inquiries, please contact:**

Katherine Greenbank, Chair  
Board of Trustees  
New Brunswick Public Service Pension Plan  
[info@nbpspp.ca](mailto:info@nbpspp.ca)

