



# PENSION NEWS

Volume 10 | Fall 2024



**1-3**  
**Planning for Retirement: Your Quick Guide**

**4**  
**Your Board of Trustees**

**5**  
**Your Cost of Living Adjustment**

**6**  
**The Plan's Financial Health**

**7**  
**2025 Pension Pay Dates**

**Amendments to Governing Documents**

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

ISBN 978-1-4605-4015-2

## CONTACT US

**WRITE:**  
**CUPE Hospitals SRP Board of Trustees**  
c/o Vestcor  
PO Box 6000  
Fredericton, NB E3B 5H1

**CALL:**  
1 800 561 4012 (toll free)  
506 453 2296 (Fredericton)

**EMAIL:** info@vestcor.org



@CUPEH-SCFPH

# PLANNING FOR RETIREMENT: YOUR QUICK GUIDE

You've worked hard for years, and though it may have seemed a long way off, your retirement is just around the corner. It's time to get planning.

Applying for your CUPE Hospitals SRP pension is easy, but there are some important timelines and details you should keep in mind to make sure you're ready for your retirement.

## LET'S START HERE: **ONLINE PENSION ESTIMATE CALCULATOR**

As your retirement approaches, one of the most difficult questions you may ask yourself is, "When should I retire?" Do you wait until the normal retirement age of 65, when you qualify for an unreduced pension, or is early retirement an option? This question can be hard to answer without knowing what your pension at retirement may be. Luckily, by using the Online Pension Estimate Calculator you can get a better idea of what your pension may look like at any retirement age.

### 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 2023, your 2023 Employee Statement of Pension Benefits was sent to you this past June. Don't have your copy? Contact the Member Services team at our pension administrator, Vestcor at 1 800 561 4012.
- 2. Access to the online Pension Estimate Calculator.** Using a computer, tablet or mobile device, visit [vestcor.org/calculators](https://vestcor.org/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 benefits you've accumulated to date. 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 page 5.

## 12 MONTHS BEFORE RETIREMENT: **YOUR FORMAL PENSION ESTIMATE**

Once you have a potential retirement date it's time to request a formal pension estimate from Vestcor, the Plan's administrative services provider.

### What documents are required?

- Proof of birth
- Marriage Certificate / Common Law Partner declaration (if applicable)
- Spouse's proof of birth (if applicable)

If you have any questions about the process, contact Vestcor's Member Services Team at 1 800 561 4012 or by email at [info@vestcor.org](mailto:info@vestcor.org).

**DISCLAIMER:** This newsletter is a publication on behalf of the Board of Trustees of the Shared Risk Plan for CUPE Employees of NB Hospitals. This publication is intended to provide information about the Shared Risk Plan for CUPE Employees 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.

# PLANNING FOR RETIREMENT: YOUR QUICK GUIDE

## 6 MONTHS BEFORE RETIREMENT:

### CHOOSING THE RIGHT PENSION OPTION FOR YOU

Contact your employer to complete a retirement application along with related forms. Once Vestcor receives your retirement application, you can expect your retirement benefit options to be sent to you in around six weeks.

There are five different forms of pension available when you retire. **With all options, you will receive your pension benefit to the end of your life.** However, some forms differ in how any survivor benefits are paid.

#### Life Pension with 5 Year Guarantee

If you die before receiving 60 monthly payments, **the remaining lifetime payments continue to be paid to your designated beneficiary until in total 60 monthly installments have been paid**, or paid in a lump sum (actuarial equivalent value) to your estate. The benefits described that are payable after your death do not include the bridge benefit (see page 3 for a description of the bridge benefit). It is important to note that if you choose this option your surviving spouse will not receive a lifetime pension.

#### 60% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement) is still living, **your spouse will receive 60% of your lifetime pension for the remainder of their life.** The benefits described that are payable after your death do not include the bridge benefit (see page 3 for a description of the bridge benefit).

#### Life Pension with 10 Year Guarantee

If you die before receiving 120 monthly payments, **the remaining lifetime payments continue to be paid to your designated beneficiary until in total 120 monthly installments have been paid**, or paid in a lump sum (actuarial equivalent value) to your estate. The benefits described that are payable after your death do not include the bridge benefit (see page 3 for a description of the bridge benefit). It is important to note that if you choose this option your surviving spouse will not receive a lifetime pension.

#### 75% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement) is still living, **your spouse will receive 75% of your lifetime pension for the remainder of their life.** The benefits described that are payable after your death do not include the bridge benefit (see page 3 for a description of the bridge benefit).

#### 100% Joint and Survivor

If you die and your spouse (spouse at the time of your retirement) is still living, **your spouse will receive 100% of your lifetime pension for the remainder of their life.** The benefits described that are payable after your death do not include the bridge benefit (see page 3 for a description of the bridge benefit).

### Remember

Choosing the right form of pension at retirement based on your individual circumstances is extremely important. Once you start receiving your pension, you cannot change the option you have selected. An adjustment will be made to your monthly pension if you choose an option other than the Life Pension with 5 Years of Guaranteed Payments. The adjustment takes into account whether the Pension Plan may end up paying a benefit upon your death, and the possible size of any such benefit. If you have questions about the forms of pension available to you, contact the Plan's pension administrator, Vestcor, at [info@vestcor.org](mailto:info@vestcor.org) or by calling 1 800 561 4012.

# PLANNING FOR RETIREMENT: YOUR QUICK GUIDE

## YOUR RETIREMENT: **SOME ITEMS TO KEEP IN MIND**

### **COST OF LIVING ADJUSTMENTS (COLA)**

Every year your Board of Trustees makes a decision on Cost of Living Adjustments for all Plan members (see page 5). These Cost of Living Adjustments are intended to help the pension income of Plan members keep up with inflation.

Their decision is based on two factors:

1. The financial health of the Plan. Based on the Actuarial Valuation of the Plan (see page 6), the Board determines whether the Plan can pay full COLA, partial COLA, or no COLA at all. Any COLA that is not granted in a year may be granted at a later date, provided the Plan has the funds to pay for it.
2. The increase in the Consumer Price Index (CPI) as reported by Statistics Canada, which dictates the maximum COLA that can be granted to members.

Since inception, the Plan has paid full COLA most years, with the exception of 2013, 2023, and 2024, when partial COLA was granted. Once approved by the Board, retirees will see an increase in their benefit in January. More details can be found on page 5.

### **BRIDGE BENEFIT**

If you retire before age 65, the monthly pension benefit you'll receive from the CUPE Hospitals SRP will include two parts: a lifetime benefit that will be paid for the rest of your life, and a temporary bridge benefit which is paid until you reach age 65.

This temporary bridge benefit is designed to help you until you are eligible for an unreduced Canada Pension Plan Benefit at age 65. The payment ends on the month following your 65<sup>th</sup> birthday.

The Online Pension Estimate Calculator includes an estimate of your bridge benefit.



## **OTHER RESOURCES**



### **MEMBER BOOKLET**

Your Member Booklet contains detailed information on everything you need to know about your Plan. In addition, the At-A-Glance document provides a helpful summary of the key information found in the Member Booklet. Access both at [cupeh.ca](https://cupeh.ca).



### **PLAN WEBSITE**

Find important forms, past newsletters, helpful videos, the governing documents of the Plan, and much more. Visit [cupeh.ca](https://cupeh.ca).



### **RETIREMENT VIDEO**

**NEW!** Watch this video for detailed explanations of the material in this article, as well as other valuable information to help guide you through the retirement process. Find it on the Plan's YouTube channel, [youtube.com/@CUPEH-SCFPH](https://youtube.com/@CUPEH-SCFPH).



# YOUR BOARD OF TRUSTEES

**Brenda Carter Vienneau**

Chairperson

**Carolyn Roberts**

Vice-Chairperson

**Bernard Brun**

Trustee

**Larry Guitard**

Trustee

**Sonia Mabie**

Trustee

**Heather Parker**

Trustee

**Jean-Claude Pelletier**

Trustee

**Donna Smith**

Trustee

**Nick Bhagan**

Trustee in Training

**Adrian Crossman**

Trustee in Training

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](http://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.



# YOUR COST OF LIVING ADJUSTMENT

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

# 4.63%

which includes:

## 3.11%

to match the average increase in the Consumer Price Index as determined by Statistics Canada.

**PLUS**

## 1.52%

to partially catch up on the COLA that was not granted during the recent periods of high inflation.

If you're a retiree, the increase will be applied to your monthly pension benefit as of January 1, 2025. You'll receive notification of this increase in writing in December 2024. If you're an active or deferred member, the increase will be applied to the benefits you've earned up to December 31, 2023. Each increase you receive will continue to compound until you retire.

Much more information, including a "Cost of Living Adjustments" section, is available at [cupeh.ca](http://cupeh.ca).

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

Year Awarded (January 1 <sup>st</sup> )	COLA	Canadian Consumer Price Index (CPI)
2025	4.63%*	3.11%
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%

\*Includes the full increase in the Canadian CPI, plus an additional percentage that was not awarded in prior years.


\*\*Partial COLA awarded.


# THE PLAN'S FINANCIAL HEALTH:


## 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 pages 3 and 5) 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** 97.80%  
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 2023?

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 **98.3%**

Used in calculating a member's benefits upon termination of employment, death or marriage breakdown. The Termination Value Funded Ratio compares the fair market value of the assets of the Plan to its liabilities at the date of the actuarial valuation, in this case, December 31, 2023.

### 15-Year Open Group Funded Ratio **126.9%**

Used to determine the actions to be taken by the Board of Trustees per the CUPE Hospitals SRP Funding Policy, such as granting COLA. The 15-Year Open Group Funded Ratio compares the fair market value of the Plan's assets, plus the present value of excess contributions over the next 15 years, to the Plan's liabilities.

# 2025 CUPE HOSPITALS SRP PENSION PAYMENT DATES

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

## 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 amendment which was filed with the Superintendent of Pensions:

- The Funding Policy was amended to update the Funding Excess Utilization Plan to increase the amount available for utilization effective December 31, 2023 from 1/6th to 1/5th of the funds that make up the excess of the open group funded ratio at the valuation date (to a maximum of 140%) over 105%. The amendment was filed with the Superintendent on August 29, 2024.

The governing documents of the CUPE Hospitals SRP are available at [cupeh.ca](http://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](http://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](http://cupeh.ca/sfp).

PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?

Contact us at [info@vestcor.org](mailto:info@vestcor.org) or by calling 1 800 561 4012.