



SECURE AND SUSTAINABLE

# PENSION NEWS

FALL 2024

VOLUME 9



Join us for the

**2024 ANNUAL INFORMATION MEETING**

November 13, 2024 • 7pm

[cbenb.ca/2024aim](https://cbenb.ca/2024aim)

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# THE DESIGN OF YOUR CBE PENSION PLAN

## THE CBE PENSION PLAN'S GOALS ARE:



To provide members with a secure, **lifetime pension** upon their retirement.



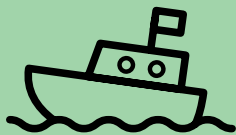
To provide members with **additional benefits**, such as cost of living adjustments, provided that the Plan has the funding to do so.

## WHAT MAKES THIS PLAN DIFFERENT FROM A TRADITIONAL PENSION PLAN?



### FISCAL RESPONSIBILITY

Since the conversion of the CBE Pension Plan, shortfalls in the funds of the Plan are no longer covered by the Province of New Brunswick. The “risk” involved in keeping the CBE Pension Plan funded is shared between employers and members of the Plan. This also means that the funds are better protected and can only be used to pay for Plan benefits and Plan expenses. The Board of Trustees includes representation from the New Brunswick Nurses Union and the New Brunswick Union of Public and Private Employees, as well as the Province of New Brunswick. That being said, the Trustees of the Plan have a fiduciary duty to always act in the best interests of the Plan and its members, not the party that appointed them.



### PRUDENT INVESTMENT STRATEGIES

The CBE Pension Plan focuses on lower risk investments. When markets are performing well, investment returns for the CBE Pension Plan tend to be lower than other plans. On the other hand, during market downturns, the CBE Pension Plan has a history of doing better than other pension plans in Canada, minimizing losses. This low-risk approach protects the Plan long-term.



### CLOSE MONITORING OF THE PLAN'S PERFORMANCE

Every year, the CBE Pension Plan's independent actuary prepares an Actuarial Valuation Report. This detailed report measures the Plan's assets against its financial commitments to members and their lifetime pensions to make sure the Plan is well-funded. There are also risk management tests that measure how the Plan is expected to perform in a number of different economic scenarios.

**DISCLAIMER:** This newsletter is a publication on behalf of the Board of Trustees of the Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals. This publication is intended to provide information about the Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals, also referred to as the CBE Pension Plan or CBE. 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 CBE Pension Plan members is:

# 3.11%

This adjustment is designed to help your pension keep up with inflation.

If you're an active or deferred member, the increase will be applied to the pension benefits you've earned up to December 31, 2023.

If you're a retiree, the increase will be applied to your monthly lifetime pension benefit as of January 1, 2025. You'll receive notification of this increase in writing in December 2024.

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

## Cost of Living Adjustment (COLA) Awarded Since Plan Conversion

Year Awarded (January 1 <sup>st</sup> )	CBE Pension Plan COLA	Canadian CPI*
2025	3.11%	3.11%
2024	5.59%	5.59%
2023	5.56%	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	0.96%	0.96%
2013	2.40%	2.40%

*\*Maximum COLA that can be granted based on the percentage change in the average Canadian Consumer Price Index (CPI).*



### FUNDING OF THE CBE PENSION PLAN

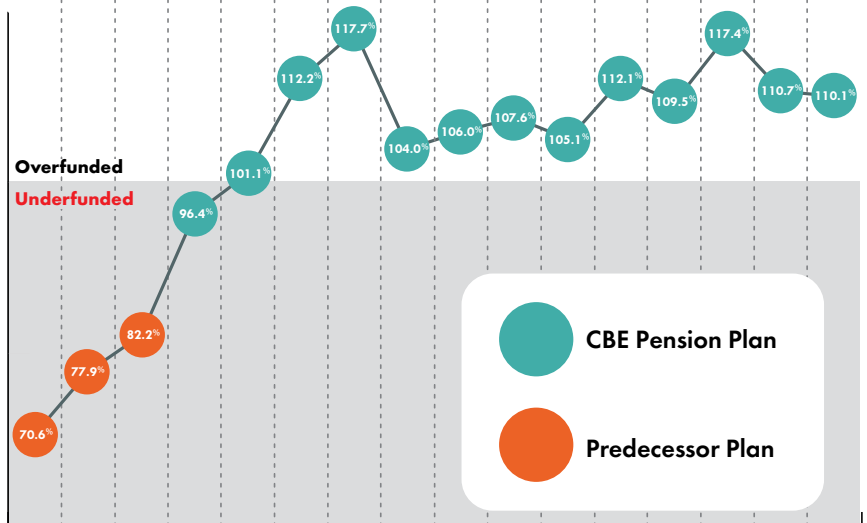
Today, the CBE Pension Plan is **110.1% funded**. The Plan is considered fully funded at 100%.

The CBE Pension Plan has \$3.046 billion in net assets, and a funding excess of **\$274.6 million dollars**.

#### Funded status over the years

See page 6 for more information on the funding of the Plan

Dec. 31, 2008 | Dec. 31, 2009 | Dec. 31, 2010 | July 1, 2012 | Dec. 31, 2012 | Dec. 31, 2013 | Dec. 31, 2014 | Dec. 31, 2015 | Dec. 31, 2016 | Dec. 31, 2017 | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023



Learn more on page 5

### PLAN MEMBERSHIP



**2,500+** members have retired and started receiving a lifetime pension from the CBE Pension Plan since 2013.

Plan Net Assets By Year

2013  
**\$1.471 BILLION**

2014  
**\$1.662 BILLION**

2015  
**\$1.785 BILLION**

2016  
**\$1.920 BILLION**

2017  
**\$2.079 BILLION**

## COST OF LIVING ADJUSTMENTS

Members of the CBE Pension Plan  
have been awarded

**30.33%**

in Cost of Living Adjustments  
since conversion

Compared to  
inflation of

**30.33%**

based on Statistics Canada's  
Consumer Price Index

FULL COST OF LIVING ADJUSTMENTS HAVE BEEN GRANTED  
EVERY YEAR SINCE THE CONVERSION OF THE PLAN.

### DID YOU KNOW?

Each year, the Board of Trustees determines if the funding level of the Plan allows for an annual cost of living increase to be granted to members, as per the Plan's Funding Policy. The Board's decision is informed by the Actuarial Valuation Report prepared by the Plan's actuary.

Learn more on page 2

## INVESTMENT RETURNS

12-year average  
returns of

**7.78%**

The Plan has grown by

**\$1.911  
billion**

over the past 12 years

### MOST IMPORTANTLY

The average return since  
conversion exceeds the current  
discount rate of 5.00%.

The discount rate is recommended by the Plan's independent actuary and approved by the Board. It represents the amount the CBE Pension Plan needs to earn to maintain the Plan.

Learn more on page 5

## CBE PENSION PLAN PAST AND PRESENT BOARD MEMBERS

**Tom Maston** - Chair  
**Matt Hiltz** - Vice-Chair  
**Paula Doucet** - Trustee  
**Mark Gaudet** - Trustee  
**Richard Luton** - Trustee  
**Ben Mersereau** - Trustee  
**Susie Proulx-Daigle** - Trustee  
**Marilyn Quinn** - Trustee

**Maria Richard** - Trustee  
**Lisa Watters** - Trustee  
**Gisèle Beaulieu** - Former Trustee  
**René Boudreau** - Former Trustee  
**Donna Bovolaneas** - Former Trustee  
**Michael Chisholm** - Former Trustee  
**Shelley Duggan** - Former Trustee  
**Thomas Gallant** - Former Trustee

**Lydia Jaillet** - Former Trustee  
**Rose O'Grady** - Former Trustee  
**Vicki Squires** - Former Trustee  
**Mark Thompson** - Former Trustee  
**Janet Walker** - Former Trustee  
**Catherine Little** - Observer  
**Leigh Sprague** - Observer  
**Fred Finn** - Former Observer

2018

**\$2.159  
BILLION**

2019

**\$2.413  
BILLION**

2020

**\$2.578  
BILLION**

2021

**\$2.813  
BILLION**

2022

**\$2.808  
BILLION**

2023

**\$3.046  
BILLION**

# MID-YEAR INVESTMENT REPORT

Provided by:  
**VESTCOR**

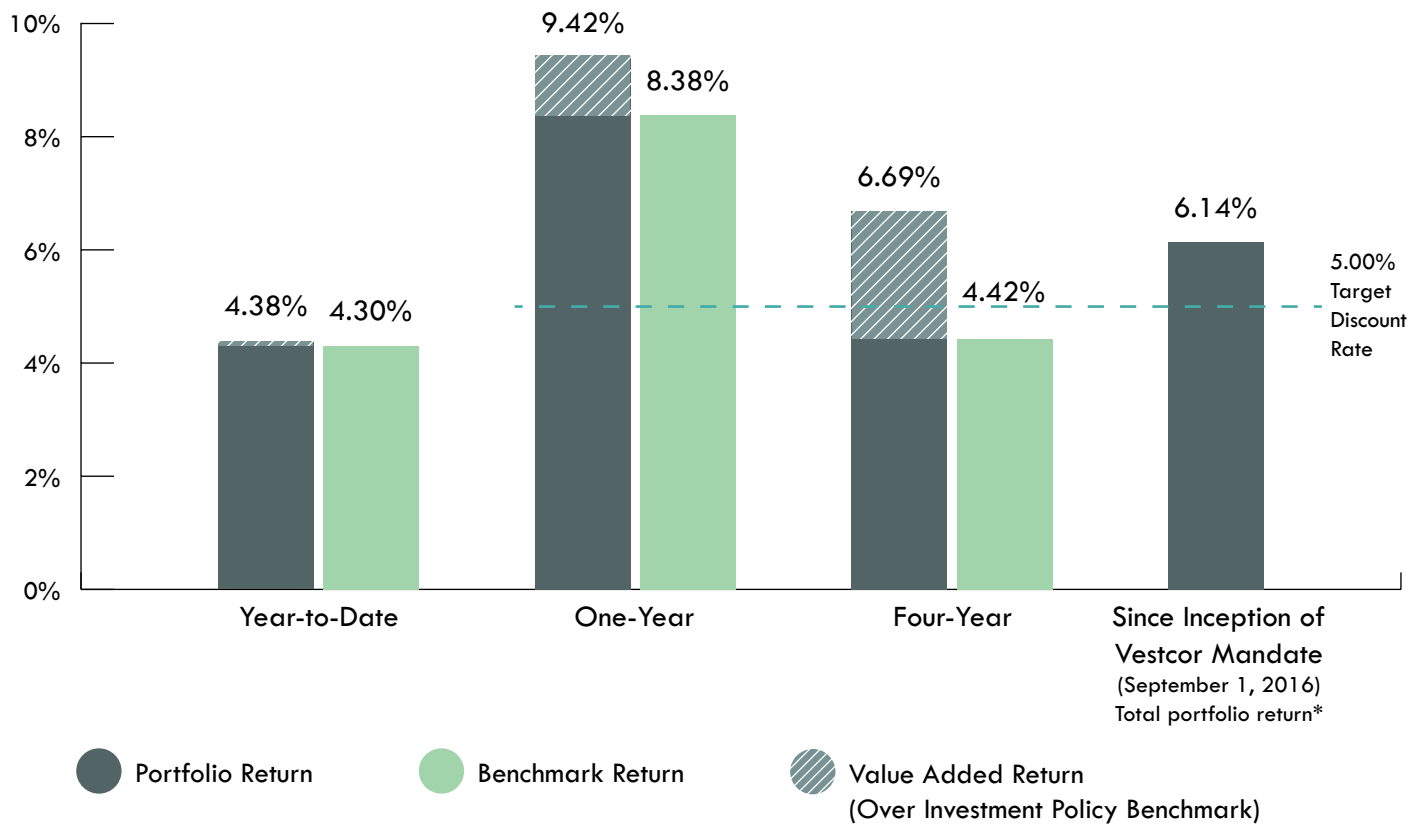
## A SNAPSHOT OF WHERE YOUR PENSION FUND STANDS AS AT JUNE 30, 2024

GROSS INVESTMENT RETURN <h3 style="margin: 0;">4.38%</h3> AT JUNE 30, 2024	NET INCREASE OF <h3 style="margin: 0;">\$128.5 MILLION</h3> SINCE DECEMBER 31, 2023	INVESTMENT ASSETS <h3 style="margin: 0;">\$3.151 BILLION</h3>
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Look for terms with a dotted underline in this Investment Report. You can find definitions of these terms and others relevant to the CBE by scanning the code to the right with your mobile device, or by visiting [vestcor.org/glossary](https://vestcor.org/glossary).



### INVESTMENT RETURNS (AS AT JUNE 30, 2024)



We are pleased to report that the overall investment program earned a positive return of 4.38% in the first six months of 2024. This resulted in approximately \$132.3 million in investment gains, which along with active member contributions, resulted in total funds increasing by \$128.5 million after Plan expenses and retiree benefits.

Importantly, both the four-year return of 6.69% and return since the inception of the Vestcor's management of 6.14% have continued to exceed the benchmark returns and remain in excess of the 5.00% target discount rate set by the independent actuary.

More information, including a summary of the market outlook for this period, is available in the Quarterly Market Updates provided by Vestcor at [vestcor.org/marketupdates](https://vestcor.org/marketupdates).

\*Including assets that had yet to be transitioned to Vestcor's management.




# THE PLAN'S FINANCIAL HEALTH: ACTUARIAL VALUATION

As required by the *Pension Benefits Act*, the 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 us make decisions about the Plan, such as granting cost of living adjustments (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** 99.15%

Achieve 97.5% probability that past base benefits earned will not be reduced over the next 20 years.

  
**Passed**


**1st Secondary Risk Management Goal** 100.00%

Provide indexing in excess of 75% of CPI to members over the next 20 years.

of CPI  
  
**Passed**

**2nd Secondary Risk Management Goal** 97.75%

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 CBE Pension Plan, the Plan's actuary, TELUS Health, compares the Plan's assets to its liabilities. The results are below.

**15-Year Open Group  
Funded Ratio**  
**132.2%**

Used to determine how well-funded the Plan is, and the actions that can be taken by the Board of Trustees per the CBE Pension Plan Funding Policy, such as granting COLA.

**Termination Value  
Funded Ratio**  
**110.1%**

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

# RETURNING TO WORK: A QUICK GUIDE

As a result of various circumstances, some CBE Pension Plan retirees may decide that they want to return to work; the question then becomes, “How will my pension be affected?”

The table below is designed to address the various scenarios that come into play based on the type of employment retirees would potentially return to and their age. In addition, please note that Vestcor’s Member Services team can always be contacted before making any decisions to confirm the potential impact on your pension.

IF YOU ARE...	
<p>A CBE Pension Plan retiree who is under age 65 and return to work in a permanent full-time or permanent part-time position that participates in the CBE Pension Plan.</p>	<ul style="list-style-type: none"> <li>Your pension would be suspended and you would start contributing to the CBE Pension Plan again while you work in the position.</li> <li>Once you terminated employment again, your pension would be recalculated to:               <ul style="list-style-type: none"> <li>- shift any early retirement reduction factors applied to the original pension; and</li> <li>- to include the service accumulated during the second period of employment.</li> </ul> </li> </ul>
<p>A CBE Pension Plan retiree who is under age 65 and return to work in a position <u>other than</u> a permanent full-time or permanent part-time position (e.g., temporary, casual, etc.) that participates in the CBE Pension Plan.</p>	<p>Once you met the eligibility criteria to rejoin the Plan (i.e., 24 months continuous employment and earnings of at least 35% of the Canada Pension Plan (CPP) Year’s Maximum Pensionable Earnings (YMPE*) for two consecutive years), you would have the following options:</p> <ol style="list-style-type: none"> <li>Your pension would be suspended and you would start contributing to the CBE Pension Plan again while you work in the position. Once you terminated employment again, your pension would be recalculated to:           <ul style="list-style-type: none"> <li>- shift any early retirement reduction factors applied to the original pension; and</li> <li>- to include the service accumulated during the second period of employment.</li> </ul> <p><b>OR</b></p> </li> <li>You could complete a “Waiver of Plan Membership” form which would allow you to opt out of contributing to the CBE Pension Plan and continue receiving your pension.</li> </ol>
<p>A CBE Pension Plan retiree who is under age 65 and return to work in a position that <u>does not</u> participate in the CBE Pension Plan (i.e., a non-bargaining position or a bargaining group that does not participate in the CBE Pension Plan).</p>	<p>None – you would continue to receive your pension while you work (no CBE Pension Plan contributions deducted).</p>
<p>You are a CBE Pension Plan retiree who is <u>age 65 (or older)</u> and return to work.</p>	<p>None – you would continue to receive your pension while you work (no CBE Pension Plan contributions deducted).</p>

**REMEMBER:**

You can find much more information on returning to work, as well as many other topics, in the CBE Pension Plan Member Booklet available at [cbenb.ca](http://cbenb.ca).



# CBE PENSION PLAN MEMBER SURVEY

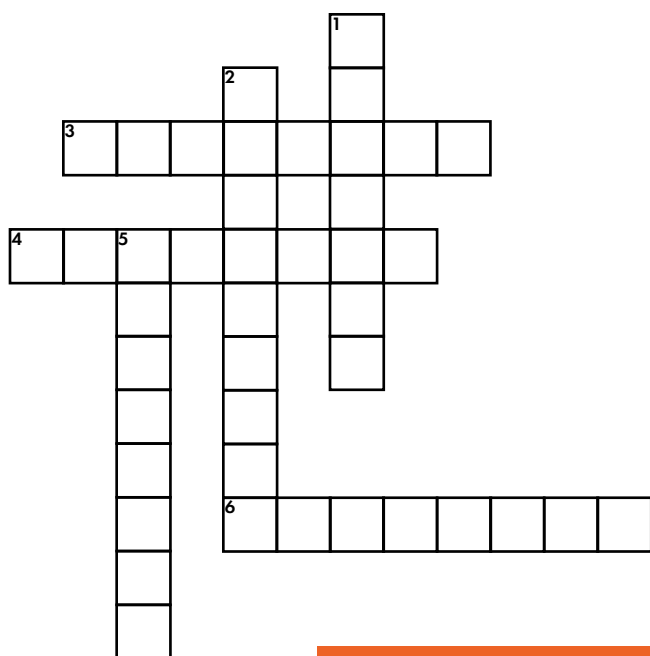
## A MOMENT OF THANKS

We would like to take a moment to thank all CBE Pension Plan members who took time out of their day to fill out the recent member survey. Your responses will help guide the Plan's priorities moving forward.

Keep an eye out for your next newsletter, which will include results from the survey.



## BREAK TIME



Check your answers at  
[cbenb.ca/fall2024](https://cbenb.ca/fall2024)

### Down

1. One of the defining characteristics of the CBE Pension Plan design is its \_\_\_\_\_ investment strategies.
2. The financial health of the Plan is measured by the \_\_\_\_\_ Valuation Report.
5. The CBE Pension Plan's 2024 Annual Information Meeting will be held on \_\_\_\_\_ 13, 2024 at 7pm.

### Across

3. The Target \_\_\_\_\_ Rate is the rate of investment return that the Plan needs to conservatively earn over the long-term.
4. Your cost of living adjustments are based on the increase in the \_\_\_\_\_ Price Index, as determined by Statistics Canada.
6. The primary goal of the Plan is to provide members with a secure, \_\_\_\_\_ pension upon their retirement.

# 2025 CBE PENSION PAYMENT DATES

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



## AMENDMENTS TO GOVERNING DOCUMENTS

The New Brunswick *Pension Benefits Act* (PBA) 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 Plan Text was amended as of June 20, 2024 to include revisions to the wording found in Appendix D—Phased Retirement Participating Groups—to make specific reference to the collective agreements of employees eligible to participate in this program. The amendment was filed with the Superintendent of Pensions on August 20, 2024.
- The CBE SRP Statement of Investment Policies was amended to revise the wording related to the management of conflicts of interest and to add the requirement that asset class deviations beyond those permitted are reviewed with the Board. The amendments were filed with the Superintendent of Pensions on September 27, 2024.
- The CBE SRP Actuarial Valuation Report as at December 31, 2023 and Financial Statements as at December 31, 2023 were filed with the Superintendent of Pensions on September 27, 2024.

The updated versions of the governing documents are available at [cbenb.ca](https://cbenb.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 [cbenb.ca/fp](https://cbenb.ca/fp). A quick summary of some of the main provisions of the Funding Policy of the CBE Pension Plan is available at [cbenb.ca/sfp](https://cbenb.ca/sfp).



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