

NEW BRUNSWICK

# Teachers'

PENSION PLAN

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# WHAT YOU NEED TO KNOW

A quick glance at the information you'll find in your newsletter.

## INDEXING ADJUSTMENT BENEFIT (IAB)

Designed to help you keep up with inflation, the Indexing Adjustment Benefit (also known as cost of living adjustment) increases your NBTPP pension benefit based on the average increase in the Consumer Price Index, as determined by Statistics Canada.

The latest IAB for retired members of the NBTPP is **2.33%**.

More about the IAB and the financial health of the Plan can be found on page 2.



## MID-YEAR INVESTMENT UPDATE

As of June 30, 2024, the NBTPP's investments saw the following results:

Gross Investment Return of  
**5.16%**  
for the First Six Months of 2024

Net Increase of  
**\$250.5**  
**MILLION**

NBTPP Investment Assets  
**\$7.074**  
**BILLION**

More about the investments of the NBTPP can be found on page 5.

## ANNUAL INFORMATION MEETING

The NBTPP held its Annual Information Meeting on October 9, 2024.

A recording of the meeting is  
available now at [nbtp.ca/2024aim](https://nbtp.ca/2024aim)

Some of the questions asked by your fellow Plan members at the meeting can be found on page 6.



**DISCLAIMER:** This newsletter is a publication on behalf of the Board of Trustees of the New Brunswick Teachers' Pension Plan. This publication is intended to provide information about the New Brunswick Teachers' Pension Plan. 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 INDEXING ADJUSTMENT BENEFIT

## WHAT IS THE INDEXING ADJUSTMENT BENEFIT?

The Indexing Adjustment Benefit (IAB) is how the NBTPP helps its members keep up with inflation. For retired members, it is applied directly to your monthly pension benefit, effective January 2025.

### The IAB is based on two factors:

1. The average increase in the Consumer Price Index (CPI) as determined by Statistics Canada. Retired members receive 75% of the average increase in CPI, up to a maximum of 3.56%.
2. The funded status of the Plan. Put simply, the funded status is a measurement of the financial health of the Plan. It compares the assets of the Plan to its liabilities, including your pension, and the pensions of all members. IAB is granted annually, if permitted under the NBTPP Funding Policy. It has been granted every year since conversion, a testament to the health and sustainability of your Plan.

The Indexing Adjustment Benefit awarded to retired members is

**2.33%\***  
as of January 1, 2025.

\* Active members will receive an IAB of 3.11%. Members who retire in 2024 will receive a blended IAB.

Video:  
How the IAB is Calculated  
[nbtp.ca/IABvideo](https://nbtp.ca/IABvideo)



# YOUR NBTPP IN 2023

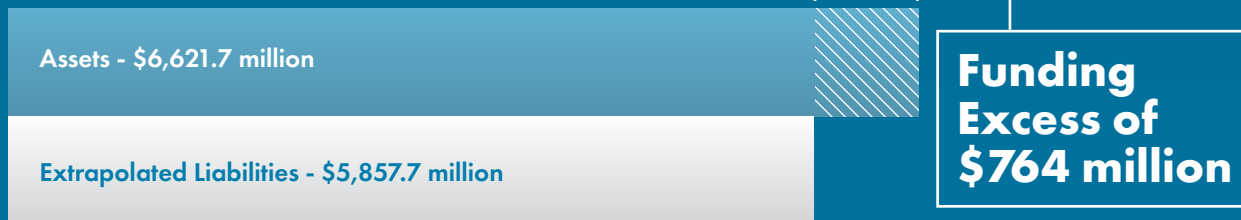
## FUNDED STATUS

As at August 31, 2023

### The NBTPP is 113% Funded

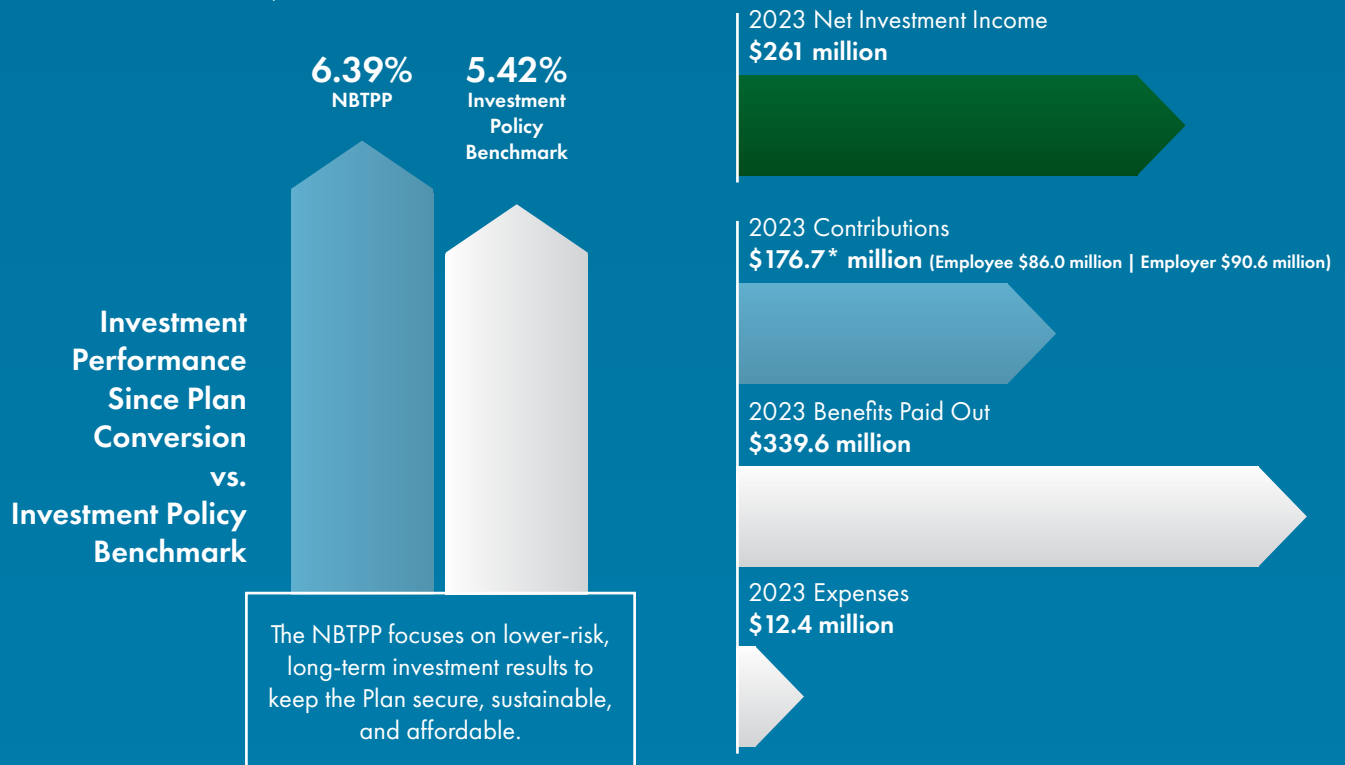
This is the highest funded ratio for the Plan to date.

#### Assets vs. Liabilities



## PLAN PERFORMANCE

Year ended December 31, 2023



The NBTPP focuses on lower-risk, long-term investment results to keep the Plan secure, sustainable, and affordable.

\* Results do not sum correctly due to rounding.

Learn much more about the NBTPP and its financial health in the 2023 NBTPP Annual Report, available at [nbtp.ca/annualreport](http://nbtp.ca/annualreport).

A new tool for members

# NBTPP NEWSLETTER INDEX

Do you know how the NBTPP calculates your Indexing Adjustment Benefit? Are you aware of the NBTPP's approach to responsible investing? Over the years, your pension newsletters have covered a lot of material, and no one could be expected to remember it all. You probably still have questions. Luckily, there is a new tool available to you, the NBTPP Pension Plan Newsletter Index!

Visit [nbtp.ca/index](https://nbtp.ca/index) to find a convenient list of all of the topics that have been covered in your past newsletters, with links to find the information you're looking for.

Your Board firmly believes that the greatest asset the NBTPP can possess is a well-informed membership. We know pension plans can be confusing, that's why we continue to expand the resources available to you to grow your knowledge of the Plan.

Visit [nbtp.ca/index](https://nbtp.ca/index) today, and see for yourself.



## NBTPP 2025 PENSION PAYMENT DATES

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
24	24	24	24	23	24
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
24	22	24	24	24	18

# MID-YEAR INVESTMENT REPORT

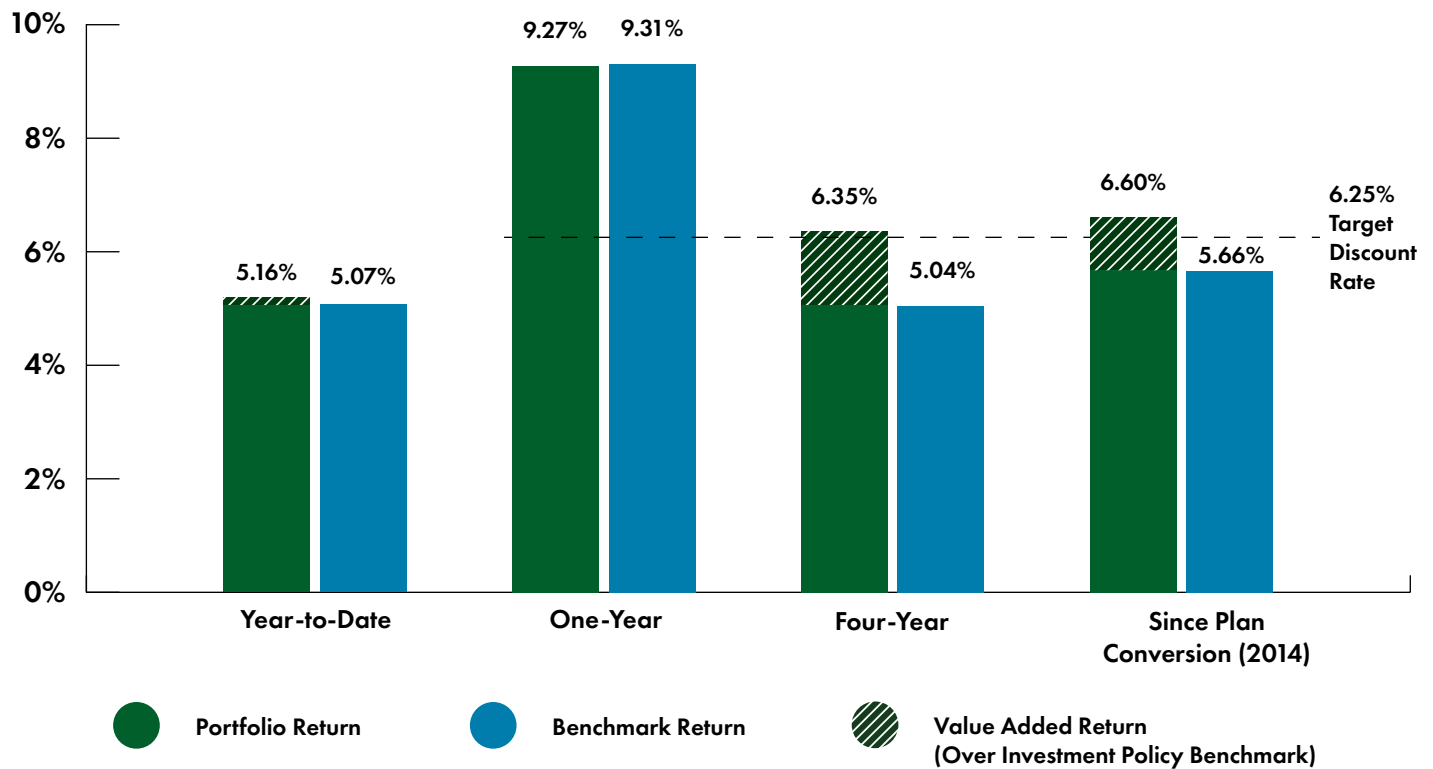
## A SNAPSHOT OF WHERE YOUR PENSION FUND STANDS AS AT JUNE 30, 2024

<b>GROSS INVESTMENT RETURN</b> <b>5.16%</b> for the First Six Months of 2024	<b>NET INCREASE OF</b> <b>\$250.5 MILLION</b>	<b>INVESTMENT ASSETS</b> <b>\$7.074 BILLION</b>
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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 NBTPP 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 5.16% in the first six months of 2024. This resulted in approximately \$349.5 million in investment gains, which along with active member contributions, resulted in total funds increasing by \$250.5 million after Plan expenses and retiree benefits.

Importantly, both the four-year return of 6.35% and the return since the conversion to the NBTPP of 6.60% have continued to exceed benchmark returns and remain in excess of the 6.25% 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).

NEW BRUNSWICK  
**Teachers'**  
— PENSION PLAN —

**10**  
YEARS

# 2024 Annual Information Meeting

July 2024 marked ten years since the conversion of the NBTPP. On October 9, your Board welcomed members for the Plan's Annual Information Meeting, held entirely online.

Members of the Board and the NBTPP's service providers discussed how the Plan has performed over the last ten years.

Members were also given the opportunity to ask questions of the Board and the Plan's service providers. A few of those questions are included below.

## Your fellow members asked...

### Does the NBTPP have a green investment policy?

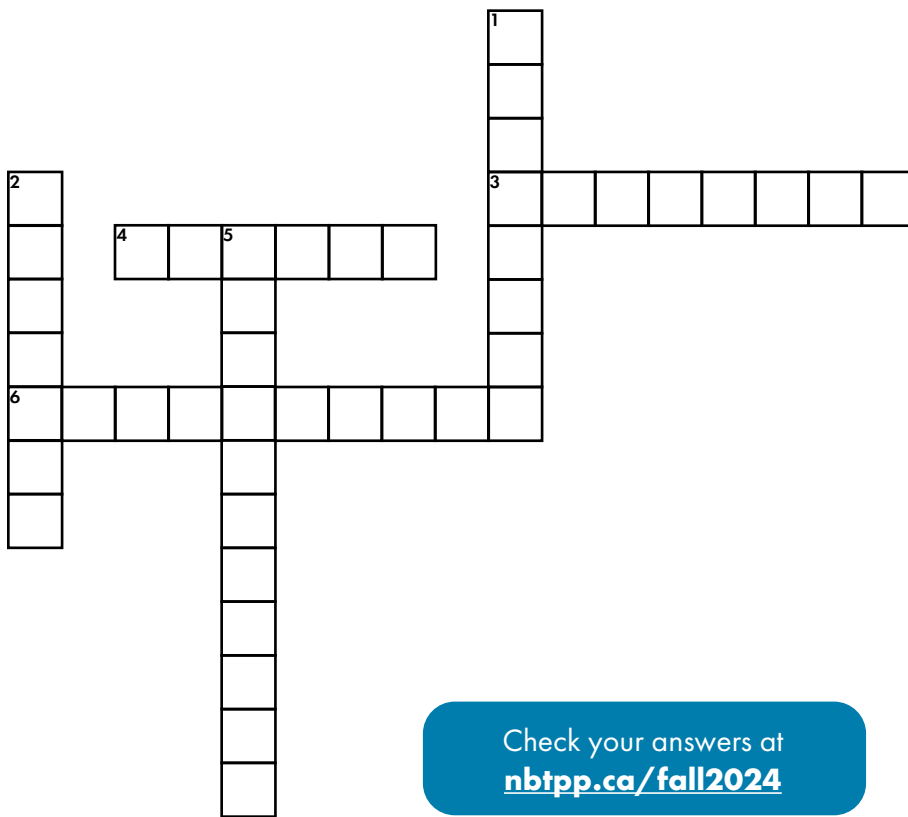
- Our Plan's investment manager abides by responsible investment guidelines when investing funds on behalf of our Plan.
- Our investment manager, Vestcor, has two key documents related to this available on their website:
  1. Responsible Investment Guidelines: This longstanding policy ensures that sustainability objectives are considered by each of the investment teams at Vestcor on behalf of their clients, including our Plan.
  2. Annual Responsible Investment Report: This document includes analysis that is consistent with the recommendations from the Task Force on Climate-Related Financial Disclosures. This report includes carbon emissions for the entire portfolio Vestcor manages on behalf of their clients. Their third Annual Responsible Investment Report will be published in November 2024.

### What is the impact on our Plan of the extension of the "80-day rule" until June 30, 2026?

- The removal of the 80-day limit on retirees doing supply work was to help address the shortage of teachers in the province. There simply aren't enough teachers to fill all vacancies in New Brunswick.
- The number of teachers that this extension affects is too small to have a material impact on the NBTPP.
- *Note: an update to the NBTPP Plan Text was made to reflect this extension. Please see the Amendments to Governing Documents on page 7.*

**A recording of the meeting is  
available now at [nbtp.ca/2024aim](https://nbtp.ca/2024aim)**

# BREAK TIME



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

## Down

1. The Target \_\_\_\_\_ Rate is the rate of investment return that the Plan needs to conservatively earn over the long-term.
2. A recording of the NBTPP's 2024 Annual Information Meeting can be found at [nbtp.ca/](https://nbtp.ca/)\_\_\_\_\_.
5. By visiting [nbtp.ca/index](https://nbtp.ca/index) you can find an inventory of the NBTPP's \_\_\_\_\_.

## Across

3. Your cost of living adjustments are based on the increase in the \_\_\_\_\_ Price Index, as determined by Statistics Canada.
4. The NBTPP's \_\_\_\_\_ status is a measurement of the financial health of the Plan.
6. Under the NBTPP, cost of living adjustments are also known as Indexing \_\_\_\_\_ Benefits.

## AMENDMENTS TO GOVERNING DOCUMENTS

The *Pension Benefits Act* (New Brunswick) 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 to reflect the elimination of the application of Section 5.6 for terminations on or after June 5, 2024. The amendment was filed with the Superintendent of Pensions on July 11, 2024.
- The Statement of Investment Policies was amended to reflect the Board of Trustees' annual review date, and formatting revisions to improve readability. The amendment was filed with the Superintendent of Pensions on September 18, 2024.
- The Plan Text was amended to reflect the extension of the temporary suspension of the application of the "80-day rule" under Section 3.12 of the NBTPP for a two-year period commencing July 1, 2024 and ending on June 30, 2026. The amendment was filed with the Superintendent of Pensions on September 25, 2024.

The governing documents of the NBTPP are available at [nbtp.ca](https://nbtp.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 [nbtp.ca/fp](https://nbtp.ca/fp). A quick summary of some of the main provisions of the Funding Policy of the NBTPP is available at [nbtp.ca/sfp](https://nbtp.ca/sfp).

### PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?

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