



PENSION NEWS

Volume 11 | Spring 2025



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

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GROWING YOUR PENSION

BUYING BACK SERVICE



WHAT DO WE MEAN WHEN WE SAY "PURCHASING PRIOR SERVICE"?

Every day that you work and contribute to the CUPE Hospitals SRP, you grow your future pension. In the course of your career, there may have been times that you weren't contributing to the CUPE Hospitals SRP. During these times you weren't accumulating service in the Plan, so your pension wasn't growing. In some cases, you can buy back these periods of service. Purchasing prior service can be a great way for you to increase your future pension benefit.

WHAT TYPES OF SERVICE CAN BE PURCHASED?

- **Previously refunded service**

This service is eligible for you to buy back to grow your future pension if you:

1. previously worked in a New Brunswick hospital;
2. paid into the CUPE Hospitals SRP (or the former Pension Plan for Full-Time CUPE Employees of NB Hospitals);
3. left your job at a New Brunswick hospital; and
4. received a refund of your CUPE Hospitals SRP pension contributions.

- **Approved leave of absence without pay**

Have you taken time off work without pay? If you have a period during which you were off work and not contributing to your pension, such as a maternity leave, you may be able to buy back that service too.

- **Waiting periods**

Did your job have a waiting period before you could pay into your Pension Plan? That's service that you can potentially purchase!

You can find a full list of the types of service that can be purchased at cupeh.ca/purchase.

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.

GROWING YOUR PENSION

BUYING BACK SERVICE

HOW MUCH DOES IT COST?

For most types of service buyback, the cost to purchase is usually the **greater** of:

- the missed employee pension contributions (based on the current contribution rate and your current salary); or
- the Adjusted Termination Value. This is a complex actuarial calculation that measures what the true cost will be to the CUPE Hospitals SRP to provide your purchased benefits at retirement.

A CUPE Hospitals SRP Additional Purchase of Service Information Booklet is available at cupeh.ca/purchase.



It is very important to remember that, generally, the longer you wait, the more expensive it will be to buy back your prior service.

HOW DO I APPLY TO BUY BACK SERVICE?

Purchases of prior periods of service can only be made while you are working and contributing to the Plan.



Complete a Purchase of Service Application with your human resources or payroll office.



They'll submit your application to Vestcor for processing.

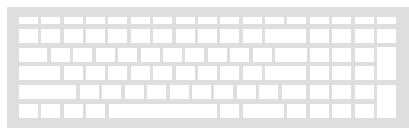


Vestcor will mail your purchase of service costing estimate directly to you. Once you receive your estimate, you have 90 days to complete the purchase of service.

Once you have decided to purchase your prior service, it can be paid in a lump sum payment by personal cheque, money order, or a direct transfer of funds from an RRSP. It can also be paid in instalments via payroll deductions. If you choose to pay in instalments, additional interest will be charged on the outstanding balance.

THE EASIEST WAY TO ESTIMATE YOUR PENSION

Did you know that you can quickly and easily estimate your future pension yourself, completely online? There are no forms to fill out and return, no waiting, and you can calculate as many estimates as you like. In minutes, you can see what your pension may look like when you reach retirement age. **Thinking of retiring early? You can easily get estimates for that as well!**



WHAT DO I NEED TO GET STARTED?

To use the online calculator, you'll need one of your annual Employee Statements of Pension Benefits. The statement includes a section specifically for use with the online calculator. All you need to do is copy a few figures from your statement into the calculator. Your recent statement will give you the most accurate results, but older copies can be used as well.



Your statement for the period of January 1 to December 31, 2024 will arrive before September 30, 2025, as required under the *Pension Benefits Act* (PBA).

Need help with understanding your statement?

A helpful guide, called "Understanding your Employee Statement of Pension Benefits", is included with your statement. This guide is also available at cupeh.ca under "Booklets and Guides".



ARE YOU WITHIN A YEAR OF RETIREMENT?

Complete a formal pension estimate using the form available at cupeh.ca, under "Application Forms", and then "Applying for Your Pension/Retiring".



NEED A LITTLE MORE HELP?

Scan the code below with your mobile device for a step-by-step video guide on how to use the calculator.



GO TO [VESTCOR.ORG/CALCULATORS](https://vestcor.org/calculators)
TO GET STARTED.

YOUR BOARD OF TRUSTEES



Back Row L-R

Nick Bhagan (Trustee in training), Bernard Brun (Vice-Chairperson), Heather Parker (Trustee), Larry Guitard (Trustee), Donna Smith (Trustee), Jean-Claude Pelletier (Trustee), Adrian Crossman (Trustee in training)

Front Row L-R

Brenda Carter-Vienneau (Trustee), Sonia Mabie (Trustee), Carolyn Roberts (Chairperson)

The CUPE Hospitals SRP Board is responsible for the Pension Plan and for making any decisions related to it. This includes awarding the Cost of Living Adjustments that have been granted to members every year to date. They also oversee the service providers of the Plan, including investment managers, auditors, and the plan administrator who manages the day-to-day operations of the CUPE Hospitals SRP.

The Board must always make decisions that:

- Are in the best interest of the Pension Plan and its members. This is known as a **fiduciary duty**.
- Follow all applicable laws, including the *Pension Benefits Act* (New Brunswick), and the federal *Income Tax Act*.
- Abide by the governing documents of the Plan. This includes the Plan Text, Funding Policy, and other legal documents, which can all be found on your Plan's website, cupeh.ca.

INVESTMENT UPDATE

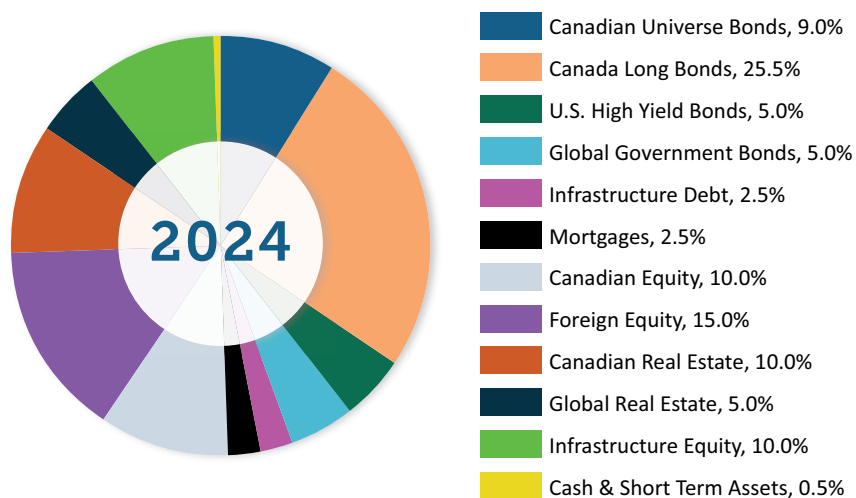
The CUPE Hospitals SRP Board of Trustees is responsible for all decisions related to the Investment Policy for the Plan, subject to specific risk management constraints set out in their Funding Policy and the *Pension Benefits Act* (PBA).

ASSET MIX

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

Total assets under management as at December 31, 2024 were \$1.2 billion. The current target asset mix is shown on the right.

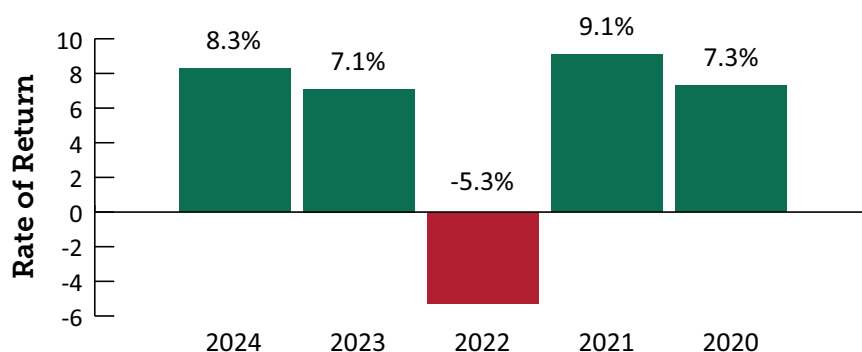
CUPE HOSPITALS SRP CURRENT TARGET ASSET MIX (AS AT DEC. 31, 2024)



INVESTMENT PERFORMANCE (AS AT DEC. 31, 2024)

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, 2024, the rate of return was 8.3%. Investment returns are reported gross of investment management fees. The calendar year returns over the past five years can be seen in the chart to the right.



HELPFUL DEFINITIONS

ANNUAL RATE OF RETURN: The return of an investment over a 12-month period.

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.

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).

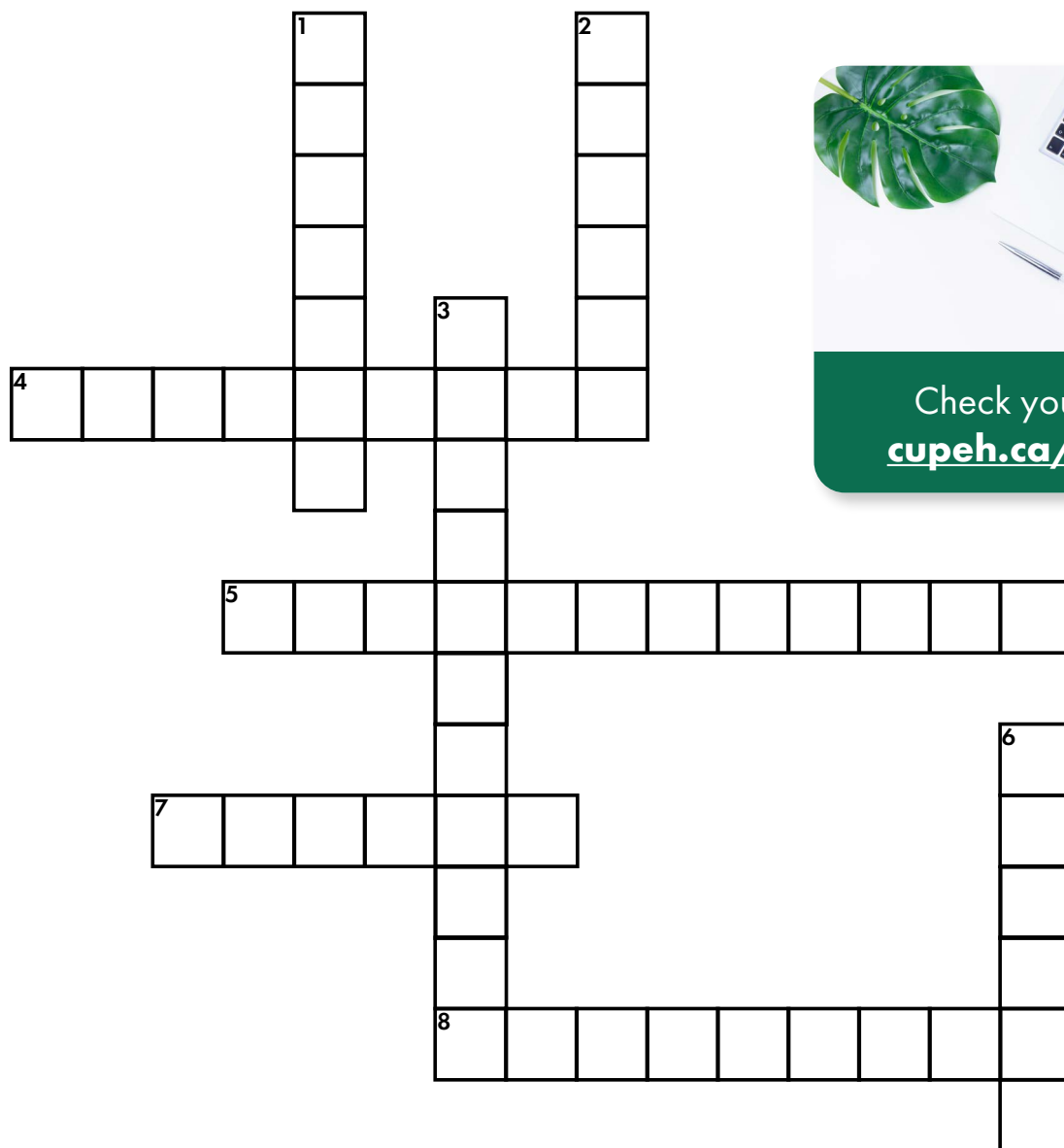
PENSION BENEFITS ACT (PBA): A government act created to regulate employee pension plans.

RISK: The variability of investment returns, either in absolute terms or versus a benchmark.

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

BREAK TIME

Read the entire newsletter to help you fill out the crossword!



Check your answers at
cupeh.ca/spring2025

DOWN

1. You may be able to grow your future pension by buying back prior _____.
2. The Funding _____ is the tool used by the Board of Trustees to manage the inherent risks of the Plan and to help it maintain a fully funded status.
3. Estimate your future pension by visiting vestcor.org/_____.
6. Public stocks, bonds, and real estate investments are all considered types of financial _____.

ACROSS

4. The CUPE Hospitals SRP Board of Trustees must always work in the best interests of members. This is known as a _____ duty.
5. Working and paying into your pension is known as “_____ service”.
7. Contact the _____ Team at Vestcor when you need help in regards to the death of a Plan member.
8. Your Employee _____ of Pension Benefits includes your updated pension amounts as of December 31, 2024.

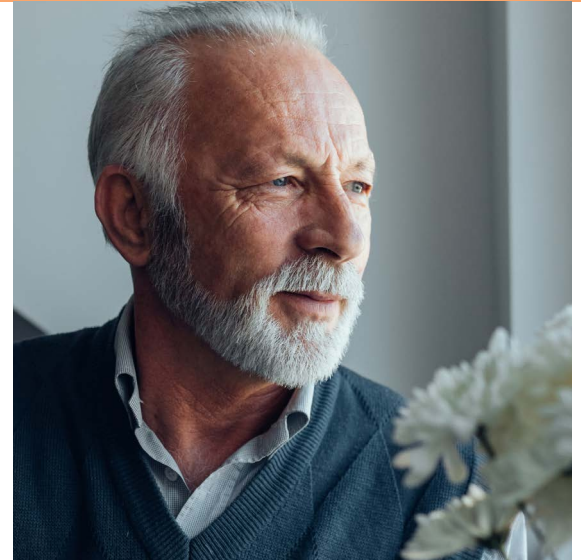
TIPS FOR RETIREES

THE ESTATE TEAM

We know that dealing with the estate provisions of the CUPE Hospitals SRP can feel very intimidating and stressful, especially during a period of grief. Did you know that our pension administrator, Vestcor, has a team that specializes in helping a member's family or next of kin through the process?

The Estate Team at Vestcor will walk your family members or next of kin through the steps they need to take if there is a surviving spouse or other named beneficiary. They'll advise them what to expect and what paperwork to fill out. They'll even help with the continuation of health insurance if a surviving spouse wants to keep their coverage.

The Estate Team can be reached by contacting Vestcor via email at info@vestcor.org, or by phone toll-free in Canada at 1-800-561-4012.



PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?
Contact us at info@vestcor.org or by calling 1 800 561 4012.

AMENDMENTS & FILING REQUIREMENTS

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

- The CUPE SRP Plan Text was amended by the CUPE Hospitals SRP Board of Trustees on September 11, 2024 and filed with the Superintendent of Pensions on January 29, 2025 in order to include details regarding the approved benefit increase associated with Step 1 of the Funding Policy; effective January 1, 2025.
- The CUPE SRP Statement of Investment Policy and Goals was amended and filed with the Superintendent of Pensions on September 30, 2024 to update the date for current liability discount rate expectations, update Appendix 4 - Demographic and Financial Statistics, as well as add information regarding Farmland and Low Volatility Strategies, including benchmarks, performance objectives, and compliance; approved by the Board of Trustees on September 11, 2024.
- The CUPE SRP Actuarial Valuation Report and Going Concern Valuation as at December 31, 2023 and Financial Statements as at December 31, 2023 were filed with the Superintendent of Pensions on September 25, 2024; approved by the Board of Trustees on September 11, 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.