

Indexing Adjustment Benefit (IAB) - January 1, 2026

New Brunswick Teachers' Pension Plan

Based on the financial health of the Plan and the applicable cost associated with awarding an IAB, the NBTPP will provide the maximum IAB possible for January 1, 2026 as per the Plan's Funding Policy. The IAB that will be provided under the NBTPP for January 1, 2026 is **2.01%** to active Plan members and **1.51%*** to retired and deferred members.

*A blended rate as described below is applicable to retired or deferred members who terminated during 2025.

Determining annual indexing adjustment benefits (cost of living increases) under the New Brunswick Teachers' Pension Plan (NBTPP)

The NBTPP provides for an Indexing Adjustment Benefit (IAB, also known as "indexation") each year (on January 1) if there is a large enough surplus in the Pension Plan. This adjustment is based on the increase in the Consumer Price Index (CPI)* as follows:

- For active members, the pension benefits accumulated up to December 31, 2024 (including pre-conversion benefits earned up to July 1, 2014) will be adjusted based on 100% of the increase in the CPI up to a maximum of 4.75%.
- For retired members, deferred members, and any surviving spouses or dependent children receiving a pension benefit under the NBTPP, pension benefits will be adjusted based on 75% of the increase in the CPI up to a maximum of 3.56%.
- For retired or deferred members of the NBTPP who terminated during 2025, a blended rate (as shown in the example to the right) is calculated based on the number of months the member was active and the number of months the member was retired.

Example of a blended rate:

Terminated employment August 31, 2025:

$$(100\% \times 2.01\%) \times 8/12 = 1.34\%$$

$$(75\% \times 2.01\%) \times 4/12 = 0.50\%$$

$$\text{Total indexation applied to the benefit accrued to Dec 31, 2024} = \mathbf{1.84\%}$$

The calculation: Indexing adjustment benefit for January 1, 2026

The January 1, 2026 Indexing Adjustment Benefit (IAB) was calculated by comparing the average Consumer Price Index (CPI)* for the period of July 2024 to June 2025 with the average CPI for the period of July 2023 to June 2024, as follows:



A short video explaining how the IAB is calculated is also available. Scan the QR code on the left to watch it!

Month Year	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	Avg.
CPI	162.1	161.8	161.1	161.8	161.8	161.2	161.3	163.0	163.5	163.4	164.3	164.4	162.48

Month Year	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	Avg.
CPI	158.1	158.7	158.5	158.6	158.8	158.3	158.3	158.8	159.8	160.6	161.5	161.4	159.28

Here's how the increase is calculated: $(162.48 - 159.28) / 159.28 = 2.01\%$

The methodology used for calculating the average change in the national Consumer Price Index is consistent with how other pension plans, including the Canada Pension Plan, calculate cost of living adjustments.

*CPI figures are drawn from the Bank of Canada. They can be found at www.bankofcanada.ca/rates/price-indexes/cpi.