

NEW BRUNSWICK

Teachers'

PENSION PLAN



volume 10 | fall 2025

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NBTPP Newsletter Index

Board of Trustees

WHAT YOU NEED TO KNOW...

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

YOUR INDEXING ADJUSTMENT BENEFIT

Good news! An indexing adjustment benefit (IAB) will be provided to members of the Plan on January 1, 2026. The amount granted is:

2.01%
for active members

1.51%
for retirees

More information about this year's Indexing Adjustment Benefit calculation can be found on page 3.

FOUR-YEAR INVESTMENT RETURN

6.16%

More information on the NBTPP's investments can be found on page 4.

REDUCTION IN CONTRIBUTION RATES

The NBTPP is now 117.2% funded. This has allowed the Plan to reduce contribution rates with no negative impact on members' benefits.

More information can be found on page 6.



STATUS OF THE NBTPP

IN 2024,
THE PLAN
GREW BY

\$690.1
million

SO FAR IN 2025,
THE PLAN HAS
GROWN BY

\$156.1
million

THE NBTPP NOW HAS \$7.635 BILLION IN ASSETS.

For more information on the investments of the Plan, see page 4.

Your Pension Plan is **117.2% funded**

This is the funding level of the Plan as at August 31, 2024. To determine the funding level of the NBTPP, the Plan's actuary, TELUS Health, compares the Plan's assets (what it owns) to its liabilities (what it owes). Your Plan is in excellent financial health. This is what allows the Plan to provide inflation protection for members every year through Indexing Adjustment Benefits (see the next page), and has allowed the NBTPP to reduce contribution rates as of August 31, 2025 (see page 6).

GET THE FULL PICTURE OF YOUR PLAN



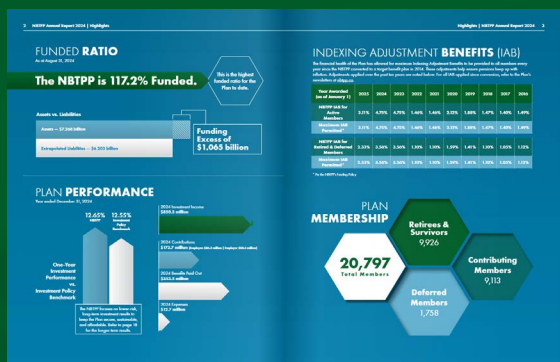
2024 ANNUAL REPORT

The NBTPP 2024 Annual Report is available now on the Plan's website, nbtp.ca. In it, you'll find a complete overview of the NBTPP in 2024, including Board decisions and accomplishments, Plan expenses, financial statements, and more.



2025 ANNUAL INFORMATION MEETING

The NBTPP held its Annual Information Meeting on October 8, 2025. A full recording of the meeting is available by scanning the code below, or at nbtp.ca/2025aim.



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 your pension keep up with inflation. For retired members, the increase will be applied to your monthly pension benefit on January 1, 2026. Retirees will receive written notification of this increase in December 2025. For active members, the IAB is applied to the pension benefit you've earned so far in your career, resulting in a higher monthly payment when you retire and begin drawing your pension.

The IAB is based on two factors:

- 1. The average increase in the Consumer Price Index (CPI)** as determined by Statistics Canada. Active members receive an IAB based on 100% of the average increase in the CPI, up to a maximum of 4.75%. Retired and deferred members receive 75% of the 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 all current and future pensions earned by Plan members. The IAB is granted annually if permitted under the NBTPP Funding Policy. We're proud to report that it has been granted every year since conversion which is a testament to the health and sustainability of your Plan.

The Indexing Adjustment Benefit awarded to **RETIRED** and **DEFERRED MEMBERS** is

1.51%
on January 1, 2026.

The Indexing Adjustment Benefit awarded to **ACTIVE MEMBERS** is

2.01%
on all pension benefits accumulated up to December 31, 2024.

* Members who retire in 2025 will receive a blended IAB.

Video:
How the IAB is Calculated
nbtp.ca/IABvideo



MID-YEAR INVESTMENT UPDATE

A SNAPSHOT OF WHERE YOUR PENSION FUND STANDS AT JUNE 30, 2025

HIGHLIGHTS

NBTPP
MID-YEAR RETURN
3.48%
AT JUNE 30, 2025
(GROSS)

NET INCREASE OF
\$156.1 million
SINCE DEC. 31, 2024

INVESTMENT
ASSETS ARE
\$7.635 billion
AT JUNE 30, 2025

NBTPP
FOUR-YEAR RETURN
6.16%
(GROSS)

Key Takeaways

- The NBTPP earned a solid return in the midst of significant uncertainty regarding trade negotiations and monetary policy.
- Long-term returns continue to exceed the Plan's value-added return target of 50 basis points. In simple terms, one of the objectives of Vestcor, the NBTPP's investment manager, is to earn returns that exceed the benchmark by at least 0.50%.



We are pleased to report that the Plan's investments earned a positive return of 3.48% in the first six months of 2025. Over the longer term, the four-year annualized return of 6.16% exceeded the benchmark return of 5.31% while the ten-year annualized return of 6.69% exceeded both the benchmark return of 5.82% and the 6.25% discount rate, which is recommended by the Plan's independent actuary and approved by the Board.

Trade negotiations and U.S. domestic macroeconomic policy continue to dominate market news headlines as of mid-year, with continued uncertainty about the ultimate path of both tariff policies and interest rates clouding the growth, employment, and inflation outlook for investors. Despite the uncertainty, risk assets have continued to rise throughout the late spring and early summer, and overall measures of market risk have settled back into longer-term average positions as stock markets have recovered from earlier losses.

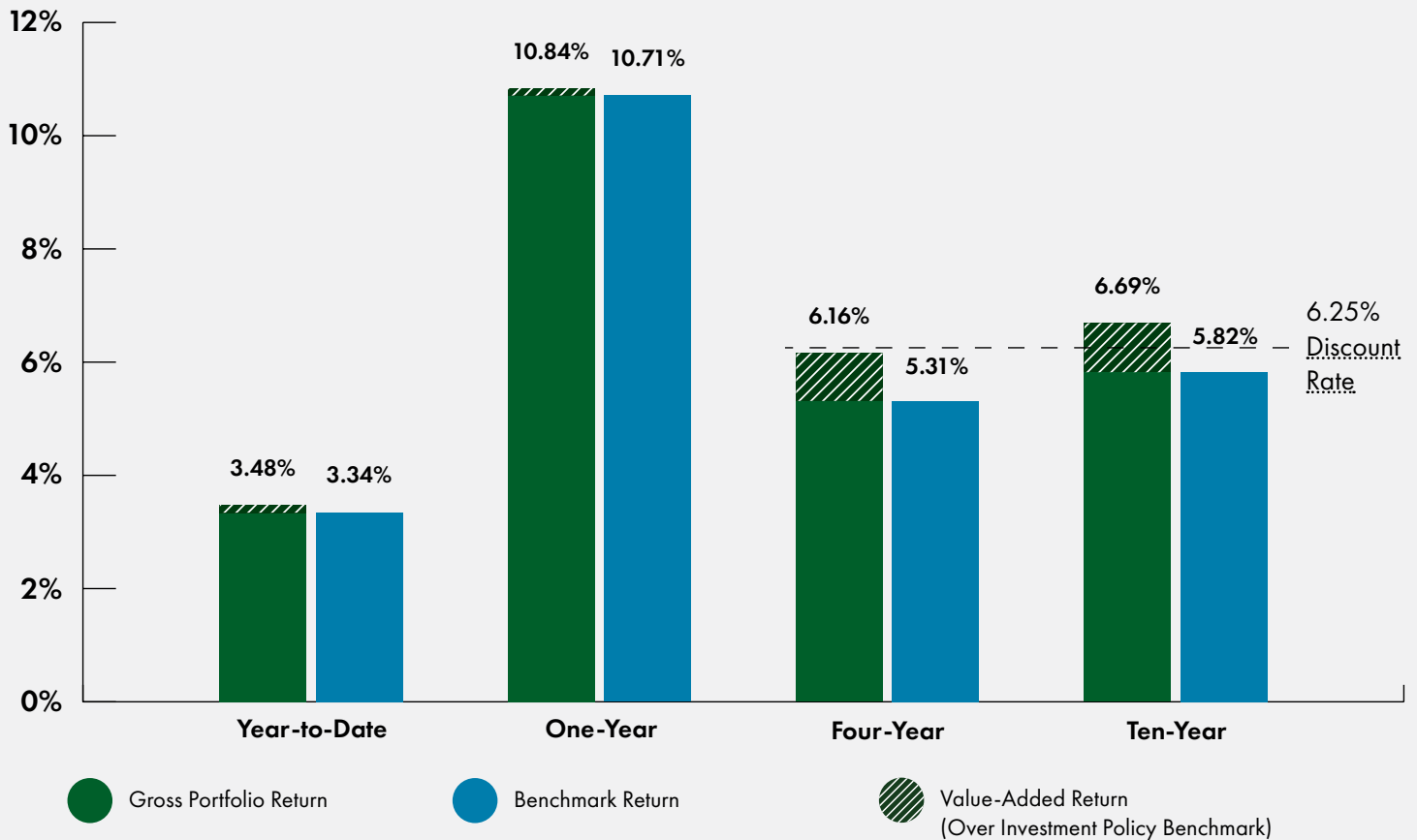
Look for terms with a dotted underline in this Investment Report. You can find definitions of these terms and others relevant to the NBTPP by scanning the code to the right with your mobile device, or by visiting vestcor.org/glossary.



MID-YEAR INVESTMENT UPDATE

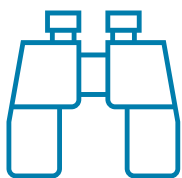
A SNAPSHOT OF WHERE YOUR PENSION FUND STANDS AT JUNE 30, 2025

INVESTMENT RETURNS (AS AT JUNE 30, 2025)



INVESTMENT ASSETS

The fair value of the NBTPP investment assets on June 30, 2025 was \$7.635 billion, an increase of \$156.1 million from the fair value on December 31, 2024.



For more information, including a summary of the market outlook for this period, visit the Quarterly Market Updates provided by Vestcor at vestcor.org/marketupdates.

Reducing Contribution Rates

Good news!

Your Plan is now 117.2% funded (as of the most recent Actuarial Valuation Report, see page 2)—well above the 110% goal. This positive performance shows that the Plan is on solid footing, even when faced with fluctuating economic periods in the financial markets. The Plan remains sustainable for all members.

Based on the NBTPP's Funding Policy,[±] a reduction in contribution rates shall be implemented when the NBTPP reaches a funded status of 115% or greater.

This spring, the NBTPP Board of Trustees reviewed the most recent funding results of the Plan⁺ and approved a reduction in contribution rates based on the 117.2% funding level. **As of August 31, 2025, active member contribution rates went down by 1.5%.** Employers also saw a 1.5% decrease, for a total reduction of 3%. **Please note that this contribution rate reduction does not reduce the pension benefits of members.** Rather, it is an indication of the well-funded position of the Plan.

As per the NBTPP's Funding Policy, if the NBTPP funding level falls below 110%* in the future, contribution rates would be increased.** For yearly updates of your Plan's funded status, refer to the Plan's newsletters, attend the Annual Information Meeting, or visit nbtp.ca.

[±] The Funding Policy is a governing document that guides the NBTPP Board of Trustees' decisions, including how excess funds can be used. Find it at nbtp.ca/fp.

⁺ Based on the results of the Plan's Actuarial Valuation Report at August 31, 2024. The report is available at nbtp.ca/valuation.

* In addition to when measured over a three-year moving average, the required funding correction exceeds 1% of payroll, taking into account contributions in excess of the funding normal cost over 15 years.

** Following depletion of contributions towards the Contingency Reserve used to offset deficits.

§ YMPE = Year's Maximum Pensionable Earnings, set by the Federal Government.

PREVIOUS CONTRIBUTION RATES

10%
up to the
YMPE[§]

11.7%
in excess of the
YMPE[§]

NEW CONTRIBUTION RATES

8.5%
up to the
YMPE[§]

10.2%
in excess of the
YMPE[§]

If you have any questions about your future pension, don't hesitate to contact the Member Services Team at Vestcor who provides day-to-day administration of the Plan.

Email: info@vestcor.org

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

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 that effective August 31, 2025, Required Contribution rates of Teachers who are Members, Non-certified Teachers who are Members and Supply Teachers who are Members, and Required Contribution rates required from the Employer are each reduced by 1.5% of Earnings (or Teacher and Non-certified Teacher Contributory Earnings or Supply Teacher Contributory Earnings, as applicable).
- The Statement of Investment Policies was amended to ensure consistent language is being used, and to change the calculation of the benchmark return from using daily actual portfolio weights to using the Policy Portfolio weights.

The governing documents of the NBTPP are available at 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. A quick summary of some of the main provisions of the Funding Policy of the NBTPP is available at nbtp.ca/sfp.

2026 NBTPP PENSION PAYMENT DATES



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

PURCHASING PRIOR SERVICE

Purchasing prior service is a great way for you to increase your pension benefit when you retire. When applicable, it could potentially help you qualify for a reduced or unreduced pension earlier by increasing your age-service index.

HOW MUCH DOES IT COST?

The cost to purchase your service depends on a number of factors, including:

- The type of service being purchased
- The amount of service being purchased
- Your salary rate at the time of application (the higher the salary, the higher the cost)
- The employee contribution rate at the time of application

A Purchase of Service Estimate Calculator is available at vestcor.org/calculators.

HOW DO I APPLY TO PURCHASE SERVICE?

Purchases of prior periods of service can only be made while you are an active contributor to the NBTPP. In order to obtain an official purchase of service costing estimate, please complete a Purchase of Service Application with your employer's office of human resources or payroll. Your application will then be submitted to Vestcor, the NBTPP's chosen administrator, for processing. Once you receive your purchase of service costing estimate, you will have 90 days to decide whether to move forward with the purchase of service.

Once you have chosen to complete your purchase of service, it can be paid in a **lump sum payment**, including direct transfer of funds from an RRSP or using all or part of your retirement allowance/severance benefits, or via **bi-weekly payroll deductions**.

WHAT TYPES OF SERVICE CAN BE PURCHASED?

Previously refunded service from one of the following plans:

- NBTPP / former *Teachers' Pension Act* (TPA) Pension Plan
- New Brunswick Public Service Pension Plan (NBPSPP) / former *Public Service Superannuation Act* (PSSA) Pension Plan (restricted to post-1991 service only)

Other periods of past service, which include but are not limited to:

- Supply teaching in a NB public school
- Unpaid maternity, parental, or adoption leave
- Unpaid education leave (one-year maximum)
- Authorized leave of absence without pay (two-year maximum)
- Full-time teaching service in a public school elsewhere in Canada (restricted to post-1991 service only)
- Prior non-contributory service as an employee classified as professional staff with the NBTF, NBTA, or AEFNB

For a comprehensive list of the types of service that may be purchased, please refer to your NBTPP Member Booklet at nbtp.ca under "Booklets and Guides".

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 search tool available to you: the NBTPP Pension Plan Newsletter Index!

Visit nbttp.ca/index to find a convenient list of all the topics that have been covered in your past newsletters, along 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.



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