NEW BRUNSWICK

Teachers' PENSION PLAN



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Board of Trustees

WHAT YOU NEED TO KNOW...

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

YOUR INDEXING ADJUSTMENT BENEFIT

An indexing adjustment benefit (IAB) will be provided to members of the Plan on January 1, 2027. The amount granted is:

2.33% for active members | **1.75%** for retired and deferred members

More information about this year's indexing adjustment benefit calculation can be found on page 3.

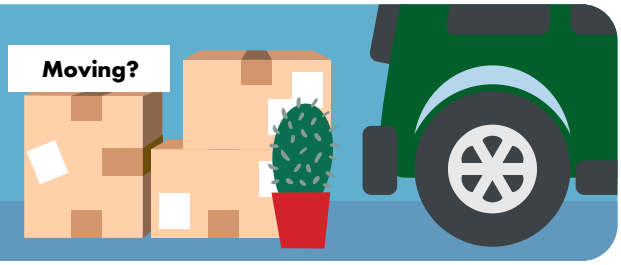
PLAN IMPROVEMENTS



More information on Plan improvements can be found on page 4.

TIPS FOR RETIRED MEMBERS

More information can be found on page 7.



The 2025 Annual Report is available on your Plan's website at nbtpp.ca. It has a full record of the New Brunswick Teachers' Pension Plan (NBTPP) in 2025, including financial information and expenses, Board activities, details about how the Plan operates on a day-to-day basis, and more! Here are a few highlights.

PLAN **MEMBERSHIP**



2025

Investment Income	Contributions Collected
$686.9 million	$172.2 million
Benefits Paid to Members	**Plan Expenses**
$363.9 million	$14.4 million

The NBTPP was 122.3% funded as at August 31, 2025.

INDEXING ADJUSTMENT **BENEFIT** (IAB)

The financial health of your Plan has allowed for the maximum indexing adjustment benefit to be provided to all members every year since the NBTPP converted to a target benefit plan in 2014. The IAB helps ensure pensions keep up with inflation. The IAB applied over the past ten years is noted below.

Year Awarded (as of January 1)	NBTPP IAB for Active Members*	Maximum IAB Permitted**
2026	2.01%	2.01%
2025	3.11%	3.11%
2024	4.75%	4.75%
2023	4.75%	4.75%
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%

Year Awarded (as of January 1)	NBTPP IAB for Retired & Deferred Members*	Maximum IAB Permitted**
2026	1.51%	1.51%
2025	2.33%	2.33%
2024	3.56%	3.56%
2023	3.56%	3.56%
2022	1.10%	1.10%
2021	1.10%	1.10%
2020	1.59%	1.59%
2019	1.41%	1.41%
2018	1.10%	1.10%
2017	1.05%	1.05%

LEARN ABOUT THE MOST RECENT IAB ON THE NEXT PAGE!

* Members who retired or became deferred in a given year will receive a blended IAB rate.
** Per the NBTPP's Funding Policy

YOUR INDEXING ADJUSTMENT BENEFIT

The indexing adjustment benefit (IAB) helps your pension keep up with inflation. Without the IAB, your pension would lose its buying power each year as goods and services become more expensive. Whether you are an active member saving for your future retirement or a retired member drawing a pension, the IAB is one of the most important benefits of your Plan.

The IAB is based on **two factors:**

1 The average increase in the Consumer Price Index (CPI)

This index is determined by Statistics Canada. The CPI is the most widely used tool for measuring inflation in Canada. Active members receive an IAB of up to 100% of the increase in the average CPI for the twelve-month period ending June 30 compared to the average CPI for the same period the preceding year, with a maximum IAB of 4.75%. Retired and deferred members receive an IAB up to 75% of the increase in the average CPI for the twelve-month period ending June 30 compared to the average CPI for the same period the preceding year, with a maximum increase of 3.56%.

2 The funded status of the Plan

Put simply, the funded status is a measure of the financial health of the Plan. It compares what the Plan owns (its assets) with what it owes (its liabilities), including all pensions currently earned by Plan members, whether payable now or in the future. The IAB is granted automatically each year, as long as the Plan has the funds to pay for it. 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 ACTIVE MEMBERS is

2.33%***

The indexing adjustment benefit awarded to RETIRED and DEFERRED MEMBERS is

1.75%***

***Members who retired or became deferred in 2026 will receive a blended IAB rate.

If you're a **retired member**, the increase will be applied to your monthly pension benefit beginning in January 2027. You'll receive notification of this increase in writing in December 2026.

If you're an **active or deferred member**, the increase will be applied to the pension you've earned up to December 31, 2025 and will be reflected in your future annual statements. Each increase you receive will continue to compound until you retire.

Visit the "Indexing Adjustment Benefits (Cost-of-Living Adjustments)" section of **nbtpp.ca** for more information.

PLAN **IMPROVEMENTS**



The Plan's funding has improved and is now in excess of 120%; this puts it in a stronger position to support meaningful improvements.

These changes are **GREAT NEWS** for all members. Just remember:

- These changes to the Plan only provide a framework for potential future benefit improvements that may be granted by the Board in the future. They will be made with care, and only as the Plan can afford them.
- This will be a gradual process and may take several years. You should not base your retirement decisions on these improvements.
- The full framework of these improvements was posted to the NBTPP website earlier this year. You can find this detailed account at **nbtpp.ca/improvements**.
- The improvements were also the focus of the recent NBTPP Annual Information Meeting. To learn about these changes from the people who understand them better than anyone, watch a recording at **nbtpp.ca/2026aim**. The presenters include Board members, the NBTPP's day-to-day administrator (Vestcor), and the Plan's independent actuary (TELUS Health).

Providing IAB Not Granted Due to the Caps in Place

Each year, pensions may be increased to help offset inflation, as long as the NBTPP has enough funding. These increases are known as the indexing adjustment benefit, or **IAB**. The IAB is based on the average increase in the Consumer Price Index, or **CPI**, as determined by Statistics Canada. Go to page 3 to learn more about the IAB.

So far, these increases have been capped at 4.75% per year for active members. The cap for retired and deferred members is 3.56%. Most years, this is not an issue. However, inflation was very high in 2023 and 2024, so the caps limited how much IAB could be provided by the Plan.

Inflation reached 5.56% in 2023 and 5.59% in 2024. Restoring the IAB that was limited by the cap for these years results in an increase of about 1.65% for active members, and 1.24% for retired and deferred members.

The funded status at August 31, 2025 allowed the Board to restore this portion of the IAB effective September 1, 2026. Implementation of the increase has begun for retired members, who will see it applied to their monthly pension benefit. For active and deferred members, the increase has been added to the pension they will receive in retirement. In the future, if the CPI exceeds 4.75%, and as long as the Plan has the funds to do so, a similar process will be followed. This will provide better inflation protection to all members.



Given the funded status of the Plan, the first step being taken by the Board is to grant members the portion of the IAB that was not provided in 2023 and 2024.

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.

MID-YEAR INVESTMENT UPDATE

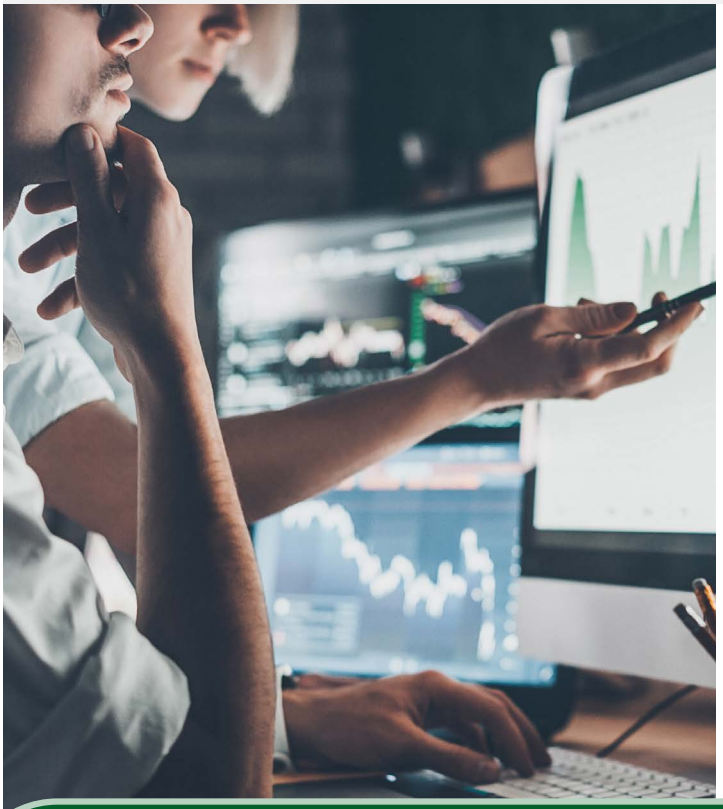
A SNAPSHOT OF WHERE YOUR PENSION FUND STOOD AT JUNE 30, 2026

HIGHLIGHTS

NBTPP MID-YEAR RETURN	NET INCREASE OF	INVESTMENT ASSETS ARE	NBTPP FOUR-YEAR RETURN
6.25% AT JUNE 30, 2026 (GROSS)	**$384.6 million** SINCE DEC. 31, 2025	**$8.34 billion** AT JUNE 30, 2026	**9.99%** (GROSS)

Key Takeaways

- The NBTPP earned a strong investment return for the start of 2026 amid periods of higher volatility.
- It has been more challenging recently for some private market investment returns to outpace their public market benchmark due to the recent strength of public market returns.



We are pleased to report that the Plan's investments earned a strong positive return of 6.25% in the first six months of 2026. Over the longer term, the four-year annualized return of 9.99% almost matched the benchmark return of 10.04% while the ten-year annualized return of 7.36% exceeded both the benchmark return of 6.55% and the 6.25% discount rate recommended by the Plan's independent actuary and approved by the Board.

Global economic growth remains steady, supported by continued investments in artificial intelligence, although conflicts in Eastern Europe and in the Middle East continue to create uncertainty and put pressure on energy prices. Interest rates in Canada and the United States are expected to remain fairly stable, while stock markets have continued to rise despite ongoing risks. However, a small number of large technology companies now make up a large share of the market, increasing concentration risk and highlighting the importance of maintaining well-diversified investment portfolios.

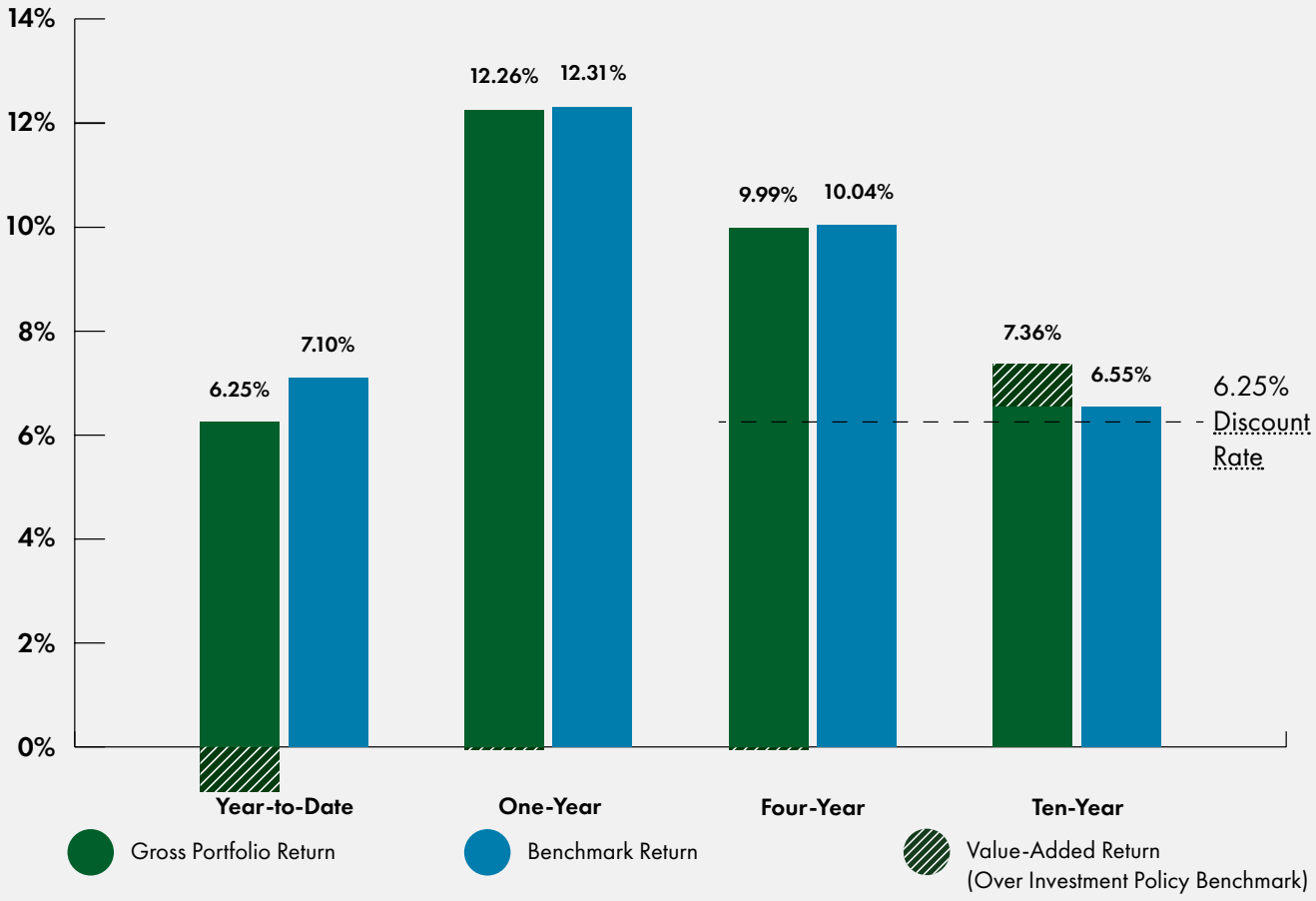
Look for terms with a dotted underline in this Investment Report. You can find definitions of these terms and others relevant to the NBTPP by scanning the code to the right with your mobile device, or by visiting vestcor.org/glossary.

MID-YEAR INVESTMENT UPDATE

A SNAPSHOT OF WHERE YOUR PENSION FUND STOOD AT JUNE 30, 2026

INVESTMENT RETURNS (AS AT JUNE 30, 2026)

Annualized returns for periods greater than one year.



INVESTMENT ASSETS

The fair value of the NBTPP investment assets on June 30, 2026 was $8.34 billion, an increase of $384.6 million from the fair value on December 31, 2025.

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**.

2027 NBTPP
PENSION PAYMENT DATES

22 JANUARY	**24** FEBRUARY	**24** MARCH	**23** APRIL	**21** MAY	**24** JUNE
23 JULY	**24** AUGUST	**24** SEPTEMBER	**22** OCTOBER	**24** NOVEMBER	**17** DECEMBER



Is there a move in your future?

Head over to **nbtpp.ca/address** to update your address to continue receiving important pension information. If you would rather call, contact Vestcor, the NBTPP's chosen administrator, at 1-800-561-4012.



Have you opened a new bank account?

Go to **nbtpp.ca/banking** to find the form you need to update your banking information. You can also contact Vestcor, at 1-800-561-4012. Remember to keep your old account open until you've seen a pension benefit payment deposited in your new account.



Have you owed money after filing your income tax return in the past few years?

You may want to consider increasing the amount of tax withheld from your monthly pension benefit to reduce the amount of tax you'll owe when you file your tax return next year. Go to to **nbtpp.ca/incometax** to find a form to make a change on the amount of taxes withheld on your pension payments. You may want to contact a tax specialist before making any decisions about your income tax deductions.

AMENDMENTS TO GOVERNING DOCUMENTS

- The Funding Policy was amended to reflect benefit improvements that may be granted under Step 4 of the Funding Excess Utilization Plan, as reviewed and approved by the NBTPP's Parties. The amendment was filed with the Superintendent of Pensions on May 11, 2026.
- The Plan Text was amended to reflect the application of Step 4A of the Funding Policy effective August 31, 2026. The amendment was filed with the Superintendent of Pensions on June 26, 2026.
- The Statement of Investment Policies was amended to reflect changes to the Policy Portfolio and the Performance Benchmarks, stemming from the most recent Asset Liability Management exercise where a 10% target for fund-level leverage was approved and other minor tweaks resulting from a consolidation of some of the pooled funds that the Plan has been investing in as well as an optimization of the Plan's risk return profile. The amendment was filed with the Superintendent of Pensions on July 6, 2026.



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