NOTICE OF PENSION PLAN AMENDMENT

We, the Board of Trustees for the Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals (CBE Pension Plan), are writing to notify you of important changes to the CBE Pension Plan. The New Brunswick Nurses Union (NBNU), the New Brunswick Union (NBU), and the Government of New Brunswick (collectively, the "Parties") have agreed, by Memorandum of Understanding dated October 19, 2026, to amend the CBE Pension Plan's early retirement rules and contribution rates. **It is important that you read this Notice carefully to ensure that you understand how these changes will impact you.**

To learn more, including viewing illustrations of how these changes would apply, please visit cbenb.ca/age62.

CURRENT EARLY RETIREMENT RULES

If you are vested[†] and choose to retire before the age of 65, permanent early retirement reductions may be applied to your pension. **These reductions account for the fact that you will draw a pension for a longer period than if you had started your pension at age 65.**

Currently, there are two separate early retirement rules under the CBE Pension Plan:

1. For pensionable service before July 1, 2012
2. For pensionable service after June 30, 2012

See how the current rules are applied to your pension below.

1. For all pensionable service[‡] accumulated before July 1, 2012:

- **Your pension will be permanently reduced by 3% per year[*] that your pension starts prior to age 60.**
- No reduction applies if your pension starts after you turn age 60 for this period of service.

Age	55	56	57	58	59	60	61	62	63	64	65
Reduction	15%	12%	9%	6%	3%	0%	0%	0%	0%	0%	0%

* 3/12% for each month prior to age 60

2. For all pensionable service[‡] accumulated after June 30, 2012:

- **Your pension will be permanently reduced by 5% per year** that your pension starts prior to age 65.**
- No reduction applies if your pension starts after you turn age 65 for this period of service.

Age	55	56	57	58	59	60	61	62	63	64	65
Reduction	50%	45%	40%	35%	30%	25%	20%	15%	10%	5%	0%

** 5/12% for each month prior to age 65

[†] **Vesting** means you have acquired a right to receive a lifetime pension from the Plan. You are **vested** when you have completed the earliest of: five years of continuous employment, two years of pensionable service, or two years of membership in the CBE Pension Plan (including a predecessor plan).

[‡] **Pensionable service** is the total time you have spent working and contributing to the CBE Pension Plan. It can also include eligible periods of service that you have bought back (for example, a maternity leave) and service transferred from the Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick. Your pension benefit is calculated based on a formula that takes into account your periods of pensionable service.

UPCOMING CHANGES TO EARLY RETIREMENT RULES

A third rule is being introduced for pensionable service after December 31, 2026. See how it will apply to your pension below.

3. For all pensionable service‡ accumulated after December 31, 2026:

- The permanent early retirement reduction will become **5% per year*** that your pension starts prior to age 62**.
- No reduction will apply if your pension starts after you turn age 62 for this period of service.

Age	55	56	57	58	59	60	61	62	63	64	65
Reduction	35%	30%	25%	20%	15%	10%	5%	0%	0%	0%	0%

*** 5/12% for each month prior to age 62

WHAT DOES THIS MEAN FOR YOU?

Effective January 1, 2027, all pensionable service earned from that date forward will no longer be subject to any early retirement reductions if you choose to retire on or after age 62. **As this change is only applicable for pensionable service earned after December 31, 2026, if you choose to retire before age 65, the existing reductions noted on the previous page will still apply to all pensionable service accumulated prior to January 1, 2027.** The retirement date that you select under the CBE Pension Plan is an important financial decision that is irrevocable. You are strongly encouraged to obtain independent financial advice.

NEW CONTRIBUTION RATES

To support this benefit improvement for members, **the employer and member contribution rates will be increasing under the CBE Pension Plan effective as of the first full pay period in January 2027**. The increase is made up of two components:

- A **permanent increase of 0.8% of pensionable earnings** for both members and employers to fund the enhanced benefits
- A **temporary increase of 0.15% of pensionable earnings** for both members and employers that will remain in place for 15 years to help ensure the CBE Pension Plan's risk management goals are not adversely affected by the benefit improvement

As a result, member and employer contribution rates will increase from **7.8% to 8.75%** of pensionable earnings effective January 1, 2027. Effective January 1, 2042, the temporary 0.15% increase will end, and contribution rates will decrease to **8.6%** for both members and employers.

To learn more about these changes, please visit cbenb.ca/age62.

FEEDBACK

This notice is being sent for your information purposes only and there is nothing that you need to do at this time. However, if you have any comments to share on these changes, you are invited to submit them in writing to the CBE Pension Plan Board of Trustees or the New Brunswick Superintendent of Pensions by **December 31, 2026**.

CBE Pension Plan Board of Trustees
c/o Vestcor
PO Box 6000
Fredericton, NB E3B 5H1
info@cbenb.ca

Superintendent of Pensions
Financial and Consumer Services Commission
225 King Street, Suite 200
Fredericton, NB E3B 1E1
pensions-retraite@fcnb.ca