

**Date:** July 24, 2020

**To:** All Members of the Shared Risk Plan for Academic Employees of the University of New Brunswick (“AESRP” or the “Plan”)

**From:** The Board of Trustees

**Subject:** Update on the Plan given the COVID-19 environment

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**As your Board of Trustees, we would like to inform Plan members of the status of the Plan in light of the impact of COVID-19 on global financial markets.**

We have all had our professional and personal lives disrupted by the COVID-19 outbreak. You may also be aware that the financial markets have been very volatile over the last few months and you may be wondering how this affects the Plan and your pension benefits.

Since the Plan converted to a shared risk plan on July 1, 2013, it has been managed in a very prudent and careful manner to ensure that it can withstand significant economic fluctuations while protecting the members’ pension benefits. Since the Plan is a shared risk plan, Cost of Living Adjustments (COLA) are conditional. This means they are not automatically granted but rather provided only when certain financial criteria are met, in order to ensure the ongoing financial health of the Plan. The Board of Trustees meets on a quarterly basis to review the performance of the assets of the Plan and to ensure that it is not unduly exposed to risks.

We are pleased to report that, while the past months have been volatile, the Plan has maintained a strong financial position. We recognize that economic conditions remain volatile and that we cannot predict the future, but there is no sign that current benefits or contribution levels will need to be adjusted. Furthermore, the COLA granted as of January 1, 2020 is still applicable and will be provided as scheduled.

**What’s next?**

Each year, a detailed actuarial valuation of the Plan is completed to assess its financial health and to determine if any actions are necessary, including whether a COLA will be granted for the year. The next actuarial valuation will be performed as of July 1, 2020.

Furthermore, the Board of Trustees will be undertaking a detailed asset mix review to ensure that the assets of the Plan remain invested in a way that balances risk with expected return, while ensuring the long-term sustainability of the Plan.

The Board of Trustees is hopeful that by focusing on risk management, the Plan will continue to maintain a strong funding level and meet its risk management goals.

## Questions?

If you have questions about this letter or any aspect of your pension benefits, please contact Bonnie Carson, HR Consultant (Benefits & Pensions), at (506) 458-7679, or by email at [bonnie.carson@unb.ca](mailto:bonnie.carson@unb.ca).

Yours truly,



Norm Betts  
Co-Chair



Jennifer Morrison  
Co-Chair

**Board of Trustees - Shared Risk Plan for Academic Employees of the University of New Brunswick**