



SHARED RISK PLAN
FOR ACADEMIC EMPLOYEES
OF THE UNIVERSITY OF NEW BRUNSWICK

GUIDE FOR PLAN MEMBERS

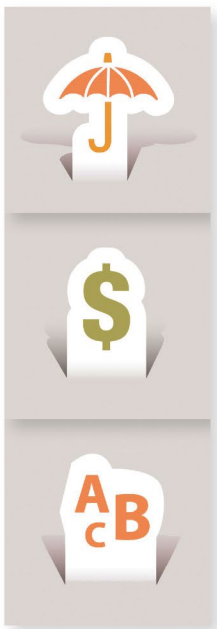
PREPARED ON BEHALF OF THE BOARD OF TRUSTEES
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INTRODUCTION



As an academic employee of the University of New Brunswick, you benefit from a pension plan that, together with government plans, will provide you with a solid financial base for retirement.

Whether your retirement is fast approaching or far in the future, good planning can make all the difference. The first step is to understand how your pension plan works and the retirement benefits it will provide.

This guide describes the main provisions of the Shared Risk Plan for Academic Employees of the University of New Brunswick (the Plan). It gives an overview of how the Plan works and the benefits payable in the event of retirement, termination or death.

Please note that some key technical terms are defined in the **Glossary** at the end of this guide.

The information in this document is a general summary of the terms of the Shared Risk Plan for Academic Employees of the University of New Brunswick provided for ease of reference and is not intended to have any legal effect. If there are any discrepancies between this document and the official pension plan documents, the official pension plan documents will prevail. This guide is available in print format upon request.

CONTACT INFORMATION



PLAN REGISTRATION

The Plan is registered under the New Brunswick *Pension Benefits Act*. The registration number with the Superintendent of Pensions is 0695478.

PLAN INFORMATION

The official Plan text, Plan amendments, the Funding Policy and links to relevant pension legislation are available at:

<https://www.unb.ca/hr/pension/index.html>.

You may, on written request and without charge, consult or copy any document that you are entitled to.

If you have questions about the Plan, or wish to copy or consult Plan documents, contact the UNB People & Culture department:

Manager, Pensions & Benefits

Tel.: (506) 458-7679

Email: pensions@unb.ca

TO CONTACT THE BOARD OF TRUSTEES:

Board of Trustees

c/o UNB People & Culture

PO Box 4400

Fredericton, NB E3B 5A3

PLAN OVERVIEW



Contributions

MEMBERS	10.55% of Pensionable Salary up to the Year's Maximum Pensionable Earnings (YMPE), and 12.25% above the YMPE. These rates are subject to change under the Funding Policy.
UNIVERSITY	Same amount as Members
FUTURE CONTRIBUTIONS	Based on financial criteria set in the Funding Policy, the future contribution rates may increase by up to 2.25% of Pensionable Salary or decrease by up to the same percentage.

Pension benefits at normal retirement date

NORMAL RETIREMENT DATE	June 30 th next following your 65 th birthday
ACCRUED BEFORE CONVERSION	<p>For each year of Pensionable Service before July 1, 2007: 1.3% of your Average Pensionable Salary up to the Average YMPE, plus 2.0% of the excess of your Average Pensionable Salary over the Average YMPE.</p> <p>For each year of Pensionable Service from July 1, 2007 to June 30, 2013: 1.0% of your Average Pensionable Salary up to the Average YMPE, plus 1.7% of the excess of your Average Pensionable Salary over the Average YMPE.</p> <p>Your Average Pensionable Salary and the Average YMPE are calculated as at July 1, 2013, and certain maximums apply.</p>
ACCRUED AFTER CONVERSION	<p>For each year of Pensionable Service on or after July 1, 2013: 1.1% of your Pensionable Salary up to the YMPE, plus 1.8% of the excess of your Pensionable Salary over the YMPE for each year, and certain maximums apply.</p>

Indexation of pension benefits before and after retirement

PROGRESS THROUGH THE RANKS (PTR) ADJUSTMENTS	Your Average Pensionable Salary at Conversion and your annual Pensionable Salary used to calculate your pension will be adjusted every year by the Indexed PTR Adjustment, if you received a PTR Adjustment in that year (subject to a certain salary maximum). The Indexed PTR Adjustment is also subject to conditional indexing every year as determined by the Board of Trustees, based on the financial position of the Plan and the criteria set in the Funding Policy.
COST OF LIVING ADJUSTMENTS (COLA)	Future increases to accrued pensions of active members (other than those related to PTR Adjustments) and future increases to retirees' pensions and terminated members' deferred pensions will be awarded by the Board of Trustees based on the financial position of the Plan and the criteria set in the Funding Policy and Plan text.

PLAN OVERVIEW



Early retirement

EARLY RETIREMENT DATE

You may retire at any time on or after the date of your 55th birthday, provided you have at least two years of Plan membership.

PENSION ACCRUED BEFORE CONVERSION

Your pension accrued before conversion will not be reduced for early retirement if the sum of your age and years of eligible service (including Pensionable Service before and after the Conversion Date) equals at least 85. If you retire before reaching this sum of 85, your pension will be permanently reduced by the lesser of

- (i) 5/12 of 1% per month (i.e., 5% per year); or
- (ii) an amount determined on an actuarially equivalent basis, for each month that your early retirement date precedes the date you reach age 65.

Bridge Pension: if you retire prior to age 60, you are also eligible for a Bridge Pension payable to age 60, for each year of Pensionable Service before conversion. The amount is equal to 0.7% of your Average Pensionable Salary up to the Average YMPE, subject to the same reduction applicable to your pension accrued before conversion if you do not have 85 points.

PENSION ACCRUED AFTER CONVERSION

Your pension accrued after conversion will be reduced by an amount determined on an actuarially equivalent basis for each month that your early retirement date precedes the date you reach age 65.

Death before retirement

PENSION ACCRUED BEFORE CONVERSION

If you have at least two years of Plan membership, your surviving Spouse is entitled to an annual pension of 60% of your pension accrued before conversion. Should you have no surviving Spouse, but have dependent children, or should your surviving Spouse in receipt of 60% of your pension accrued before conversion die and there remains dependent children, and in either case your dependent children are your designated beneficiaries, such children are entitled to a total annual pension of 60% of your pension accrued before conversion. Should you have no surviving Spouse or dependent children, your designated beneficiary or estate, as applicable, is entitled to the Termination Value of your pension accrued before conversion.

PENSION ACCRUED AFTER CONVERSION

Your surviving Spouse, or your designated beneficiary(ies) if you do not have a surviving Spouse, is entitled to the Termination Value of your pension accrued after conversion.

PLAN OVERVIEW



Death after retirement

If you have a Spouse at the time of retirement, such Spouse is entitled to receive 60% of your annual pension for their lifetime. If your Spouse predeceases you or if you did not have a Spouse at the time of retirement, but you have a Spouse at the time of your death, such Spouse is entitled to receive 60% of your annual pension for their lifetime, provided that when they became a Spouse, your life expectancy was greater than one year.

If you do not have a Spouse at the time of death, but have dependent children who are your designated beneficiaries, such dependent children are entitled to receive a pension equal to a survivor Spouse's pension, paid in equal shares.

If you do not have a Spouse or dependent children at the time of death, a lump sum benefit equal to the amount, if any, by which your own contributions plus interest exceeds the total pension payments made to you. Such benefit is payable to your designated beneficiary or your estate, as applicable.

Termination of employment

LESS THAN TWO YEARS OF PLAN MEMBERSHIP

You are entitled to a refund of your own member contributions with interest.

AT LEAST TWO YEARS OF PLAN MEMBERSHIP

If you are not entitled to immediately start your pension, you have the option of:

- leaving your pension in the Plan and starting to receive it when you reach the age of 65 or as early as 10 years before that date with a permanent reduction; or
- transferring the Termination Value of your pension to another registered pension plan, a prescribed retirement savings arrangement, or to an insurance company to purchase a deferred life annuity.

The Termination Value will never be less than your own member contributions with interest.

PLAN STRUCTURE AND ADMINISTRATION



Pension plan structure

The Association of University of New Brunswick Teachers (AUNBT) and the University of New Brunswick (University or UNB) (the Parties) agreed to the conversion of the Plan to a shared risk plan. The official Conversion Date is July 1, 2013. The conversion was carried out in accordance with the New Brunswick *Pension Benefits Act*.

A shared risk plan is designed to provide pension benefits with a high level of security without the ultimate guarantee that benefits will not be reduced in the future. All benefits for all members may be reduced but only when it is required under the Funding Policy. If benefits are ever reduced, the reduction must be reversed if/when the Plan's funding position improves and meets the criteria defined in the Funding Policy. Under regulatory requirements, a shared risk plan must implement a risk management approach to ensure the security of benefits.

Administration of the Plan

A Board of Trustees is responsible for the administration of the Plan. The Board of Trustees consists of 10 individuals:

- five trustees appointed by the AUNBT, and
- five trustees appointed by UNB.

The Board of Trustees is responsible for administering the Plan in accordance with the Federal *Income Tax Act*, the New Brunswick *Pension Benefits Act*, the official Plan text and the Funding Policy. Among their main responsibilities, the most important are to act in the best interest of all Plan members and to carefully manage risk.

The day-to-day administration is conducted by the People & Culture Department of UNB.

Risk management

The primary risk management goal is to achieve a high degree of certainty that base benefits can be paid without reduction in the vast majority of potential future economic scenarios.

More specifically, the regulations require that the Plan be designed and managed such that there is a 97.5% probability that base benefits will not be reduced over the 20-year period following an actuarial valuation. Actuarial valuations are performed each year. Should the Plan fail to meet the 97.5% threshold in any year, future cost-of-living adjustments (COLA) will be suspended until such time as the Plan meets the threshold. Furthermore, should the financial position deteriorate below certain levels identified in the Funding Policy, other adjustments may be required such as increases in contributions, or as a last resort, reductions in benefits.

Other risk management goals under the shared risk plan regulations require that the Plan be designed such that, on average, active members can be expected to receive at least 75% of the increase in the Consumer Price Index (CPI) on their accrued pensions before retirement over the 20 years following an actuarial valuation. The 75% threshold must be met when major changes are made.

Future indexing on retirees' pensions is also conditional. The shared risk plan regulations, however, require that the Plan be expected to provide, on average over the following 20 years, at least 75% of the amount of cost-of-living increases that the automatic formula that existed prior to conversion would have provided.

PLAN STRUCTURE AND ADMINISTRATION



Funding Policy

The Funding Policy is a key governing document. It sets the funding objectives and the conditions under which conditional indexing before and after retirement can be granted, whether contributions must be increased, decreased or maintained, and, if necessary, when benefits must be reduced.

The Funding Policy is established by the Parties. The Funding Policy defines, among other things:

- how risks need to be managed to meet or exceed the minimum security of benefits set out in legislation;
- the rules for determining the level of contributions and the circumstances under which contributions may be increased, decreased or maintained;
- the level of COLA that may be granted depending on risk management goals, the financial position of the Plan and limits under the *Income Tax Act*;
- any other actions that may be required or considered by the Board of Trustees depending on the financial position of the Plan; and
- the actuarial assumptions used to calculate the funded position of the Plan and the process for their review.

You can consult the Funding Policy on the Plan website at

<https://www.unb.ca/hr/pension/index.html>.

Integration with the Canada Pension Plan (CPP)

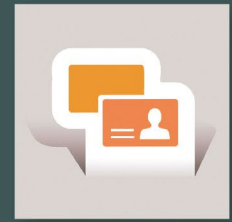
The Plan is somewhat integrated with the Canada Pension Plan (CPP). You will notice the integration in the two-tier nature of both the contribution formula and the pension formula, as follows:

- You contribute less on the portion of your salary up to the Year's Maximum Pensionable Earnings (YMPE). The reason for this lower contribution is because you are also contributing to the CPP on that same portion of your salary (the contribution formula is on page 11).
- Your pension formula is lower on the portion of your salary that is below the YMPE, because you contribute less on that portion of salary and will receive a pension from the CPP on that portion of your salary (the pension formula is on page 12).

In addition, if you retire before age 60, the Plan will pay a Bridge Pension for the period until the age of 60, when you are eligible to commence receiving your CPP benefits (more details on the Bridge Pension on page 14). The Bridge Pension is calculated only on your service up to June 30, 2013.

You will find a brief description of the CPP on page 15.

MEMBERSHIP



Plan membership



Joining the Plan is mandatory.

You automatically join the Plan on the date on which you become a full-time academic employee.

As a part-time academic employee, you are required to join the Plan on the date of completion of 24 consecutive months of employment if you had a Pensionable Salary at least equal to 35% of the YMPE in each of the two consecutive calendar years immediately before becoming a member.

Once you join the Plan, you must remain a member of the Plan as long as you continue to be an academic employee.

If you re-enter the employment of the University after having previously terminated employment, the period of membership following the date of re-employment will be treated separately from the prior period.

You may be exempted from joining the Plan if you are a member of a religious group which has as one of its articles of faith the belief that members of the group are precluded from being members of a pension plan.

Transfer of benefits

Currently, there is no transfer agreement with the administrators of other pension plans.

CONTRIBUTIONS



Member contributions

As soon as you join the Plan, you must start contributing. Your contributions are based on a percentage of your Pensionable Salary. They are made through tax-deductible payroll deductions and are deposited in the pension fund.

Your contributions are determined as follows:

10.55% OF YOUR PENSIONABLE SALARY UP TO THE YMPE

PLUS

12.25% OF YOUR PENSIONABLE SALARY ABOVE THE YMPE

These rates are subject to change under the Funding Policy.

University contributions

The University contributes the same amount as you do to the pension fund.

Future contributions

In the future, it is possible that contributions would be increased, depending on the financial position of the Plan. In that case, both your contributions and the University contributions would increase by the same amount. Contributions cannot increase by more than 2.25% of Pensionable Salary. It may also be possible to reduce contributions by up to the same amount for both you and the University if/when the Plan achieves certain higher funding levels.

Any change in the contribution rate must be approved by the Board of Trustees. In the event of a deteriorating financial position, increases in contributions up to the maximum permitted will always be triggered before any reduction in base benefits.

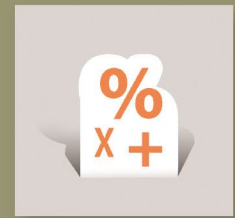
Pension fund management

The pension fund is held in trust. The money in the fund is invested by professional investment managers chosen and closely monitored by the Board of Trustees. As all benefits are paid out of the fund, it is important that the fund has enough money, at all times, to provide for current and future benefits. The Plan actuary, appointed by the Board of Trustees, performs annual actuarial valuations of the Plan.

Interest on contributions

Interest is credited on your contributions at the rate of return for the pension fund, net of expenses.

PENSION BENEFITS



Pension benefits

Your pension benefits are calculated using a pre-determined formula. The amount of your lifetime pension will depend on factors such as:

1. Your age at retirement
2. Your Pensionable Service
3. Both your Average Pensionable Salary at Conversion and your Pensionable Salary after Conversion; and,
4. COLA awarded by the Board of Trustees throughout your career.

Different formulas apply to different periods of service because the pension plan was amended at different dates in the past.

Retirement dates

NORMAL RETIREMENT DATE

Your Normal Retirement Date is June 30th coincident with or next following your 65th birthday.

EARLIEST UNREDUCED RETIREMENT DATE

The earliest date you may retire to receive an unreduced pension is your 65th birthday.

EARLY RETIREMENT DATE

You may retire at any time on or after the date of your 55th birthday, provided that you have completed two years of Plan membership. Your pension may be reduced because it will be paid over a longer period.

POSTPONED RETIREMENT DATE

You must start receiving your pension no later than the latest date allowed by the *Income Tax Act* (currently before the end of the calendar year in which you reach age 71).

Pension calculations

Your lifetime pension payable at your Normal Retirement Date will be calculated as follows:

PENSION ACCRUED BEFORE CONVERSION

For each year of Pensionable Service before July 1, 2007:

1.3% OF YOUR AVERAGE PENSIONABLE SALARY AT CONVERSION UP TO THE AVERAGE YMPE AT CONVERSION

PLUS

2.0% OF THE EXCESS OF YOUR AVERAGE PENSIONABLE SALARY AT CONVERSION OVER THE AVERAGE YMPE AT CONVERSION.

For each year of Pensionable Service from July 1, 2007 to June 30, 2013:

1.0% OF YOUR AVERAGE PENSIONABLE SALARY AT CONVERSION UP TO THE AVERAGE YMPE AT CONVERSION

PLUS

1.7% OF THE EXCESS OF YOUR AVERAGE PENSIONABLE SALARY AT CONVERSION OVER THE AVERAGE YMPE AT CONVERSION.

PENSION ACCRUED AFTER CONVERSION

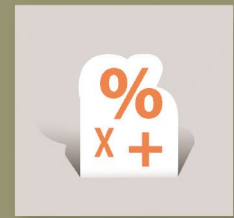
For each year of Pensionable Service on or after July 1, 2013:

1.1% OF YOUR PENSIONABLE SALARY UP TO THE YMPE

PLUS

1.8% OF THE EXCESS OF YOUR PENSIONABLE SALARY OVER THE YMPE.

PENSION BENEFITS



THE KEY ELEMENTS OF THESE FORMULAS ARE:

- Your **Pensionable Service** is basically the number of years you were employed and made contributions. Your service is prorated for any period during which you worked less than full-time. Under certain conditions, Pensionable Service may also include periods during which you were not actively at work such as disability periods and certain other types of leaves of absence.
- Your **Pensionable Salary** means your normal salary, including administrative stipends. Certain rules apply to the calculation of your Pensionable Salary during periods of absence. For each year that you earn a salary after conversion, your Pensionable Salary may be indexed. Indexation is applied from that year until your date of termination of employment, using PTR Adjustments and COLA, when applicable.
- Your **Average Pensionable Salary at Conversion** is your highest average annual Pensionable Salary over any 60 consecutive months of service up to June 30, 2013. Your Average Pensionable Salary may be indexed from July 1, 2013 to your date of termination of employment using PTR Adjustments and COLA, when applicable. Certain maximums may apply to salary levels.
- The **Average YMPE at Conversion** used in the calculation of your pension for service up to June 30, 2013 is the average of the YMPE for 2013, 2012 and 2011 (\$49,833.33). Indexation is applied from that year until your date of termination of employment using COLA, when applicable.
- The **YMPE** in respect of a given year is also adjusted, when applicable, to reflect any indexation applied from that year until your date of termination of employment using COLA.

Indexation during employment

Your Average Pensionable Salary at Conversion and your Pensionable Salary earned each year on and after July 1, 2013 may be indexed in accordance with the Funding Policy during your active membership.

As mentioned above, the two different mechanisms used to index your salaries are PTR Adjustments and COLA.

PROGRESS THROUGH THE RANKS (PTR) ADJUSTMENTS

Your Average Pensionable Salary at Conversion may be adjusted in accordance with the Funding Policy every year by the Indexed PTR Adjustment, for every year that you received a PTR Adjustment after conversion (subject to certain salary maximums).

Similarly, your Pensionable Salary for each year after conversion may be adjusted each subsequent year by the Indexed PTR Adjustment in accordance with the Funding Policy for every year that you received a PTR Adjustment (subject to certain salary maximums).

The annual Indexed PTR Adjustment is subject to annual indexing by the COLA determined by the Board of Trustees in accordance with the Funding Policy. The Indexed PTR Adjustment recognized under the Plan cannot exceed the actual PTR Adjustment provided under the collective agreement at any point in time. Should the Indexed PTR Adjustment recognized under the Plan be less than the actual PTR Adjustment under the collective agreement, the Board of Trustees may be allowed to increase it to that level (referred to as a PTR Recapture) subject to the financial position of the Plan and certain criteria set in the Funding Policy.

COST OF LIVING ADJUSTMENTS (COLA)

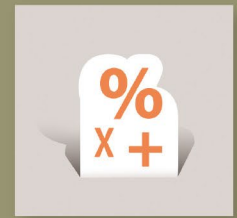
COLA will also be applied to your Average Pensionable Salary at Conversion and Pensionable Salary after July 1, 2013. This will result in increases to your accrued pension while you are an active member. COLA is awarded by the Board of Trustees and is determined annually based on the rules set in the Funding Policy and the Plan text.

Under the Funding Policy, two criteria must be met for COLA to be granted:

- (i) Funding level: COLA may be granted only when the Plan's funding level is greater than 105%, as determined in the last actuarial valuation; and
- (ii) Risk management goal: the Plan must still meet a risk management goal after COLA is granted. This goal is defined as the probability of at least 95% that benefits will not need to be reduced in any of the next 20 years.

If the two criteria are met, a portion of the funding excess may be spent to provide COLA.

PENSION BENEFITS



Early retirement

PENSION ACCRUED BEFORE CONVERSION

For your pension accrued before conversion, no adjustment for early retirement will be applied if you retire when you have at least 85 “points”, i.e., the sum of your age and the total years of Pensionable Service before and after conversion is greater than or equal to 85.

For the purpose of meeting the 85 points, Pensionable Service also includes your service under the former *Public Service Superannuation Act* (now the New Brunswick Public Service Pension Plan) prior to January 1, 1993.

If you do not have at least 85 points when you retire, the portion of your pension accrued before conversion will be permanently reduced by the lesser of:

- (i) 5/12 of 1% per month (i.e., 5% per year); or
- (ii) an amount determined on an actuarially equivalent basis,

for each month that your early retirement date precedes the date you reach age 65.

If you retire prior to age 60, you are also eligible for a Bridge Pension payable to age 60, for each year of Pensionable Service before conversion. Your Bridge Pension will be equal to 0.7% of your Average Pensionable Salary at Conversion up to the Average YMPE at Conversion, and subject to the above early retirement reduction if you do not have 85 points.

Indexation is applied from conversion date until your date of termination of employment using COLA, when applicable.

PENSION ACCRUED AFTER CONVERSION

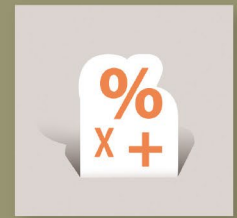
If you retire before you reach age 65, your pension accrued after conversion will be reduced by an amount determined on an actuarially equivalent basis for each month that your early retirement date precedes the date you reach age 65. This actuarial reduction takes into consideration the fact that your pension will be paid over a longer period. The reduction is calculated using actuarial tables recommended by the actuary and approved by the Board of Trustees, and in accordance with legal requirements.

For example, if you retire at age 58 with 27 years of service, your pension accrued before conversion will not be reduced because you have attained the 85 points. However, your pension accrued after conversion will be actuarially reduced to account for the fact that it is paid seven years earlier than you reaching age 65. You would also be eligible for a Bridge Pension payable until age 60 for your years of service before conversion.

Postponed retirement

If you remain in the employment of the University after your Normal Retirement Date, you will continue to accrue Pensionable Service and must continue to make the required contributions. The calculation of your pension will consider your Pensionable Service accrued after your Normal Retirement Date, and your pension will start to be paid to you immediately following your termination of employment with the University. If you are still employed with the University on November 30th of the calendar year in which you reach age 71, your Pensionable Service and contributions will cease at that time, and your pension will start to be paid to you in December of that year whether or not you terminate your employment with the University.

PENSION BENEFITS



Indexation during retirement (and deferral of pension)

The deferred pension of terminated members, and the pension of retirees and survivors may also be indexed with COLA in accordance with the Funding Policy and the Plan text. To the extent that COLA can be provided (see conditions on page 13), the amount is subject to the following rules:

PENSION ACCRUED BEFORE JULY 1, 2003

Increase in the CPI, subject to a maximum of 6%

PENSION ACCRUED FROM JULY 1, 2003 TO JUNE 30, 2004

Increase in the CPI, subject to a maximum of 4.5%

PENSION ACCRUED AFTER JUNE 30, 2004

Increase in the CPI, subject to a maximum increase of 0.5%, plus the lesser of:

- the excess, if any, of the 3-year average annual investment return of the pension fund over 7.75%;
and
- the excess, if any, of the 3-year average annual increase in CPI over 0.5% (if the CPI for the current year is lower than 0.5%, then the current year CPI is used instead of 0.5%)

Government plans

You will likely be eligible for retirement benefits from the Canada Pension Plan (CPP) and Old Age Security (OAS).

The **Canada Pension Plan** provides benefits based on your earnings up to the Year's Maximum Pensionable Earnings (YMPE) and your contributions over the years. Payment normally begins at age 65.

You may ask to receive a reduced pension at any time from age 60. For example, at age 60, the amount of pension would be reduced by up to 36%.

Benefits are paid monthly for your lifetime and adjusted yearly to reflect increases in the Consumer Price Index.

The CPP also pays disability and death benefits to eligible individuals.

The **Old Age Security** program provides monthly benefits to anyone who meets the applicable residence requirements. The basic pension is paid to people aged 65 or older for the balance of their lives. This amount is increased by 10% for people aged 75 or older. The pension is paid monthly and is adjusted quarterly to reflect cost of living increases.

If your net retirement income is equal or greater than a certain amount, OAS benefits are reduced. Individuals with low income can receive the Guaranteed Income Supplement.

OAS also pays survivor benefits to eligible people.

For more information on the CPP and OAS, visit the Service Canada website (www.servicecanada.gc.ca).

LIFE EVENTS



Death

DEATH BEFORE RETIREMENT

If you die before retirement and had at least two years of Plan membership, your surviving Spouse is entitled to an annual pension of 60% of your own pension accrued before conversion. Should you have no surviving Spouse, but have dependent children, or should your surviving Spouse in receipt of 60% of your pension accrued before conversion die and there remains dependent children, and in either case your dependent children are your designated beneficiaries, such children are entitled to a total annual pension of 60% of your pension accrued before conversion. Should you have no surviving Spouse or dependent children, your designated beneficiary(ies) or estate is entitled to the Termination Value of your pension accrued before conversion.

For your pension accrued after conversion, your surviving Spouse, or if you do not have a surviving Spouse, your designated beneficiary(ies), is entitled to the Termination Value of your pension as if you had terminated employment on the date of your death.

DEATH AFTER RETIREMENT

Your pension is payable for your lifetime. If you have a Spouse at the time of retirement, such Spouse is entitled to receive, after your death, 60% of your annual pension for their lifetime.

If such Spouse predeceases you or if you did not have a Spouse at the time of retirement, but you now have a Spouse at the time of your death, such more recent Spouse is entitled to receive, after your death, 60% of your annual pension for their lifetime, provided that when they became a Spouse, your life expectancy was greater than one year.

If you do not have a Spouse at the time of death, but have dependent children who are your designated beneficiaries, such dependent children are entitled to receive a pension equal to a survivor Spouse's pension, paid in equal shares.

If you do not have a Spouse or dependent children at the time of death, a lump sum benefit equal to the amount, if any, by which your own contributions plus interest exceeds the total pension payments made to you is payable to your designated beneficiary(ies) or your estate, as applicable.

BENEFICIARY DESIGNATION

You should designate a beneficiary or beneficiaries to receive the benefit available under the Plan in the event of your death. Your Spouse takes precedence over any beneficiary designation and would be entitled to the death benefit unless they have waived their entitlement to such benefit in accordance with applicable legislation.

Your dependent children are not automatically your beneficiaries. In the event of your death and the death of your Spouse (as applicable), it is important to be aware that only your dependent children **who you have designated as beneficiaries** will be eligible to receive a monthly pension until they attain age 18 (or the Board of Trustees may grant a monthly pension to a disabled child for a longer period). However, dependent children are only eligible to receive this monthly pension if you designate them as beneficiaries prior to your death.

If you do not have a Spouse, designating a beneficiary or beneficiaries allows for the direct payment of the death benefit without having to go through your estate. If you do not designate a beneficiary and you do not have a Spouse at the time of your death, the death benefit will be payable to your estate.

LIFE EVENTS



Termination of employment

If you terminate your employment prior to retirement and have less than two years of Plan membership, you are entitled to a refund of your own member contributions with interest.

If you have at least two years of Plan membership, and are not entitled to immediately start your pension, you have the option of:

- leaving your pension in the Plan and starting to collect it when you reach retirement age; or
- transferring the Termination Value of your pension to another registered pension plan, a prescribed retirement savings arrangement, or an insurance company to purchase a deferred life annuity.

Should you decide to leave your pension in the Plan, you can elect to start receiving it as early as 10 years before your 65th birthday, but it will be permanently reduced (see more details on early retirement reductions at page 14).

Cost of living adjustments (COLA) will be applied to deferred pensions for the period from your termination to your retirement date in accordance with the same conditions applicable to pensions in payment (see more details on indexation during deferrals at page 15).

Spousal relationship breakdown

Subject to applicable legislation, and pursuant to a written agreement, decree, order or judgment of a competent tribunal, benefits payable under this Plan may be used to satisfy a division of property on spousal relationship breakdown. The determination of the benefit payable to another person will be made according to applicable legislation and will reduce benefits payable to the Plan member.

Notice of retirement

If you are eligible for retirement under the Plan and want to retire, you must provide notice at least six months in advance. Retirement is normally effective on July 1 or January 1.

Contact the HR Consultant (Benefits & Pensions) in the UNB People & Culture department for more information.

GLOSSARY

HERE IS A MORE DETAILED DEFINITION OF SOME KEY TECHNICAL TERMS.

BRIDGE PENSION

The Bridge Pension is a temporary pension payable up to age 60, in addition to your lifetime pension.

CONVERSION DATE

The official date of conversion of the Plan to a shared risk plan is July 1, 2013.

DEPENDENT CHILD

Your dependent child must be dependent on you for support and be either under 18 years of age or, if 18 years of age or over, must be dependent on you by reason of mental or physical infirmity.

NORMAL RETIREMENT DATE

Your Normal Retirement Date is the June 30th coincident with or next following your 65th birthday.

PENSIONABLE SALARY

Pensionable Salary means the normal salary, including administrative stipends.

Pensionable Salary during periods of absence recognized as Pensionable Service, is as follows:

- a) in the case of disability: the normal salary that you would have been paid (excluding PTR salary adjustments that would have been granted after the start of the disability period) if you had continued working in the position held immediately prior to disability;
- b) in the case of workload reduction: the normal salary that you would have been paid if you had continued working in the position held immediately prior to commencement of the workload reduction;
- c) in the case of leave with full pay: the salary paid, or in the case of leave with partial pay, the normal full-time salary that you would have been paid if you had continued working on a full-time basis in the position held immediately prior to the leave;
- d) in the case of leave without pay: the normal salary that you would have been paid (PTR salary adjustments may be excluded) if you had continued working in the position held immediately prior to the leave.

Pensionable Salary is limited to amounts that may be allowed under applicable legislation.

PENSIONABLE SERVICE

Pensionable Service means periods of employment used to determine the amount of your benefits from the Plan.

It is your service during which you were a member of the Plan, including periods during which you receive disability benefits from the University's long-term disability plan.

Other periods such as a leave of absence with full, partial or no pay or under workload reduction arrangements may be fully or partially recognized as Pensionable Service, as described below.

Workload reduction arrangements

If you are on a temporary workload reduction arrangement, you have the option of either:

- a) making contributions to the Plan based on your Pensionable Salary for the period of the workload reduction, or
- b) allowing contributions to lapse during the period of the workload reduction and paying the required contributions plus credited interest upon return to full-time employment.

If you are on permanent workload reduction arrangement you are required to make regular contributions to the Plan calculated based on your Pensionable Salary for such period.

Leave of absence with full or partial pay

The period during which you are on a leave of absence granted by the University and receive full or partial pay is recognized as Pensionable Service. If you are on a leave of absence with full pay you will be treated as a full-time academic employee during the period of such leave. If you are on a leave of absence with partial pay you will be treated as a full-time academic employee for the period of such leave up to a maximum of five years, and as a part-time academic employee for the period of such leave in excess of five years.

You are required to make contributions to the Plan based on your Pensionable Salary and employment status for the period of the leave of absence.

Leave of absence without pay

The period during which you are on a leave of absence granted by the University and receive no pay may be recognized as Pensionable Service up to a maximum period of two years, if you elect after return to active employment to have such period recognized as Pensionable Service. If you are on such a leave of absence, you will be treated as a full-time academic employee during such period up to a maximum period of two years. Upon such election, you will be required to make contributions based on your Pensionable Salary for the period of the leave of absence, up to a maximum period of two years, plus credited interest.

GLOSSARY

HERE IS A MORE DETAILED DEFINITION OF SOME KEY TECHNICAL TERMS.

SPOUSE

Spouse means a person of the opposite or the same sex, who:

- a) is married to you,
- b) is married to you by a marriage that is voidable and has not been voided by a declaration of nullity,
- c) has gone through a form of marriage with you in good faith that is void and has cohabited with you within the preceding year, or
- d) is not married to you, but has cohabited with you in a conjugal relationship for a continuous period of not less than two years immediately before the relevant time.

If, at the relevant time, one person qualifies under a), b) or c) and another person qualifies under d), the person who qualifies under a), b) or c) is entitled to benefits under the Plan, provided that person is otherwise eligible, unless there is a valid domestic contract between you and such person or a decree, order or judgment of a competent tribunal that bars that person's claim.

You will note that the definition of Spouse includes common law partners under d).

TERMINATION VALUE

The Termination Value is a lump sum amount representing how much a lifetime pension payable in the future is worth today, adjusted to reflect the funded status of the Plan. It is calculated based on many assumptions in accordance with the requirements of the *New Brunswick Pension Benefits Act* and the regulations respecting shared risk plans.

The following main assumptions are currently being used as of July 1, 2021:

Discount rate

4.0% per annum

Retirement age

June 30th following attainment of age 65

Mortality table

2014 Public Sector Canadian Pensioners' Mortality Table adjusted for educational institution experience, and projected generationally.

The Termination Value is adjusted to reflect the most recently determined termination value funded ratio of the Plan at the time a calculation is required. That ratio was 97.5% as at July 1, 2021, in accordance with the actuarial valuation report of the Plan as of the same date. Interest is also credited to Termination Values from the date of determination to the date of payment based on the most recent rate of return on the pension fund.

YMPE

The Year's Maximum Pensionable Earnings or YMPE is the maximum earnings level used to determine employer and employee contributions to the Canada Pension Plan (CPP). The federal government increases this amount every year according to a formula that is based on the increase in wages in Canada.