

Appendix II – Appendices to Volume Supplemental Pension and Retirement Benefit Information

Information on pension plans and retirement allowances

1.1 In this appendix we present information on the Province's significant pension plans and retirement allowances. This information is meant to supplement information available in Volume I – Public Accounts for the year ended March 31, 2019, as published by the Department of Finance and Treasury Board.

Exhibit A2.1 - Pension Plan Definitions and Abbreviations

Pension Plan Definitions and Abbreviations

Pension Plan Name Abbreviation	Pension Plan Name	Pension Obligations and Assets Noted in the Appendix are Measured as at
NBPSPP	New Brunswick Public Service Pension Plan	March 31
NBTPP	New Brunswick Teachers' Pension Plan	March 31
H-CUPE	Shared Risk Plan for Canadian Union of Public Employees of NB Hospitals	December 31
H-CBE	Shared Risk Plan for Certain Bargaining Employees of NB Hospitals	December 31
NH-N&P	Pension Plan for Nursing and Paramedical Employees of New Brunswick Nursing Homes	March 31
NH-G&S	Pension Plan for General and Service Employees of New Brunswick Nursing Homes	March 31
NH-Mgmt	Pension Plan for Management Employees of New Brunswick Nursing Homes	March 31
Judges*	Provincial Court Act and Provincial Court Judges' Pension Act	March 31
Members*	Members' Superannuation Act and Members' Pension Act	March 31
Sch-Mgmt*	Pension Plan for Management Employees of New Brunswick School Districts	December 31
Sch-GLTS*	Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts	December 31
Sch-2745*	Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts	December 31
SERP*	Supplementary Retirement Plan	March 31

Source: Prepared by AGNB

**Assets and/or benefits administered by Vestcor on behalf of the Province*

Exhibit A2.2 - Components of the Pension Balance for Accounting Purposes for Significant Pension Plans

**Components of the Pension Balance for Accounting Purposes
for Significant Pension Plans (\$ millions)**

2019 Fiscal Year														
	NBPSPP	NBTPP	H CUPE	H CBE	NH- N&P	NH- G&S	NH- Mgmt	Judges	Members	Sch- Mgmt	Sch- GLTS	Sch- 2745	SERP	Total
Province's Share (per Public Accounts)	100%	50%	50%	50%	100%	50%	100%	100%	100%	100%	100%	100%	100%	
Plan Assets	8,004.5	3,015.7	448.5	1,080.7	161.2	255.6	100.8	52.0	-	3.5	371.1	88.4	30.4	13,612.4
Accrued Benefit Obligation	7,948.8	2,713.3	602.2	1,170.7	151.3	290.2	93.4	94.8	61.0	22.0	475.5	136.5	326.5	14,086.2
Unamortized Adjustments	(205.5)	(6.9)	(7.3)	(10.5)	2.5	(11.6)	0.2	1.4	(0.9)	-	(52.7)	(24.6)	(28.1)	(344.0)
Valuation Adjustment*	261.2	309.3	-	-	7.4	-	7.2	-	-	-	-	-	-	585.1
Net Benefit Liability	-	-	146.4	79.5	-	23.0	-	44.2	60.1	18.5	51.7	23.5	268.0	714.9

Source: Prepared by AGNB

* The Province has no claim or legal right to these pension plan assets or surpluses. A valuation allowance is applied to remove any remaining assets for these plans. This accounting treatment is consistent with treatment in 2016, 2017 and 2018, as well as with Public Sector Accounting Standards.

Exhibit A2.3 - Components of the Pension Balance for Accounting Purposes for Significant Pension Plans

**Components of the Pension Balance
for Accounting Purposes (\$ billions)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019
Estimated accrued benefit obligations	8.6	8.9	9.3	10.1	12.3	12.1	12.6	13.1	13.5	14.1
Value of plan assets	7.7	8.4	8.7	9.3	11.5	11.7	11.7	12.5	13.0	13.6
Pension position before accounting adjustments	0.9	0.5	0.6	0.8	0.8	0.4	0.9	0.6	0.5	0.5
Accounting adjustments	(1.1)	(0.7)	(0.9)	(1.0)	(0.8)	0.2	(0.3)	0.1	0.2	0.2
Pension balance for accounting purposes	(0.2)	(0.2)	(0.3)	(0.2)	0.0	0.6	0.6	0.7	0.7	0.7

Source: Prepared by AGNB

*As restated

Note: 2014 numbers present audited financial statement figures with no restatements.

Exhibit A2.4 - Pension Plan Contributions and Benefit Payments – Public Service Plan

**Pension Contributions and Benefit Payments -
Public Service Plan (\$ millions)**

Fiscal Year	Benefit Payments	Employee Contributions	Province Contributions ¹			Total Employee and Province Contributions	Ratio of Province to Employee Contributions
			Normal	Special Payments	Total Province Contributions		
2010	176.2	69.6	92.8	61.0	153.8	223.4	2.21
2011	193.4	71.2	84.3	63.2	147.5	218.7	2.07
2012	207.9	71.5	89.4	64.9	154.3	225.8	2.16
2013	227.8	70.9	92.1	67.9	160.0	230.9	2.26
2014	264.5	73.1	102.1	0.0	102.1	175.2	1.40
2015*	335.8	101.2	142.1	0.0	142.1	243.3	1.40
2016	350.7	93.4	138.0	0.0	138.0	231.4	1.48
2017	369.3	95.8	144.5	0.0	144.5	240.3	1.51
2018	381.8	97.3	147.7	0.0	147.7	245.0	1.52
2019	395.1	101.1	149.4	0.0	149.4	250.5	1.48
Total	2,902.5	845.1	1,182.4	257.0	1,439.4	2,284.5	1.70

Source: Prepared by AGNB

¹ Public Service Plan Province contributions include contributions from the Province, Crown Corporations and other participants.

*Contributions to the plan increased after the plan converted to a target benefit plan in 2014. This increase was also as a result of NB Power contributions now being included after conversion. Numbers prior to January 1, 2014 have not been updated for the impact of NB Power.

Exhibit A2.5 - Pension Plan Contributions and Benefit Payments – Teachers' Plan

**Pension Plan Contributions and Benefit Payments –
Teachers' Plan (\$ millions)**

Fiscal Year	Benefit Payments	Employee Contributions	Province Contributions			Total Employee and Province Contributions	Ratio of Province to Employee Contributions
			Normal	Special Payments	Total Province Contributions		
2010	240.8	45.9	41.9	88.6	130.5	176.4	2.84
2011	247.2	47.3	45.1	91.9	137.0	184.3	2.90
2012	253.7	47.8	46.4	94.4	140.8	188.6	2.95
2013	263.6	47.9	46.1	98.6	144.7	192.6	3.02
2014	269.3	47.7	46.5	0.0	46.5	94.2	0.97
2015	272.7	56.0	63.8	0.0	63.8	119.8	1.14
2016	273.0	59.2	71.7	0.0	71.7	130.9	1.21
2017	284.2	63.9	72.1	0.0	72.1	136.0	1.13
2018	288.8	63.6	73.6	0.0	73.6	137.2	1.16
2019	294.2	65.8	75.4	0.0	75.4	141.2	1.15
Total	2,687.5	545.1	582.6	373.5	956.1	1,501.2	1.75

Source: Prepared by AGNB

Exhibit A2.6 - Summary of Pension Plan Contributions Rates – Public Service Plan and Teachers’ Plan

**Summary of Pension Plan Contribution Rates –
Public Service Plan and Teachers’ Plan**

Plan	Dates In Effect	Employee Rates (Below and Above YMPE)*	Province Rates (Below and Above YMPE)*
Public Service Plan	April 1, 2014 to December 31, 2018	7.5% and 10.7%	12.5% and 12.5% (includes temporary contribution of 1.25%)
	January 1, 2019 to December 31, 2023	7.5% and 10.7%	12.0% and 12.0%
	January 1, 2024 to December 31, 2028	7.5% and 10.7%	11.25% and 11.25%
	January 1, 2029	Effective January 1, 2029, Province and employee contribution rates will be re-determined and will become equal.	
Teachers’ Plan	July 1, 2017 to June 30, 2018	10.0% and 11.7%	11.5% and 13.2%
	July 1, 2018 to June 30, 2019	10.0% and 11.7%	11.5% and 13.2%
	July 1, 2019 to June 30, 2024	10.0% and 11.7%	10.75% and 12.45%
	July 1, 2024 to June 30, 2029	10.0% and 11.7%	10.0% and 11.7%
	July 1, 2029	9.25% and 10.95%	9.25% and 10.95%

Source: Prepared by AGNB

*YMPE = Year’s Maximum Pensionable Earnings (Canada Revenue Agency maximum amount of earnings on which contributions to the Canada Pension Plan are based).

Exhibit A2.7 - Summary of Pension Plan Elements – Public Service Plan and Teachers' Plan

Summary of Pension Plan Elements – Public Service Plan and Teachers' Plan

Scenario	Public Service Plan	Teachers' Plan
Current Employee Contribution Rates	7.5% up to YMPE* 10.7% above YPME*	10.0% up to YMPE* 11.7% above YPME*
Current Province Contribution Rates	12% (includes temporary contribution of 0.75%)	11.5% up to YMPE* 13.2% above YPME*
Current Elements (After Plan Conversion)		
Retirement Age (No Penalty/Reduction)	Age 65	35 years of pensionable service or Age + service index equal to at least 91 or Age 62 with 20 or more years of pensionable service or Age 65 with less than 20 years of pensionable service
Earliest Retirement Age (with Penalty/ Reduction)	Age 55	Age + service index equal to at least 84 or Age 55
Reduction Factor	5% per year	2.5% or 5.0% Depending on combinations of age and years of pensionable service
Pension Calculation	Enhanced career average of salary	Enhanced career average of salary
Plan Elements Before Conversion		
Date of Conversion	January 1, 2014	July 1, 2014
Retirement Age (No Penalty/Reduction)	Age 60	35 years of pensionable service or Age + service index equal to at least 87 or Age 60 with 20 or more years of pensionable service or Age 65 with less than 20 years of pensionable service
Earliest Retirement Age (with Penalty/ Reduction)	Age 55	Age + service index equal to at least 80 or Age 55
Reduction factor	3% per year	2.5% or 5.0% Depending on combinations+ of age and years of pensionable service
Pension Calculation	Average of best 5 years of salary	Average of best 5 years of salary
Plan Membership (2019)		
Participants	18,010 active contributors and 16,099 pensioners	9,852 active contributors and 9,357 pensioners

Source: Prepared by AGNB

**YMPE = Year's Maximum Pensionable Earnings (Canada Revenue Agency maximum amount of earnings on which contributions to the Canada Pension Plan are based).*

Exhibit A2.8 - Components of Pension Expense For All Pension Plans

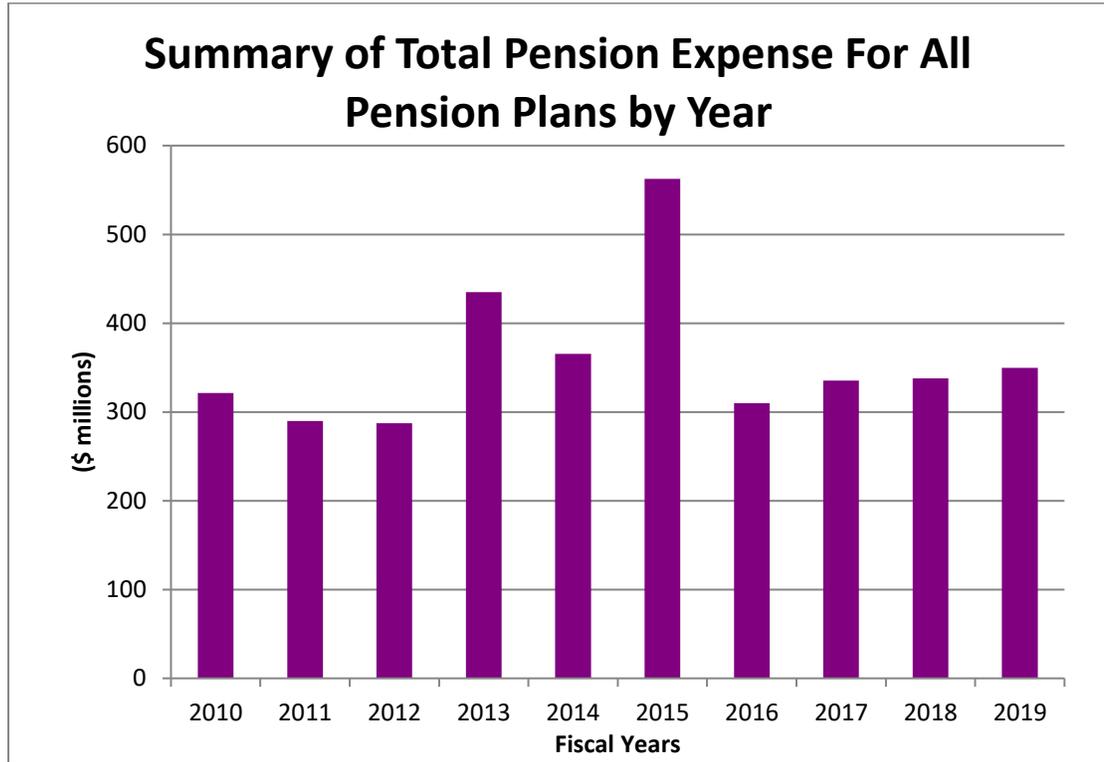
**Components of Pension Expense For
All Pension Plans (\$ millions)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019
Province’s share of pension benefits earned	131.6	137.4	148.9	177.4	196.0	161.3	176.6	185.4	204.9	210.8
Net interest expense (revenue)	118.2	52.9	32.0	62.7	70.4	38.2	5.4	38.2	21.8	14.6
Plan amendments	-	-	-	-	(11.2)	(183.2)	-	-	-	-
Adjustments recognized due to plan amendment	-	-	-	-	-	130.9	-	-	-	-
Amortization of adjustments	87.1	99.7	106.5	194.9	132.1	53.4	60.3	52.8	41.8	96.0
Change in valuation adjustment	(15.5)	-	-	-	-	247.0	67.5	59.1	69.2	28.3
Plan settlements (recorded in year as a result of conversion to new pension plan structure)	-	-	-	-	(21.9)	115.0	-	-	-	-
Total Pension Expense	321.4	290.0	287.4	435.0	365.4	562.6	309.8	335.5	337.7	349.7

Source: Prepared by AGNB

*As restated

Exhibit A2.9 - Summary of Total Pension Expense for All Pension Plans by Year



Source: Prepared by AGNB. Refer to Appendix II – Exhibit A2.8 for detailed information.

2013 and 2015 pension expenses

1.2 Items to note from Exhibit A2.9:

- the pension expense for fiscal year 2013 increased primarily from a change in actuarial assumptions for mortality rates; and
- the pension expense for fiscal year 2015 included a one-time plan settlement expense of \$115 million resulting from the Teachers' Plan converting to a target benefit plan.

Exhibit A2.10 - Summary of Pension Plan Expense for Significant Pension Plans

Summary of Pension Plan Expense for Significant Pension Plans (\$ millions)

Fiscal Year 2019														
	NBPSPP	NBTPP	H CUPE	H CBE	NH- N&P	NH- G&S	NH- MGMT	Judges	Members	Sch- Mgmt	Sch- GLTS	Sch- 2745	SERP	Total
Provinces' Share of Benefits Earned	43.3	57.5	24.7	40.5	4.9	12.5	2.5	3.6	-	-	8.2	2.7	7.9	208.3
Net Interest	(0.8)	(15.0)	6.9	3.4	(0.5)	1.7	(0.4)	1.2	1.9	0.8	3.3	1.9	10.2	14.6
Amortization of Adjustments	71.5	0.5	0.9	0.9	(0.2)	0.9	(0.2)	-	(0.1)	2.6	11.7	4.5	3.0	96.0
Change in Valuation Adjustment	(6.5)	32.4	-	-	1.6	-	0.8	-	-	-	-	-	-	28.3
Total Pension Expense	107.5	75.4	32.5	44.8	5.8	15.1	2.7	4.8	1.8	3.4	23.2	9.1	21.1	347.2

Source: Prepared by AGNB. See Appendix II – Exhibit A2.1 for plan name abbreviations.

Exhibit A2.11 - Summary of Pension Expense and Contributions

Summary of Pension Expense and Contributions (\$ millions)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019
Pension expense	321.4	290.0	287.4	435.0	365.4	562.6	309.8	335.5	337.7	349.7
Province contributions **	307.8	313.3	327.0	350.8	216.5	260.9	257.2	259.7	281.2	273.8
Excess (deficiency) of Province contributions over pension expense	(13.6)	23.3	39.6	(84.2)	(148.9)	(301.7)	(52.6)	(75.8)	(56.5)	(75.9)

Source: Prepared by AGNB using information provided by the Province. Numbers prior to January 1, 2014 have not been updated for the impact of NB Power.

**As restated*

*** For plans accounted for as joint-defined benefit, only half of the total employer contributions are presented*

Exhibit A2.12 - Summary of Groups Earning Retirement Allowances (Unaudited)

Summary of Groups Earning Retirement Allowances (Unaudited)

Group	Number of Employees	Date of Mandatory Discontinuance of Retirement Allowance
Hospital Support Workers (CUPE 1252)	9,335	N/A
Teachers	7,544	N/A
Nurses	6,000	Voluntary discontinuance*
Educational Assistants (CUPE 2745)	2,550	N/A
School Bus Drivers and Custodians (CUPE 1253)	1,700	N/A
Highway Workers (CUPE 1190)	1,500	N/A
Social Workers (CUPE 1418)	1,100	N/A
Nurse Managers and Supervisors	202	Voluntary discontinuance*
Court Stenographers (CUPE 1840)	70	N/A
Specialized Health Care Professionals (NBU)	2,400	March 31, 2019
Medical Science Professionals (NBU)	1,600	March 31, 2019
Instructional (NBU)	29	June 30, 2020
<i>Correctional Officers (CUPE 1251)</i>	<i>707</i>	<i>Currently under negotiation</i>
Total	34,737	

Source: Prepared by AGNB using information provided by the Province.

* Employees with a voluntary discontinuance will continue to earn retirement allowance unless they choose to discontinue and receive a payment.

Exhibit A2.13 - Summary of Groups No Longer Earning Retirement Allowance Credits (Unaudited)

Summary of Groups Earning No Longer Retirement Allowance Credits (Unaudited)

Group	Number of Employees	Date of Mandatory Discontinuance of Retirement Allowance
Non – Bargaining	4,389	March 31, 2013
Administrative Services (NBU)	1,550	March 31, 2016
Professional Support in Schools (NBU)	190	March 31, 2016
Non-Instructional (NBU)	30	March 31, 2016
Engineers, Vets and Agriculturists (PIPSC)	260	March 31, 2016
Highway Supervisors (NBU)	75	March 31, 2016
Engineering and Field (NBU)	332	March 31, 2016
ITCO (NBU)	17	December 31, 2016
Tech Inspection, Lab and Medical (NBU)	238	March 31, 2016
Crown Counsel (PIPSC)	49	June 30, 2016
School Business Officials (PSAC)	252	March 31, 2016 (discontinued before unionization)
Resource Services (NBU)	250	April 15, 2018
Crown Prosecutors (PIPSC)	60	September 30, 2018
Total	7,692	

Source: Prepared by AGNB using information provided by the Province

Exhibit A2.14 - Summary of Retirement Allowance Payments and Net Benefit Liability

Summary of Retirement Allowance Payments and Net Benefit Liability (\$ millions)

Year	Payments	Net Benefit Liability
2014	108.9	397.0
2015	40.2	451.4
2016	52.9	468.8
2017	110.5	407.6
2018	47.8	407.5
2019	46.2	410.3
Total	406.5	n/a

Source: Prepared by AGNB