



Member Matters

CITY OF FREDERICTON SHARED RISK PLAN MEMBER NEWSLETTER



The Board of Trustees is delighted to present the second issue of *Member Matters* – a newsletter published exclusively for members of the City of Fredericton Shared Risk Pension Plan (“Plan”).

Member Matters covers useful and important information to help you better understand how the Plan works and what you can do to prepare for a financially healthy retirement – *because members matter.*

Your Board of Trustees

The Trustees are responsible for overseeing the Plan. They operate independently from the City and CUPE locals but maintain open and ongoing communication with them to ensure your concerns are addressed. We recently appointed a new Chair and Vice-Chair for a 4-year term.

Member matters are the Trustees’ matters

Trustees appointed by the CUPE locals (3864, 1709, 1783 and 508)



Trustees appointed by the City (one of whom must be a retiree)



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HOW WELL DO YOU KNOW THE PLAN?

Myth: I will not get back the money I have contributed to the pension fund.

Fact: Your pension benefit is based on your years of service, how much you earn and when you joined the Plan. Your employer matches every dollar you contribute **plus** an additional 5% until 2028 to improve the financial health of the Plan. That means you contribute no more than half of what is invested in your pension benefit.

The value of your pension benefit is greater than the contributions you pay into the Plan!

See page 2 for more!

Do you have a question or topic you’d like us to cover in a future issue?

Let us know! Scan the QR code or visit surveymonkey.com/r/SRPnewsletter



How well do you know the Plan? (Continued from page 1)

Myth: I will not get back the money I have contributed to the pension fund.

Fact: Your pension benefit grows with each year you work, salary increases and cost of living adjustments in years where the Plan can afford it.

Good to know! Your contributions are automatically deducted from your paycheck and invested in the pension fund. If you are a regular employee, you contribute 9% of your earnings. For eligible Police and Fire management employees, you contribute 12% of your earnings.

Myth: If I go on leave, I will lose my pension contributions and earnings for that period of service.

Fact: If you go on an eligible leave, such as maternity leave or parental leave, you will have 12 months from the date you return to work to purchase that period of service. The cost to purchase a period of eligible service is based on the actuarial cost of the benefit being purchased. Members wishing to purchase service must pay the entire actuarial cost. The Plan will cover the cost of calculating and processing the purchase.

Review the Purchase of Service policy for more information on the Plan website: frederictonsrp.org

Examples

Tom became a member of the Plan **prior to March 31, 2013**

Tom is entitled to a *pre-conversion pension* and a *post-conversion pension*.

Pre-conversion pension is calculated as:

Tom's years of service up to March 31, 2013
x (1.3% x \$5,000 + 2% x (BAE* - \$5,000))

*BAE: Best average earnings at the conversion date (March 31, 2013)

Note: If Tom retires before age 65, he will also receive an annual supplemental pension from his retirement date to age 65. The annual supplemental pension is calculated as: \$35 x years of service up to March 31, 2013

Post-conversion pension is calculated as:

1.8% of Tom's pensionable earnings earned after March 31, 2013

Both pre-conversion and post-conversion pensions are indexed (both pre- and post-retirement) each time the Plan awards a cost of living adjustment.



Lucy became a member of the Plan **after March 31, 2013**

Lucy is entitled to a *post-conversion pension*.

Post-conversion pension is calculated as:

1.8% of Lucy's pensionable earnings

Her post-conversion pension is indexed (both pre- and post-retirement) each time the Plan awards a cost of living adjustment.

Myth: If I pass away before my spouse or common-law partner during retirement, my pension payments will stop.

Fact: If you had a legal spouse or common-law partner on the first day of retirement, and you elected a joint and survivor pension option, that individual will continue to receive funds from your pension benefit if you pass away. The pension benefit is paid for the full lifetime of you and your spouse or common-law partner; however, the percentage of your pension benefit your spouse or common-law partner receives after you pass away depends on the pension option you chose at retirement.

To get information on the option you selected, please contact the pension administrator, LifeWorks (formerly Morneau Shepell), at 1-855-201-7830.

Annual pension statements



Active Plan members: How to read your Annual Pension Statement in September

In September, you will receive your Annual Pension Statement, which includes important details about your pension benefit. To help you have a more complete understanding, we have explained some of the most important parts of your statement below.

If you have any questions, please contact the pension administrator, LifeWorks (formerly Morneau Shepell), at 1-855-201-7830.

1 Personal information

Please review this section carefully and contact the pension administrator if something is incorrect.

2 Employee contributions

The total contributions you have contributed to the Plan with interest as of the statement date.

These funds do not include employer contributions.

3 Credited service

Your total credited service in the Plan as of the statement date. If you have service prior to April 1, 2013, it is used to calculate your earliest unreduced retirement date for your pre-conversion pension. Your earliest unreduced retirement date for pension earned after March 31, 2013 is based on your age, not your service.

4 Your accumulated pension

The yearly pension you can expect to receive at your normal retirement date (age 65) for the rest of your life based on your current service. This amount grows the longer you work for your employer.

5 Retirement dates

Your normal retirement date, as well as the dates when you are eligible to retire with a reduced and unreduced pension.

6 Death benefit

If you die before you retire, your spouse or beneficiary will receive the full value of your pension. They can choose to have it paid as a monthly pension or a lump sum (subject to certain restrictions).

7 Spouse/common-law partner and beneficiary

Please review this section carefully and contact the information line if something is incorrect, if your marital status has changed or if you would like to update your beneficiary. Please note, if you have an eligible spouse or common-law partner at the time of death, he or she is entitled to a death benefit by law.

The spouse/common-law partner entitled to your post-retirement death benefit must be the person named at your retirement.

8 Additional information

Additional information about your Plan, including the administrator's contact information. The administrator is responsible for transactions related to your pension, including managing your information and making pension payments to you when you retire. **Please note:** You are responsible for providing the administrator with the most up to date information (e.g., correcting address, beneficiaries).

City of Fredericton Shared Risk Plan
Statement for the period from January 1, 2020 to January 1, 2021

1 **Sample Member**
123 Street
Fredericton, New Brunswick
E1E 1E1

Date of Birth: January 1, 1970
Date of Employment: January 1, 2008
Date of Membership: January 1, 2008

2 **Your Current Benefit Estimates as at January 1, 2021**

Employee Contributions

Contributions with interest to January 1, 2020	\$77,000.00
Contributions made in 2020	\$6,000.00
Interest credited in 2020	\$4,000.00
Total as at January 1, 2021	\$87,000.00

Your contributions are locked-in by law. On termination of employment, if you are under age 55, you have the right to transfer the termination value of your pension out of the plan to a LIRA (locked-in RRSP).

3 **Credited Service**

	Years
Credited service to January 1, 2020	11.00
Credited service in 2020	1.00
Total as at January 1, 2021	12.00

4 **Normal Retirement Pension (payable from age 65)**

	Per Year
Pre-SRP Conversion accrued pension (for service to March 31, 2013)	\$4,400.00
Post-SRP Conversion accrued pension (for service from April 1, 2013 to December 31, 2020)	\$8,300.00
Total accrued normal retirement pension as at January 1, 2021	\$12,700.00

Your accrued pension is fully vested, which means that if you terminated your employment and plan membership you would retain the right to your base accrued pension, as the applicable laws provide.

5 **Sample Member**

Retirement Dates (Total Pension)

Normal retirement date: January 1, 2035
(Your pension is payable unreduced as of this date)
Earliest retirement date with a reduced pension: January 1, 2025

The earliest date your total pension is payable unreduced is age 65. However, the portion of your pension accrued to March 31, 2013 is payable unreduced when the sum of your age plus credited service equals 90, and you are at least 55 (90 points). As a result, when you retire, you can choose to receive only your pre-conversion pension and defer your post-conversion pension to 65, when it is payable unreduced. Provided below are estimates of your unreduced retirement dates for both pre and post conversion. Please note that service has been projected assuming you work full time 100% for purposes of estimating your Pre-SRP Conversion unreduced retirement date below.

6 **Unreduced Retirement Dates**

Pre-SRP Conversion projected unreduced retirement date:	November 15, 2029
Post-SRP Conversion unreduced retirement date:	January 1, 2035

7 **Death Benefit**

Prior to vesting, your spouse or beneficiary is paid a refund of your contributions with interest. Once vested, the benefit payable to the spouse is a refund of the termination value of the base pension, or an annual pension equal to 60% of the base benefit that you would have received on a non-reduced basis. If you have no surviving spouse but have a dependent child or children, then the pension normally payable to the spouse would be paid equally between the dependent children as long as they are eligible and are specified as your beneficiaries. If you do not have a spouse or dependent children at your death, then your beneficiary would be entitled to the termination value of your base benefit, payable in a lump sum.

8 **Additional Information**

Our records show that your spouse is Sample Spouse and that you have designated Sample Beneficiary as your beneficiary.

Your pension plan is registered in New Brunswick and it is also registered for tax purposes with the federal government under registration number 0348557.

The pension quoted under section "Normal Retirement Pension" is in addition to any benefits to which you may be entitled under the Old Age Security Act and the Canada Pension Plan.

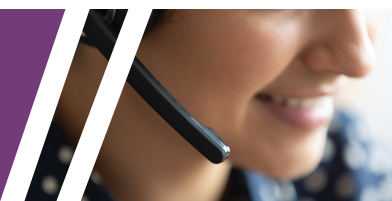
If you have any questions regarding this statement, please contact the City of Fredericton Shared Risk Plan Information line at 1-855-201-7830.

For further information on the status of the plan (such as investment performance, etc.), please see www.frederictonarp.org.

We prepared this statement for your information based solely on data as per our records. Practical considerations limit the details which the statement can provide. However, if you are employed that your rights, which are fully guaranteed by the applicable law, contrary and provisions of the Plan, are not affected in any way by this statement. In the event of any difference, the amounts to which you are entitled under the Plan provisions take precedence over the estimated amounts calculated for the purpose of this statement. Any error about member data brought to our attention, if only to allow for the necessary corrections in future statements.

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Contact information and resources



Visit our website at frederictonsrp.org

It offers a wealth of information and resources including a pension projection tool, your annual pension statements, official documents and links to other sources of information.



Questions?

If you have questions about the Plan and your benefits/statements, please contact LifeWorks (formerly Morneau Shepell):



Phone: 1-855-201-7830
9:00 a.m. and 4:00 p.m. (AT)
Monday through Friday
(excluding statutory holidays)

If you are a retired member or a beneficiary of a retired member and have questions about pension payments, please contact CIBC Mellon:



Phone: 1-800-565-0479
9:30 a.m. and 7:00 p.m. (AT)
Monday through Friday
(excluding statutory holidays)



E-mail: info@frederictonsrp.org



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Suite 300 Knowledge Park
Fredericton, New Brunswick
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