

NBPSPP UPDATE

fall 2026 | vol. 17

active member edition

WHAT YOU'LL FIND INSIDE

2-4
Check-up on the Plan's Health

5
Cost-of-Living Adjustment

Plan Membership

6
Retirement Timeline

7
Annual Information Meeting Recap

8-9
Mid-Year Investment Update

10
Amendments to Governing Documents

NBPSPP Board of Trustees

WHAT YOU NEED TO KNOW...

A quick glance at the information you'll find in your newsletter.

YOUR COST-OF-LIVING ADJUSTMENT

Good news! A cost-of-living adjustment (COLA) will be provided to members of the Plan on January 1, 2027. The amount granted is:

2.33%

More information about this year's cost-of-living adjustment can be found on page 5.

FOUR-YEAR INVESTMENT RETURN

9.95%

More information on the NBPSPP's investments can be found on page 8.

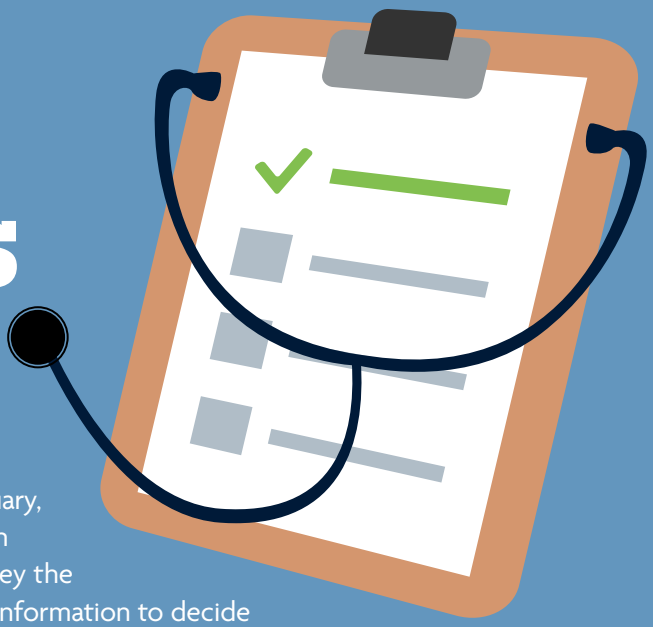
WHAT WERE THE FUNDING RESULTS IN 2025?

TERMINATION VALUE FUNDED RATIO
123.1%

OPEN GROUP FUNDED RATIO
145.1%



CHECK-UP ON THE PLAN'S HEALTH



ACTUARIAL VALUATION

Each year, your Board of Trustees and the Plan's independent actuary, TELUS Health, review the Plan's financial health to make sure it can pay pensions now and in the future. They look at how much money the Plan has in assets and the risks it faces. Your Board then uses this information to decide on potential improvements for members like you. The most notable of these improvements are the cost-of-living adjustments (COLA) which have been provided to members every year.

Risk Management Results

Primary Risk Management Goal	1st Secondary Risk Management Goal	2nd Secondary Risk Management Goal
99.85%	97.8%	99.75%
Met	Met	Met
Achieve 97.5% probability that the base benefits earned by members will not be reduced over the next 20 years.	Expect to provide COLA on the benefits earned by members that is more than 75% of the indexation provided under the former plan over the next 20 years.	Expect to provide at least 75% of the value of ancillary benefits (e.g., bridge benefits) over the next 20 years.

For more information on the NBPSPP's funding level and risk management, see the Actuarial Valuation Report available at nbpspp.ca under "About the NBPSPP", then "Financial Information: Actuarial Valuation Reports".

DISCLAIMER: This newsletter is a publication on behalf of the Board of Trustees of the New Brunswick Public Service Pension Plan. This publication is intended to provide information about the New Brunswick Public Service Pension Plan. If there is a discrepancy between the information contained herein and the Pension Plan Text or other appropriate governing documents, the latter will prevail.

Recent Funding Results

To determine the NBPSPP's funding level, the Plan's actuary, TELUS Health, compares what the Plan owns (its assets) with what it owes (its liabilities). See the results below.

TERMINATION VALUE FUNDED RATIO

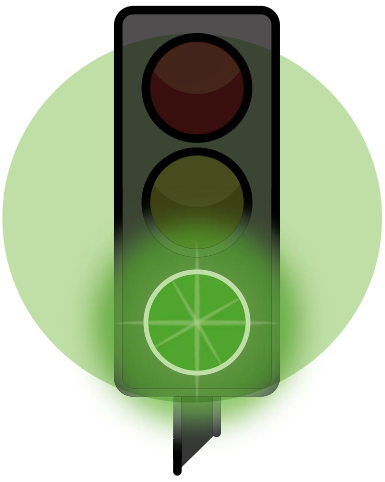
123.1%

The termination value funded ratio compares the Plan's assets against its liabilities on the date of the actuarial valuation, in this case, January 1, 2026. This ratio is used to calculate a member's termination value if they leave their employment, pass away, or experience the end of a marriage or common-law relationship.

OPEN GROUP FUNDED RATIO

145.1%

The 15-year open group funded ratio is similar to the termination value funded ratio in that it compares the Plan's assets against its liabilities. However, unlike the termination value funded ratio, it also considers the next 15 years of the Plan. Specifically, it takes into account the present value of excess contributions over the next 15 years and the expected return on investments. This measure helps the Board determine benefits that can be granted, such as cost-of-living adjustments (COLA).



The Board of the NBPSPP has introduced a "traffic light" system to provide a snapshot of the financial health of the Plan. This system is based on the open group funded ratio of the NBPSPP. This ratio is determined by the Plan's actuary, TELUS Health, and is used by the Board to make decisions on benefit improvements for members, such as granting COLA in accordance with the Plan's Funding Policy.

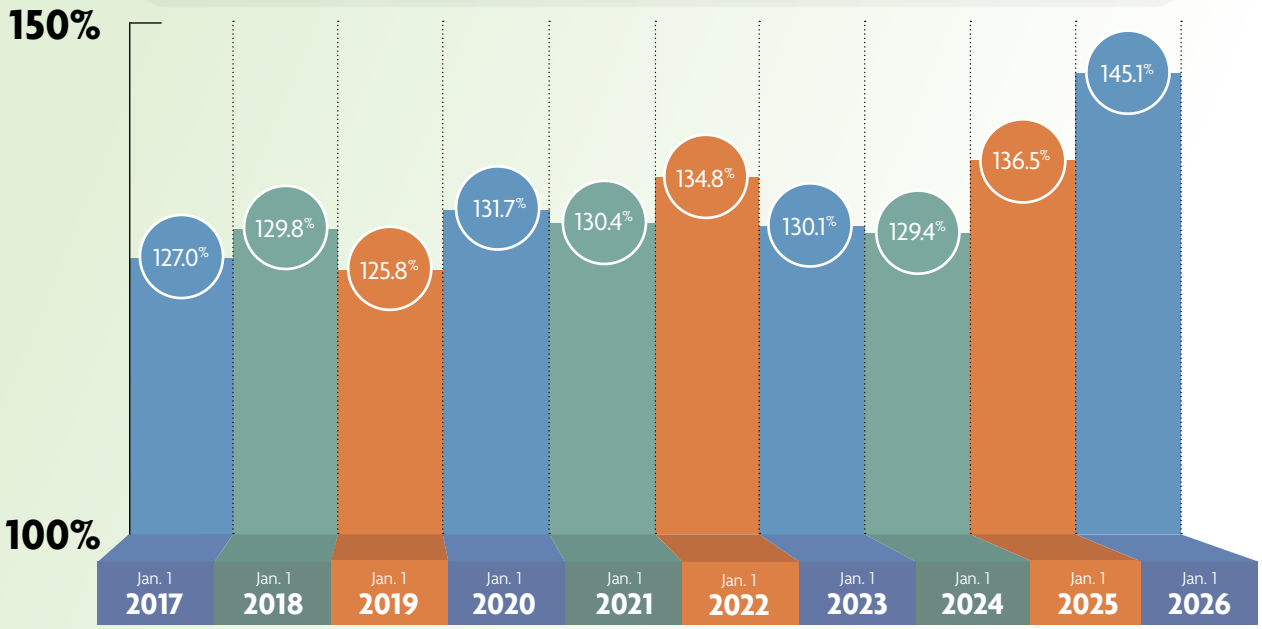
Look for the traffic light in newsletters, annual reports, and the Plan's website to see how the Plan is doing at a glance.

The full Actuarial Valuation Report is available at **nbpspp.ca**. Look under "About the NBPSPP", then "Financial Information: Actuarial Valuation Reports".

FUNDING OF THE NBPSPP

Funded Status of the NBPSPP Over the Past Decade

See page 3 for more information on the funding of the Plan.



As at January 1, 2026, the NBPSPP had $10.9 billion in assets and a funding reserve of over **two billion dollars.**

The NBPSPP continues to be in a very strong financial position. As a result, employer contribution rates will be reduced from 11.25% to 10.47% of pensionable earnings effective January 1, 2027.

This reduction is a positive outcome of the Plan's Funding Policy, which allows excess funds to be used to reduce contributions when the Plan's funded status exceeds established targets. Under the Funding Policy, any contribution reductions are first applied to employer contributions. This reflects the Plan's contribution design, where employers contribute at a higher rate than employees during the first 15 years following the Plan's conversion. The amount of the reduction is determined through an actuarial analysis, reflects the Plan's strong financial health, and is separate from the contribution rate adjustments scheduled for January 1, 2029, which are part of the Plan's long-term contribution structure.

Members can be confident that this change will not affect their pension benefits, which remain secure.

Cost-of-Living Adjustment

Did you know that nearly half of the members of similar pension plans in Canada do not receive COLA?

Cost-of-living adjustments (COLA) help your pension keep up with inflation. Without COLA, your pension would lose its buying power each year as goods and services become more expensive. Whether you are an active member building your future retirement or a retired member drawing a pension, COLA is one of the most important benefits of your Plan.

This year's COLA granted to all NBPSPP members is:

2.33%



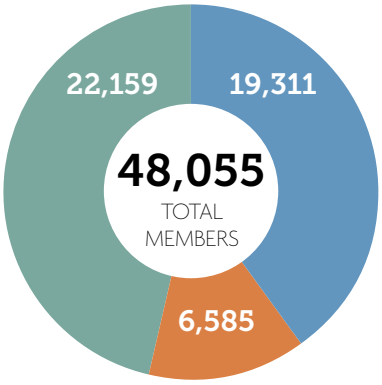
This matches the average increase in the Consumer Price Index (CPI), as calculated by Statistics Canada. The CPI is the most widely used tool for measuring inflation in Canada.

If you're an **active or deferred member**, the increase is applied to the pension you've earned up to December 31, 2025. Each increase you receive will continue to grow your pension until you retire. That means the pension you earn today will keep its value, even if your retirement is decades away. As the cost of goods has risen, the value of your future pension has risen with them.

If you're a **retired member**, the increase will be applied to your monthly pension benefit beginning in January 2027. You'll receive a notification of this increase in writing in December 2026.

Visit the "Cost-of-Living Adjustments" section of nbpspp.ca for more information.

PLAN MEMBERSHIP



46%
22,159
ACTIVE MEMBERS

40%
19,311
RETIRED MEMBERS & SURVIVORS

14%
6,585
DEFERRED MEMBERS

Retirement TIMELINE



12 MONTHS
prior to retirement

- ☐ Contact Vestcor or your HR office to obtain a formal NBPSPP benefit estimate.[1]
- ☐ Start collecting supporting documents[2] you will need later.



6 MONTHS
prior to retirement

- ☐ Meet with your HR office to apply for your pension.[3]



A termination notice will be sent by your HR office to Vestcor to process.

Within 60 days, you'll receive your pension options package.

- ☐ Select your pension option[4] and return the form with the requested supporting documents.

UPON RETIREMENT

You will receive:

01

Your first pension payment on the 24th of the month.



02

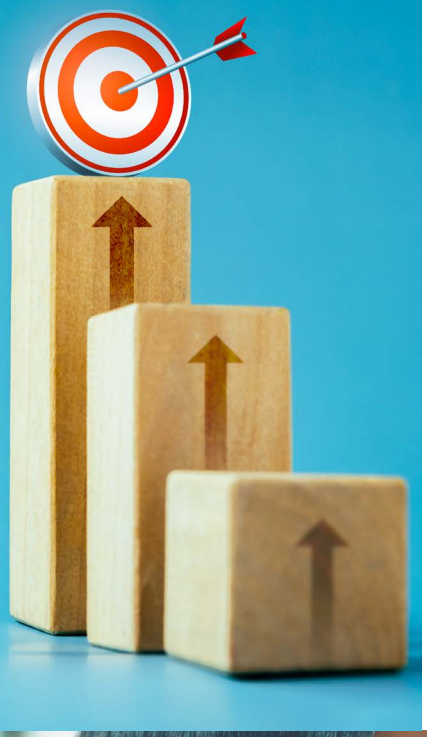
A notice of deposit.





[1] For Canada Pension Plan (CPP) and Old Age Security (OAS) benefits, visit www.canada.ca/en/services/benefits/publicpensions.html for an application. You may also want to consult a financial advisor about any RRSP, LIRA, and other financial matters.
[2] Proof of birth, spouse's proof of birth, and marriage certificate or common-law partner declaration, as applicable.
[3] When choosing the date you will stop working, you may want to choose a date close to the end of the month since your first pension payment will be paid the next month.
[4] Choose wisely! Upon receiving your first pension payment, you can no longer make changes to the form of pension you selected.

Scan with your mobile device to watch the recording!



2026 Annual Information Meeting

On Wednesday, September 23, 967 attendees received an update on the Plan's performance, financial position, and outlook. Presenters spoke to the Plan's impressive open group funded ratio of 145.1%, the upcoming cost-of-living adjustment, and the next steps the Board intends to take based on the Plan's Funding Policy for the use of excess funding.

In addition to highlighting the Plan's financial strength, the Board discussed opportunities to expand participation in the NBPSPP by welcoming additional employers and their employees. As one of New Brunswick's largest pension plans, the NBPSPP believes broader access to secure workplace pensions can deliver significant benefits to workers, employers, and communities throughout the province. Furthermore, welcoming new employers will help existing members through increased contributions and improved economies of scale, lowering the administrative cost per member.

Research consistently shows that workplace pensions improve retirement readiness, provide predictable lifetime income, generate peace of mind among members, and contribute to financial well-being during retirement. Growing participation in the Plan would help more New Brunswick workers access retirement security while creating broader economic benefits. Retirees with secure pension income support local economies through stable spending, helping sustain businesses and communities across the province.

Most members of the NBPSPP live in New Brunswick. What is good for the province is good for the the Plan, and what is good for the Plan is good for its members.

Much of this information has been shared within this newsletter; for a full explanation, a recording of the meeting is available at **nbpspp.ca/2026aim**.



VESTCOR

MID-YEAR INVESTMENT UPDATE

A SNAPSHOT OF WHERE YOUR PENSION FUND STOOD AT JUNE 30, 2026

HIGHLIGHTS

NBPSPP MID-YEAR RETURN
6.18%
AT JUNE 30, 2026 (GROSS)

NET INCREASE OF
$552.6 million
SINCE DEC. 31, 2025

INVESTMENT ASSETS ARE
$11.44 billion
AT JUNE 30, 2026

NBPSPP FOUR-YEAR RETURN
9.95%
(GROSS)

Key Takeaways

- The NBPSPP earned a strong investment return for the start of 2026 amid periods of higher volatility.
- It has been more challenging recently for some private market investment returns to outpace their public market benchmark due to the recent strength of public market returns.



We are pleased to report that the Plan's investments earned a strong positive return of 6.18% in the first six months of 2026. Over the longer term, the four-year annualized return of 9.95% almost matched the benchmark return of 9.98% while the ten-year annualized return of 7.13% exceeded both the benchmark return of 6.34% and the 5.00% discount rate recommended by the Plan's independent actuary and approved by the Board.

Global economic growth remains steady, supported by continued investments in artificial intelligence, although conflicts in Eastern Europe and in the Middle East continue to create uncertainty and put pressure on energy prices. Interest rates in Canada and the United States are expected to remain fairly stable, while stock markets have continued to rise despite ongoing risks. However, a small number of large technology companies now make up a large share of the market, increasing concentration risk and highlighting the importance of maintaining well-diversified investment portfolios.

Look for terms with a dotted underline in this Investment Update. You can find definitions of these terms and others relevant to the NBPSPP by scanning the code to the right with your mobile device, or by visiting vestcor.org/glossary.

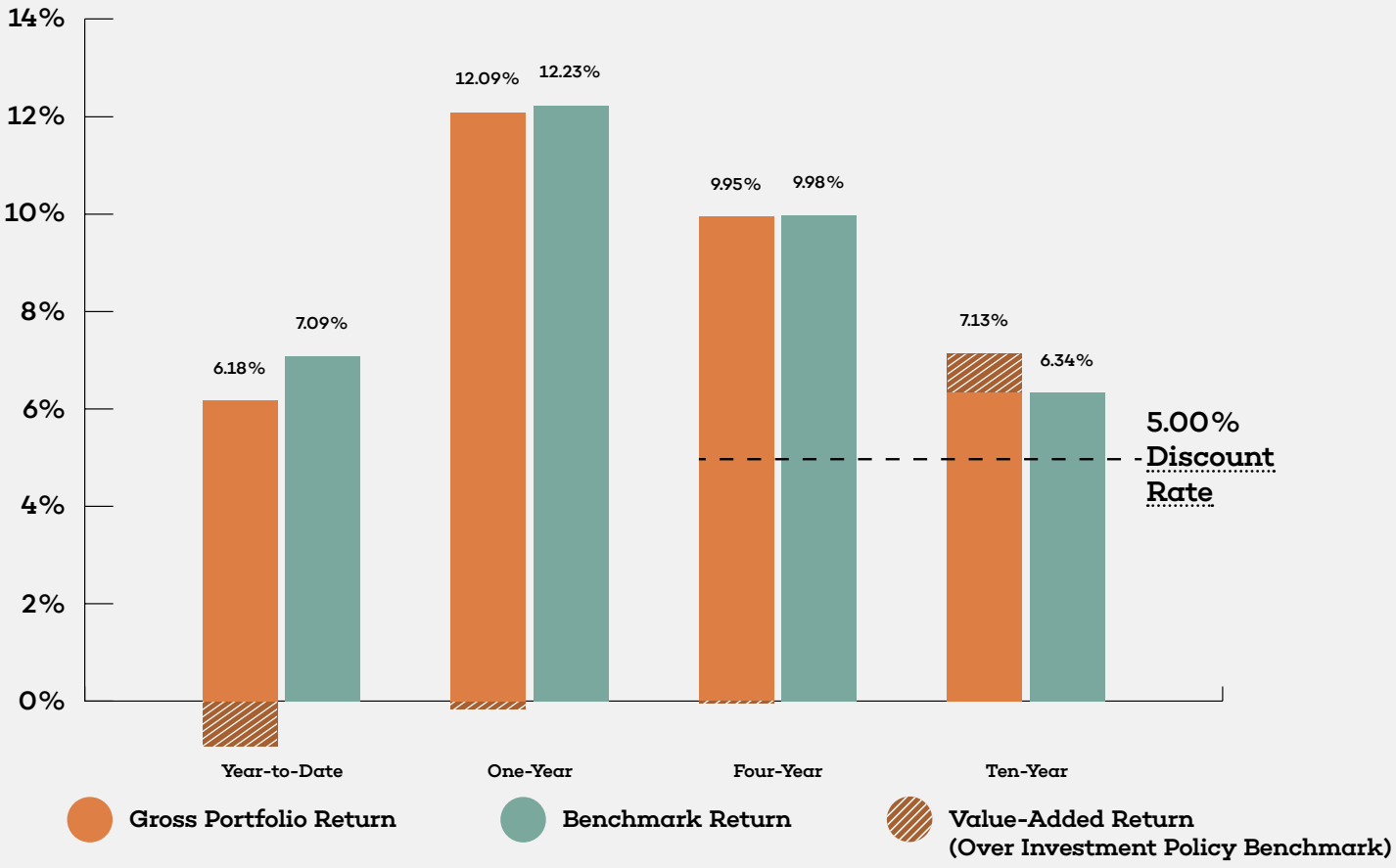
VESTCOR

MID-YEAR INVESTMENT UPDATE

A SNAPSHOT OF WHERE YOUR PENSION FUND STOOD AT JUNE 30, 2026

INVESTMENT RETURNS (AS AT JUNE 30, 2026)

Annualized returns for periods greater than one year.



INVESTMENT ASSETS

The fair value of the NBPSPP investment assets on June 30, 2026 was $11.44 billion, an increase of $552.6 million from the fair value on December 31, 2025.

For more information, including a summary of the market outlook for this period, visit the Quarterly Market Updates provided by Vestcor at **vestcor.org/marketupdates**.

AMENDMENTS TO GOVERNING DOCUMENTS

The *Pension Benefits Act* (New Brunswick) requires that members be provided with an update on any amendments to the NBPSPP governing documents. As such, the Board of Trustees would like to inform you of the following amendments which were filed with the Superintendent of Pensions:

- The **Statement of Investment Policies** was amended to reflect the investment managers' pooled fund consolidation initiative and a related performance benchmark update, while also clarifying certain permissible investment provisions. The amendments were administrative and clarifying in nature and did not represent a material change to the Plan's investment objectives or overall investment strategy.

The governing documents of the NBPSPP are available at **nbpspp.ca**, and include:

- **The Funding Policy:** the tool used by the Board of Trustees to manage the inherent risks of the Plan. It is a document that provides guidance and rules regarding decisions that must, or may, as applicable, be made by the Board of Trustees around funding levels, contributions, and benefits. The Funding Policy is accessible at **nbpspp.ca/fp**. A quick summary of some of the main provisions of the Funding Policy of the NBPSPP is available at **nbpspp.ca/sfp**.

NBPSPP BOARD OF TRUSTEES

Katherine Greenbank, BBA, CPA, CMA
Chair

Renée Laforest, CPA, CGA
Vice-Chair

David Brown
Trustee

Paula Doucet, RN
Trustee

Brendan Langille
Trustee

Jim Mehan, MBA, CPA, CMA
Trustee

Marilyn Quinn
Trustee

Odette Robichaud
Trustee

Leigh Sprague, LL.B.
Trustee

Susie Proulx-Daigle
Observer

Jennifer Oliver
Observer

Full biographies of your Board members can be found at **nbpspp.ca/board**.

CONTACT US

New Brunswick Public Service Pension Plan
nbpspp.ca

ISBN 978-1-4605-5071-7

WRITE:
New Brunswick Public Service Pension Plan
Board of Trustees
c/o Vestcor
PO Box 6000
Fredericton, NB E3B 5H1

CALL:
1-800-561-4012 (toll free)
506-453-2296 (Fredericton)

EMAIL: info@nbpspp.ca

@nbpspp-rrspnb

PREFER TO GET THIS NEWSLETTER IN PAPER FORMAT?
Email info@vestcor.org or call 1-800-561-4012.