PENSION NEWS

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2
Your Cost-of-Living Adjustment

3
Retirement Timeline

4-5
2025 in Numbers

6-7
Check-Up on the Plan's Health

8
2027 CUPE Hospitals SRP Pension Payment Dates

Your Board of Trustees

cupeh.ca

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:

2.51%

More information about this year's cost-of-living adjustment can be found on page 2.

THE STEPS TO RETIREMENT

Learn more about the steps you need to take when it comes time to retire on page 3.



WHAT WERE THE FUNDING RESULTS IN 2025?



Termination Value Funded Ratio

97.7%

15-Year Open Group Funded Ratio

129.1%

More information can be found on pages 6-7.

YOUR COST-OF-LIVING ADJUSTMENT

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 saving for your future retirement or a retiree drawing a pension, COLA is one of the most important benefits of your Plan.

This year's COLA granted to all CUPE Hospitals SRP members is:

2.51%

How is COLA determined?

Every month, Statistics Canada releases the Consumer Price Index, or CPI for short. This index measures the changes in the prices of many goods in Canada, including food, shelter, clothing, energy, and more. The CPI is the most widely used figure in Canada to measure inflation. To determine the most recent COLA, the Plan's independent actuary calculated the average CPI over the 12-month period ending June 30, 2026, as shown in the table below.

Month Year	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026	Avg.
CPI	164.9	164.8	164.9	165.3	165.4	165.0	165.0	165.9	167.4	168.0	169.6	169.0	**166.27**

As you can see, the average CPI for this period is **166.27**, which was then compared to the average CPI for the same period the previous year, 162.48. The change in CPI from 162.48 to 166.27 represents an increase of **2.33%**.* It's important to understand that the Plan only grants COLA when it can afford it, based on the open group funded ratio. See page 7 for more information on the funding of the Plan.

Wait! There's more!

You may be wondering why the COLA granted is more than 2.33%. Your COLA this year includes an additional **0.18%** to make up for the COLA on a go-forward basis that was not granted during the recent periods of high inflation (2023-2024).

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

If you're a member who is not yet receiving a pension, 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. Visit the "Cost-of-Living Adjustments" section of cupeh.ca for more information.



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

* Here is the calculation to determine the percentage change: (166.27 - 162.48) ÷ 162.48 = 2.33% increase

** ACPM Observer: Public sector pension plans and the indexation of pensions https://www.acpm.com/observer/public-sector-pension-plans-and-the-indexation-of-pensions

Retirement TIMELINE



12 MONTHS
prior to retirement

- ☐ Contact Vestcor or your HR office to obtain a formal CUPE Hospitals SRP 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 and return the form with the requested supporting documents. **Choose carefully! Upon receiving your first pension payment, you can no longer make changes to the form of pension you selected.**

UPON RETIREMENT

You will receive:

01

Your first monthly pension payment.
See the pension pay date calendar on page 8.



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, or 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.

DISCLAIMER: This newsletter is a publication on behalf of the Board of Trustees of the Shared Risk Plan for CUPE Employees of NB Hospitals. This publication is intended to provide information about the Shared Risk Plan for CUPE Employees of NB Hospitals. If there is a discrepancy between the information contained herein and the Pension Plan Text or other appropriate governing documents, the latter will prevail.

2025 IN NUMBERS



The CUPE Hospitals SRP Annual Report is available on your Plan website at cupeh.ca. It provides a full recap of the CUPE Hospitals SRP in 2025. It includes financial information and expenses, Board activities, details on how the Plan operates on a day-to-day basis, and more!

Learn more about how the CUPE Hospitals SRP meets its goals:

- To provide members with a secure, lifetime pension upon their retirement.
- To provide members with additional benefits, such as cost-of-living adjustments, provided that the Plan has the funding to do so.

AGE DISTRIBUTION

17,238 members

7,260 active members

Under 30	17.1%
30-39	22.8%
40-49	25.1%
50-59	24.8%
60+	10.2%

4,537 deferred members

Under 30	5.0%
30-39	26.5%
40-49	28.8%
50-59	27.3%
60+	12.4%

5,441 retired members

Under 60	3.7%
60-69	42.7%
70-79	38.6%
80-89	12.9%
90+	2.1%

PLAN ACTUARIAL VALUATION

The Plan's Actuarial Valuation measures the financial health of the CUPE Hospitals SRP. This is important as it determines the Plan's ability to provide the benefits earned to date. It is also used to determine whether the Board is able to grant members annual cost-of-living adjustments. The measurement that the Board uses to determine if benefits can be improved for members is called the 15-year open group funded ratio. The ratios for the past three years can be found to the right.

For a more thorough explanation and more information, see **pages 6-7.**



2025 INVESTMENT PERFORMANCE

6.1%

Gross investment return as at Dec. 31, 2025

The Plan's independent actuary determines that the Plan needs to earn returns of at least **5.0%** to maintain benefits for members. This is known as the Plan's **discount rate**.

$75.8 million

increase in net assets

$1.3 billion

in net assets as at Dec. 31, 2025

Learn much more in the CUPE Hospitals SRP 2025 Annual Report available on your Plan's website, cupeh.ca.

CHECK-UP

ON THE PLAN'S HEALTH



ACTUARIAL VALUATION

Each year, your Board of Trustees and the Plan's independent actuary review the Plan's financial health to make sure it can pay for 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. 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
99.95%	97.8%	99.95%
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 CUPE Hospitals SRP's funding level and risk management, see the Actuarial Valuation Report available at **cupeh.ca** under "About the CUPE Hospitals SRP", then "Financial and Actuarial Results".

Recent Funding Results

To determine the CUPE Hospitals SRP'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

97.7%

The termination value funded ratio compares the Plan's assets against its liabilities on the date of the actuarial valuation, in this case, December 31, 2025. 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

129.1%

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. It is also used to determine whether the Board is able to grant members annual cost-of-living adjustments.

The full Actuarial Valuation Report is available at **cupeh.ca**. Look under "About the CUPE Hospitals SRP", then "Financial and Actuarial Results".

2027 CUPE HOSPITALS SRP
PENSION PAYMENT DATES

01 JANUARY	**01** FEBRUARY	**01** MARCH	**01** APRIL	**30** APRIL (FOR MAY)	**01** JUNE
30 JUNE (FOR JULY)	**30** JULY (FOR AUGUST)	**01** SEPTEMBER	**01** OCTOBER	**01** NOVEMBER	**01** DECEMBER

AMENDMENTS & FILING REQUIREMENTS

The New Brunswick *Pension Benefits Act* requires that Plan members be provided with an update on any Plan amendments. There were no amendments to governing documents, nor any filing requirements since the last newsletter.

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Contact us at info@vestcor.org or by calling 1-800-561-4012.

CONTACT US

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