

# Chapter 4

## Understanding Employee Retirement Benefits

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# Understanding Employee Retirement Benefits

## Why are we Presenting Information on Employee Retirement Benefits?

### *Information on pension plans and retirement allowances*

- 4.1** In this chapter we present information on the Province's significant pension plans and retirement allowances. Within the past five years, many changes have been made to:
- the New Brunswick Public Service Pension Plan (Public Service Plan);
  - the New Brunswick Teachers' Pension Plan (Teachers' Plan); and
  - some retirement allowance benefits.
- 4.2** New members of the Legislative Assembly, pension plan members and New Brunswickers will find the information in this chapter helpful in understanding the impact of these recent changes.

## How Much has the Province Recorded for Retirement Benefit Liabilities?

- 4.3** At March 31, 2018, the Province has recorded over \$1 billion in retirement benefit liabilities. This is shown on the consolidated financial statements as a liability (net of assets and adjustments) and consists of:
- \$687 million for pension plans; and
  - \$408 million for retirement allowances.
- 4.4** Accounting for these retirement benefit liabilities involves significant estimates and complex accounting.
- 4.5** Appendix I - Exhibits 4.11 and 4.12 provide detailed accounting information on significant provincial pension plans. This information is more detailed than what is presented in the Province's consolidated financial statements.

## Pension Plans

### The Contribution and Benefits History of the Province's Biggest Plans

#### *Public Service Plan and Teachers' Plan*

**4.6** The Public Service Plan and the Teachers' Plan are the two largest provincial pension plans. Exhibit 4.1 and Exhibit 4.2 summarize benefit payments to retirees, and cash contributed by the Province (the Province's contributions) and employees (employee contributions) to each plan over the past 10 years.

#### Public Service Plan – 10 Year History of Contributions and Benefits

**4.7** In fiscal 2014, the Public Service Plan converted to a target benefit plan. This had a significant impact on the Province, employees and retirees.

#### *What we observed – Public Service Plan*

**4.8** In Exhibit 4.1, we show the 10 year history of contributions and benefits for the plan and make the following observations.

- Total pension benefits payments more than doubled over the past 10 years.
- Contributions to the plan by the Province increased after the plan converted and then stabilized. This increase was also as a result of including NB Power contributions after conversion.
- Special payments<sup>1</sup> made by the Province to help fund the plan are no longer occurring as a result of the conversion.
- The Province is making only one type of payment after conversion as opposed to two (contribution payment now compared to contribution and a special payment previously). This one payment is approximately the same amount as the Province was making before conversion.

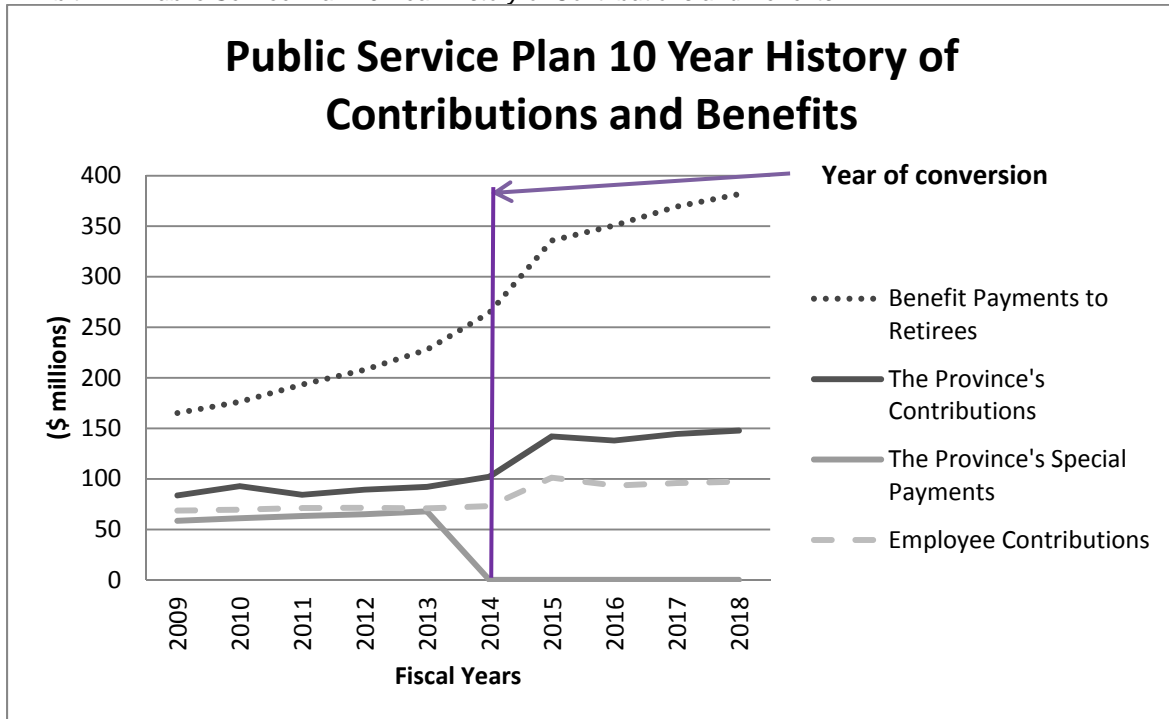
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<sup>1</sup> Due to large unfunded pension liabilities of the Public Service Plan in the early 1990's, the Province made legislative changes requiring special payments to help fund the plan. The Province made special payments each year as required by legislation and determined by an actuary.

- Since fiscal 2013 total annual employee contributions increased 37% after the plan converted.

See Appendix I - Exhibit 4.12 for more detail.

Exhibit 4.1 - Public Service Plan 10 Year History of Contributions and Benefits



Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.13 for detailed information.

## Teachers' Plan – 10 Year History of Contributions and Benefits

**4.9** In fiscal 2015, the Teachers' Plan converted to a target benefit plan. This had a significant impact on the Province and employees.

### *What we observed – Teachers' Plan*

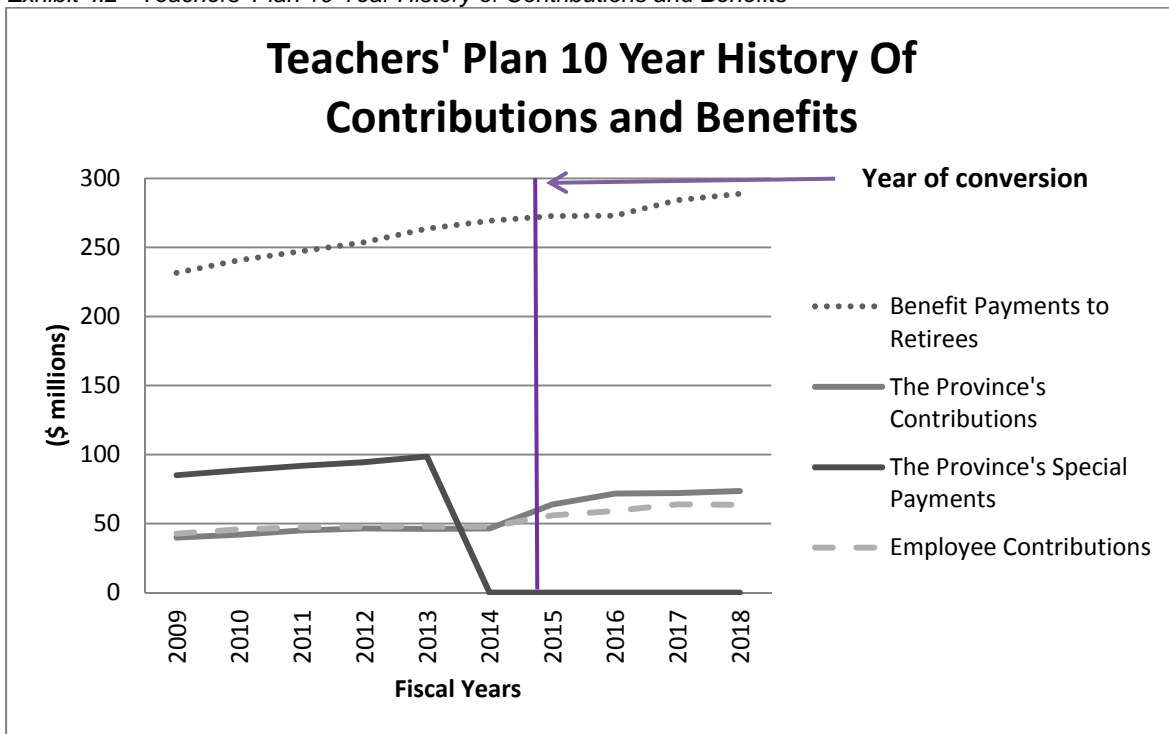
**4.10** In Exhibit 4.2, we show the 10 year history for the plan and we make the following observations.

- Total pension benefits payments increased by 25% over the past 10 years.
- Contributions to the plan by the Province increased after the plan converted and then stabilized.

- Special payments<sup>2</sup> made by the Province to help fund the plan stopped in fiscal 2013 and are no longer occurring as a result of the conversion.
- The Province is making only one type of payment after conversion as opposed to two (contribution payment now compared to contribution and a special payment previously). This one payment is approximately half of the amount the Province was making in total before conversion.
- Since fiscal 2014, total annual employee contributions increased 33% after the plan converted.

See Appendix I - Exhibit 4.14 for more detail.

Exhibit 4.2 - Teachers' Plan 10 Year History of Contributions and Benefits



Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.14 for detailed information.

<sup>2</sup> Due to large unfunded pension liabilities of the Teachers' Plan in the early 1990's, the Province made legislative changes requiring special payments to help fund the plan. The Province made special payments each year as required by legislation and determined by an actuary.

## What Will Pension Contributions be in the Future?

***Province’s contributions decrease in future***

**4.11** As the result of the Public Service Plan and the Teachers’ Plan converting to target benefit plans, future contribution rates for the Province are now reasonably predictable and are expected to decrease over time. Employee contributions are also reasonably predictable, but differ depending on the plan.

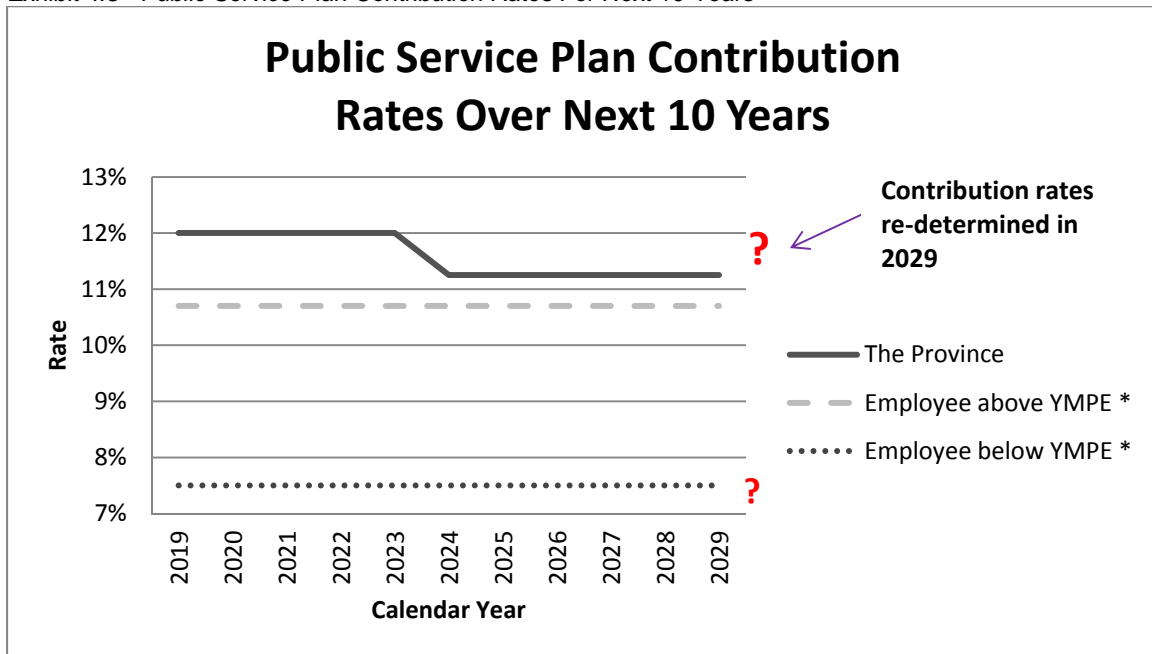
**4.12** In this section, we show how contribution rates for the Province and employees are expected to change over time.

### Public Service Plan Contributions

**4.13** In Exhibit 4.3, we show the Province’s and the employee contribution rates for the next 10 years and we make the following observations.

- The Province’s contributions are expected to decrease over the next 10 years.
- Employee contributions are expected to remain stable.
- In 2029 the contribution rates for the Province and the employees will be re-determined and are expected to become equal at that time.

Exhibit 4.3 - Public Service Plan Contribution Rates For Next 10 Years



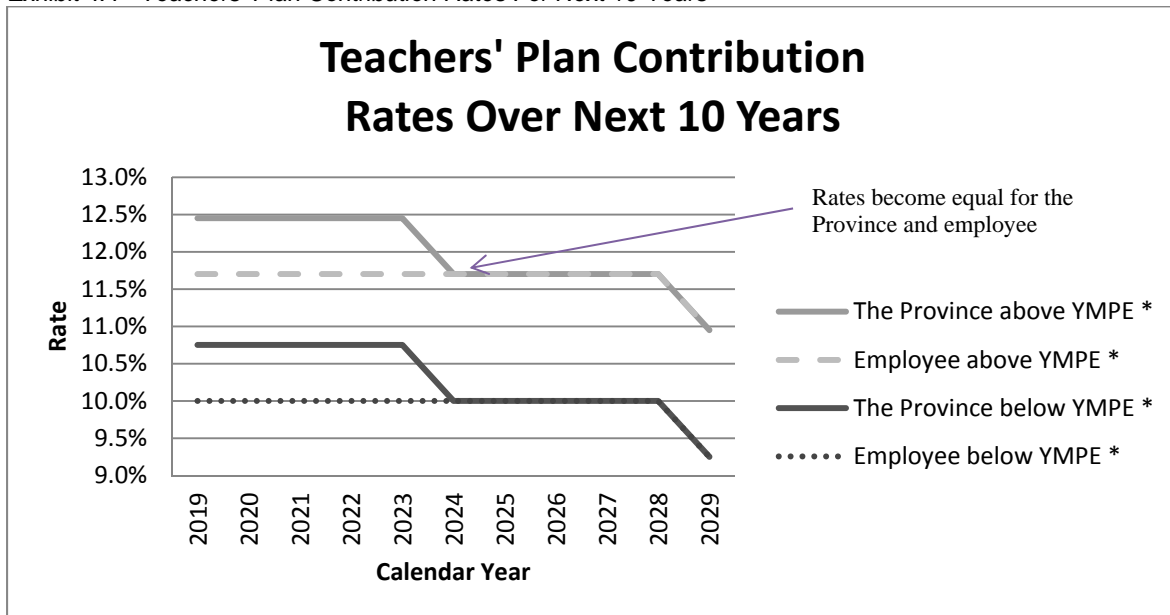
Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.15 for detailed information.  
 \*YMPE = Year’s Maximum Pensionable Earnings (Canada Revenue Agency maximum amount of earnings on which contributions to the Canada Pension Plan are based).

## Teachers' Plan Contributions

**4.14** In Exhibit 4.4, we show the Province's and the employee contribution rates for the next 10 years and we make the following observations.

- The Province's contributions are expected to decrease over the next 10 years.
- Employee contributions are expected to remain stable, and decrease in 2029.
- The Province's and employee contribution rates are expected to be equal in 2024.

Exhibit 4.4 - Teachers' Plan Contribution Rates For Next 10 Years



Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.15 for detailed information.

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

## Some Significant Differences for Employees After Conversion

**4.15** Exhibit 4.5 compares key elements for the Public Service Plan and Teachers' Plan after conversion in the areas of retirement age, early retirement penalties, employee contribution rates and benefit calculations. Refer to Appendix I - Exhibit 4.16 for further details comparing these plans before and after conversion.

Exhibit 4.5 - Comparing Key Elements of the Public Service Plan and Teachers' Plan After Conversion

	Public Service Plan	Teachers' Plan
<b>Retirement Age (No Penalty)</b>	Increased from 60 to 65	Increased between 0 and 4 years*
<b>Early Retirement Penalty</b>	Increased from 3% to 5% per year	Stayed at 2.5% - 5% depending on age & service
<b>Employee Contribution Rate**</b>	Increased from 5.8% to 7.5% of pay	Increased from 7.3% to 10% of pay
<b>Benefit Calculation</b>	Changed from best 5 years salary to career average salary	Changed from best 5 years salary to career average salary

Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.16 for further detailed information.

\* Retirement age (no penalty) for the Teachers' Plan is based on various combinations of age and years of service

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

**Three examples showing impact on employees**

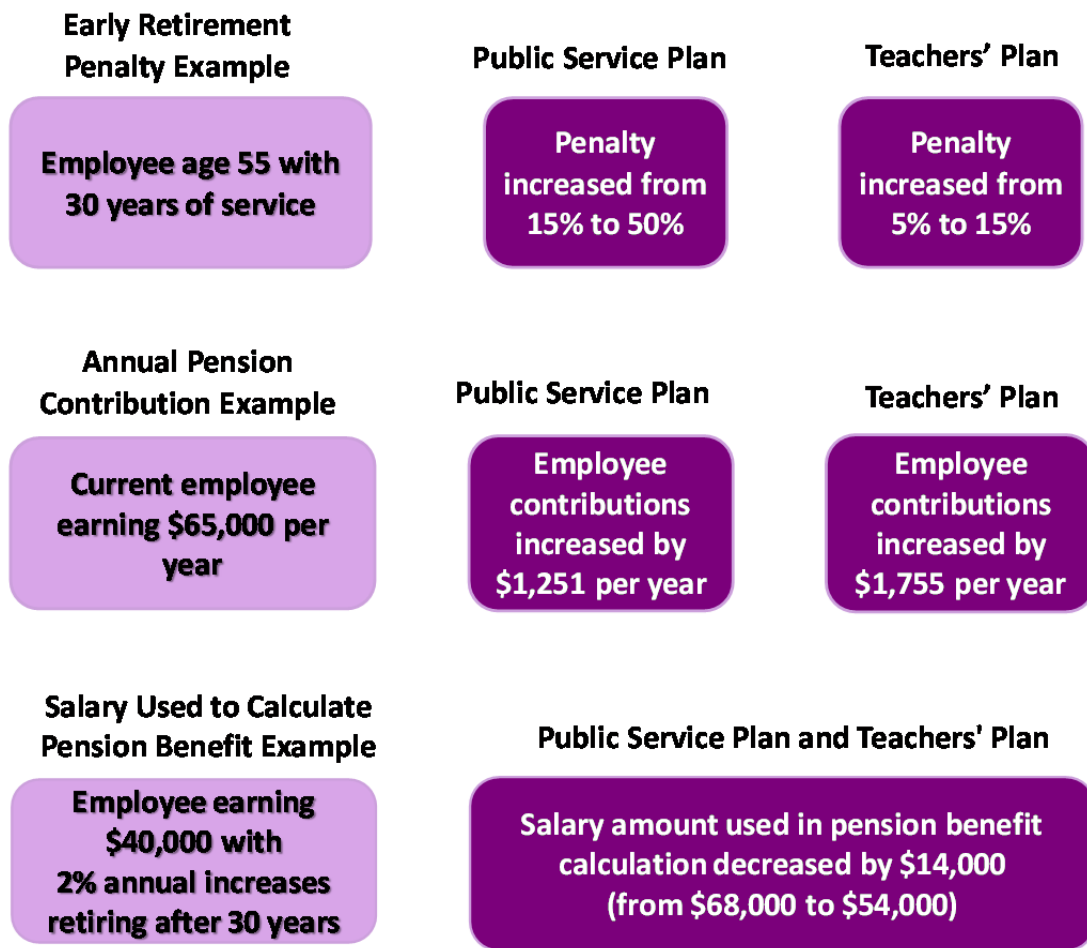
**4.16** Exhibit 4.6 provides three examples of how plan conversions impacted employees of the Public Service Plan and Teachers' Plan.

- Example 1: An employee retiring early at age 55 with 30 years of service and the resulting penalty on benefits. (The example assumes all years of service are completed under the current plan terms.)
- Example 2: A current employee who earns an annual salary of \$65,000, and the resulting increase in the employee's annual contribution.



- Example 3: The impact on the salary amount used to determine an employee’s pension benefit if an employee:
  - earns a salary of \$40,000 in the first year of employment,
  - receives annual 2% increases,
  - retires after 30 years of service, and
  - assumes no inflation.

Exhibit 4.6 - Comparing Key Elements of the Public Service Plan and Teachers’ Plan After Conversion



Source: AGNB prepared information.

- 4.17** Exhibit 4.6 shows employees under both plans:
- face higher penalties on benefits if retiring early;
  - contribute more annually from their pay, and
  - receive less benefits when they retire.

## Who Manages the Pension Plans?

**4.18** Vestcor, an independent organization, is responsible to manage the assets of the Public Service Plan and Teachers' Plan, and to administer plan benefits. Each plan has its own Board of Trustees who meet regularly and are responsible to administer the plan in the best interests of its members.

***No signed agreement to manage other Provincial pension plans***

**4.19** The Province has other pension plans where it is responsible for managing the plan assets and administering the benefits. The list is presented in Appendix I – Exhibit 4.10.

**4.20** The Province has engaged Vestcor to perform these functions; however, no signed agreement exists for certain plans (refer to Appendix I – Exhibit 4.10). Without a signed agreement the Province is exposed to risk. Again this year, we recommended the Province obtain a signed agreement with Vestcor for the plans. We also recommended this in 2017.

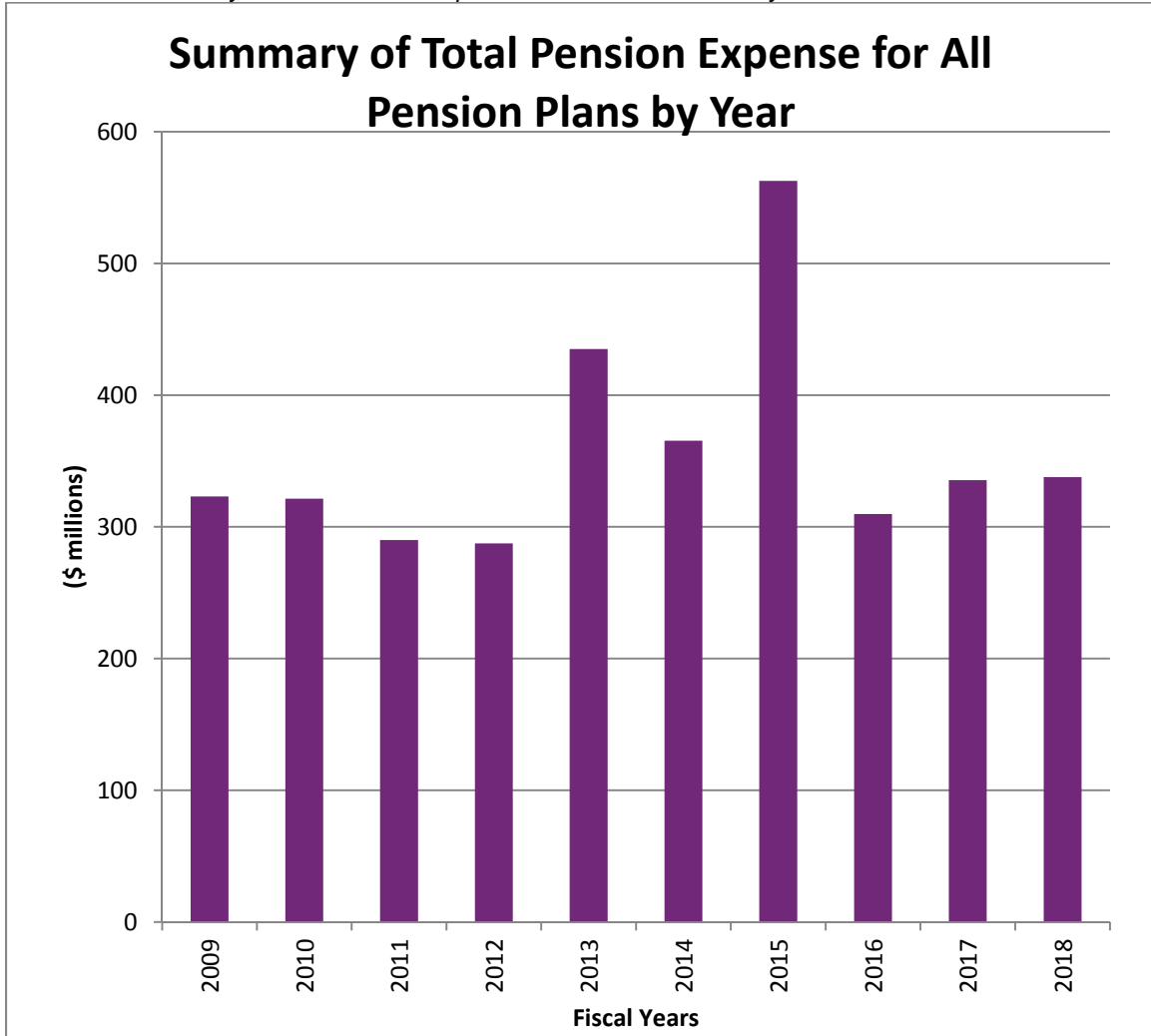
## How Much Pension Expense Does the Province Record Annually?

**4.21** Exhibit 4.7 summarizes total pension expense for all of the Province's pension plans over the past 10 years. Pension expense is the amount that affects the Province's surplus/deficit for the fiscal year.

**4.22** In simple terms, pension expense is the Province's share of pension costs for the year as determined with the assistance of an actuary. This differs from the Province's contributions, which are cash payments. Appendix I - Exhibit 4.19 shows the difference between the expense and cash payments over the past 10 years.

**4.23** After the Public Service Plan and Teachers' Plan converted to target benefit plans in 2014-15, the pension expense has remained relatively stable. This is a result of the design of the plans. A summary of pension expense for all significant pension plans is included in Appendix I - Exhibit 4.18.

Exhibit 4.7 - Summary of Total Pension Expense for All Pension Plans by Year



Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.19 for detailed information.

**2013 and 2015 pension expenses**

**4.24** Items to note from Exhibit 4.7:

- 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.

## Retirement Allowance Benefit

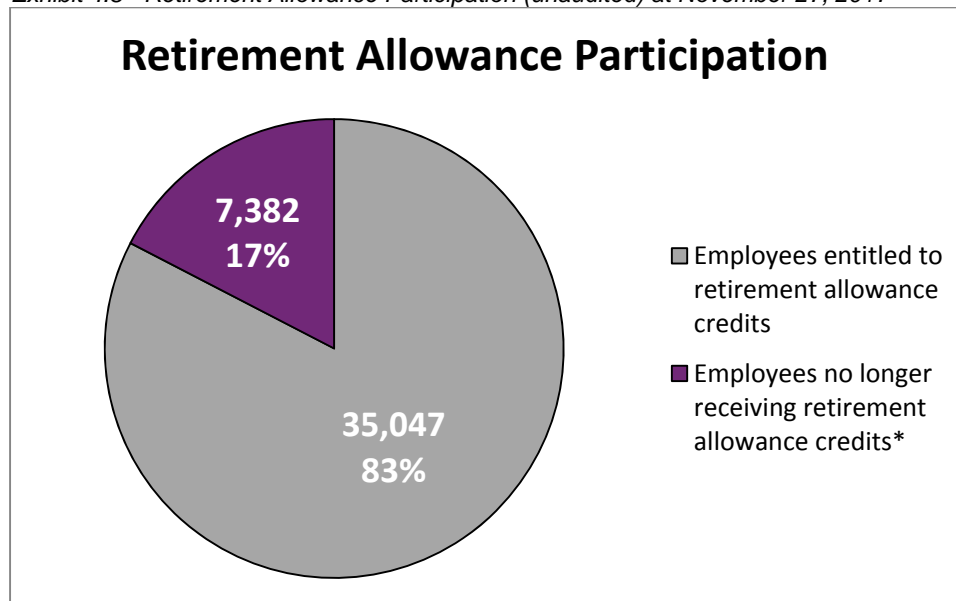
**4.25** Retirement allowance is a significant expense for the Province each year. For 2018:

- benefit payments to employees were \$48 million, and
- the retirement allowance liability was \$408 million.

**4.26** The retirement allowance liability will be paid out in future years to eligible employees as they retire based on years of service.

**4.27** Exhibit 4.8 shows participating employees in the retirement allowance program. Appendix I - Exhibits 4.20 and 4.21 provide detailed summaries of participating employees.

*Exhibit 4.8 - Retirement Allowance Participation (unaudited) at November 27, 2017*



*Source: Prepared by AGNB using information provided by the Province. Refer to Appendix I – Exhibits 4.20 and 4.21 for detailed information.*

*\*Employees no longer receiving retirement allowance is comprised of all employees at 2013 whose retirement allowance stopped accumulating, and unionized employees have elected to discontinue accruing retirement allowance benefits.*

***Net benefit liability has slightly decreased since changes were introduced***

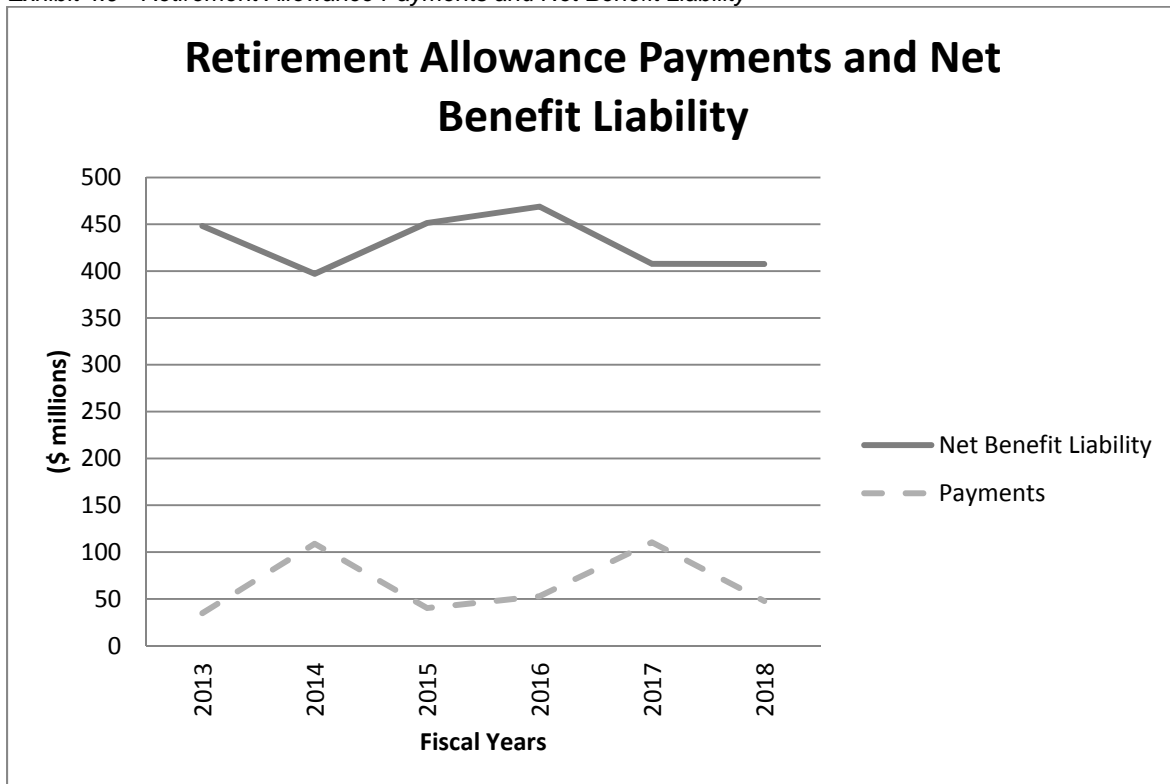
**4.28** In January 2013, the Province announced, as a cost savings measure, it was no longer allowing management and non-union employees to accumulate a retirement allowance. When this change was made, we expected the liability would decrease over time. Despite this change, we found many employees still earn retirement allowance as

part of their unions’ collective bargaining processes. Other unions have agreed to discontinue the retirement allowance in exchange for additional wage adjustments.

**Liability has not significantly decreased**

**4.29** Exhibits 4.9 shows retirement allowance payments and net benefit liability have not decreased significantly since 2013 when the retirement allowance program was discontinued for management and non-union employees.

Exhibit 4.9 - Retirement Allowance Payments and Net Benefit Liability



Source: Prepared by AGNB. Refer to Appendix I – Exhibit 4.22 for detailed information.

## Appendix I

Exhibit 4.10 - Pension Plan Definitions and Abbreviations

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

Source: Prepared by AGNB

\*Assets and/or benefits administered by Vestcor on behalf of the Province and no signed agreement exists.

## Appendix I (continued)

Exhibit 4.11 - Components of the Pension Balance for Accounting Purposes for Significant Pension Plans

Components of the Pension Balance for Accounting Purposes for Significant Pension Plans (2018)														
(\$ millions)														
	NBPSPP	NBTPP	H CUPE	H CBE	NH- N&P	NH- G&S	NH- Mgmt	Judges	Members	Sch- Mgmt	Sch- GLTS	Sch- 2745	SERP	Total
<b>Province's Share (per Public Accounts)</b>	<b>100%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>	<b>50%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
Plan Assets	7,618.6	2,887.7	437.1	1,040.9	153.5	249.3	97.7	48.8	-	4.8	395.2	93.4	23.3	13,050.3
Accrued Benefit Obligation	7,637.2	2,650.2	570.8	1,098.4	145.5	279.3	90.0	87.8	62.5	19.9	447.4	123.7	315.0	13,527.7
Unamortized Adjustments	(286.3)	(39.4)	13.8	22.4	2.2	(6.7)	1.3	2.1	(0.9)	-	(14.3)	(14.2)	(26.8)	(346.8)
Valuation Adjustment*	267.7	276.9	-	-	5.8	-	6.4	-	-	-	-	-	-	556.8
<b>Net Benefit Liability</b>	<b>-</b>	<b>-</b>	<b>147.5</b>	<b>79.9</b>	<b>-</b>	<b>23.3</b>	<b>-</b>	<b>41.1</b>	<b>61.6</b>	<b>15.1</b>	<b>37.9</b>	<b>16.1</b>	<b>264.9</b>	<b>687.4</b>

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 and 2017, as well as with Public Sector Accounting Standards.

## Appendix I (continued)

Exhibit 4.12 - Components of the Pension Balance for Accounting Purposes for Significant Pension Plans

Components of the Pension Balance for Accounting Purposes (\$ billions)										
	2009	2010	2011	2012	2013	2014	2015*	2016	2017	2018
Estimated accrued benefit obligations	8.6	8.6	8.9	9.3	10.1	12.3	12.1	12.6	13.1	13.5
Value of plan assets	6.5	7.7	8.4	8.7	9.3	11.5	11.7	11.7	12.5	13.0
Pension position before accounting adjustments	2.1	0.9	0.5	0.6	0.8	0.8	0.4	0.9	0.6	0.5
Accounting adjustments	(2.3)	(1.1)	(0.7)	(0.9)	(1.0)	(0.8)	0.2	(0.3)	0.1	0.2
<b>Pension balance for accounting purposes</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>

Source: Prepared by AGNB

\*As restated

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

Exhibit 4.13 - Pension Plan Contributions and Benefit Payments – Public Service Plan

Pension Contributions and Benefit Payments for Public Service Plan (\$ millions)							
Fiscal Year	Benefit Payments	Employee Contributions	Province Contributions <sup>1</sup>			Total Employee and Province Contributions	Ratio of Province to Employee Contributions
			Normal	Special Payments	Total Province Contributions		
2009	165.2	68.6	83.6	58.5	142.1	210.7	2.07
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
<b>Total 2009-2018</b>	<b>2,672.6</b>	<b>812.6</b>	<b>1,116.6</b>	<b>315.5</b>	<b>1,432.1</b>	<b>2,244.7</b>	<b>1.76</b>

Source: Prepared by AGNB

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



### Appendix I (continued)

Exhibit 4.14 - Pension Plan Contributions and Benefit Payments – Teachers’ Plan

Pension Contributions and Benefit Payments for 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		
2009	231.6	42.7	39.9	85.0	124.9	167.6	2.93
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
<b>Total 2009-2018</b>	<b>2,624.9</b>	<b>522.0</b>	<b>547.1</b>	<b>458.5</b>	<b>1,005.6</b>	<b>1,527.6</b>	<b>1.93</b>

Source: Prepared by AGNB

## Appendix I (continued)

Exhibit 4.15 - Summary of Pension Plan Contributions Rates – Public Service Plan and Teachers' Plan

Summary of Employee and Province Pension Plan Contribution Rates			
Plan	Dates In Effect	Employee Rates (Below and Above YMPE)*	Province Rates (Below and Above YMPE)*
Public Service Plan	April 1, 2014 - 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, 2016 to June 30, 2017	9.5% and 11.2%	11.5% and 13.2%
	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).

## Appendix I (continued)

Exhibit 4.16 - Summary of Pension Plan Elements – Public Service Plan and Teachers’ Plan

Summary of Public Service Plan and Teachers’ Plan Elements		
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	12.5% (includes temporary contribution of 1.25%)	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 (2018)		
Participants	17,694 active contributors and 15,675 pensioners	8,121 active contributors and 9,052 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).

## Appendix I (continued)

Exhibit 4.17 - Components of Pension Expense

Components of Pension Expense (for all pension plans)										
(\$ millions)										
	2009	2010	2011	2012	2013	2014	2015*	2016	2017	2018
Province's share of pension benefits earned	146.1	131.6	137.4	148.9	177.4	196.0	161.3	176.6	185.4	204.9
Net interest expense (revenue)	20.6	118.2	52.9	32.0	62.7	70.4	38.2	5.4	38.2	21.8
Plan amendments	-	-	-	-	-	(11.2)	(183.2)	-	-	-
Adjustments recognized due to plan amendment	-	-	-	-	-	-	130.9	-	-	-
Amortization of adjustments	159.7	87.1	99.7	106.5	194.9	132.1	53.4	60.3	52.8	41.8
Change in valuation adjustment	(3.3)	(15.5)	-	-	-	-	247.0	67.5	59.1	69.25
Plan settlements <i>(recorded in year as a result of conversion to new pension plan structure)</i>	-	-	-	-	-	(21.9)	115.0	-	-	-
<b>Total Pension Expense</b>	<b>323.1</b>	<b>321.4</b>	<b>290.0</b>	<b>287.4</b>	<b>435.0</b>	<b>365.4</b>	<b>562.6</b>	<b>309.8</b>	<b>335.5</b>	<b>337.7</b>

Source: Prepared by AGNB

\*As restated

Exhibit 4.18 - Summary of Pension Expense for Significant Pension Plans

Summary of Pension Plan Expenses for Significant Pension Plans (2018)														
(\$ millions)														
	NB PSPP	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	39.6	56.1	24.5	42.5	4.9	11.7	2.5	3.4	-	-	8.0	2.6	6.7	202.5
Net Interest	1.6	(13.7)	7.9	5.5	(0.3)	1.9	(0.3)	1.1	2.0	0.7	3.8	1.6	10.0	21.8
Amortization of Adjustments	24.4	2.6	(1.0)	(1.4)	-	0.9	-	0.6	(0.1)	1.5	8.4	3.2	2.7	41.8
Change in Valuation Adjustment	39.1	28.5	-	-	1.0	-	0.6	-	-	-	-	-	-	69.2
<b>Total Pension Expense</b>	<b>104.7</b>	<b>73.5</b>	<b>31.4</b>	<b>46.6</b>	<b>5.6</b>	<b>14.5</b>	<b>2.8</b>	<b>5.1</b>	<b>1.9</b>	<b>2.2</b>	<b>20.2</b>	<b>7.4</b>	<b>19.4</b>	<b>335.3</b>

Source: Prepared by AGNB. See Appendix I – Exhibit 4.10 for plan name abbreviations.

## Appendix I (continued)

Exhibit 4.19 - Summary of Pension Expense and Contributions

Pension Expense and Contributions										
(\$ millions)										
	2009	2010	2011	2012	2013	2014	2015*	2016	2017	2018
Pension expense	323.1	321.4	290.0	287.4	435.0	365.4	562.6	309.8	335.5	337.7
Province contributions	288.6	307.8	313.3	327.0	350.8	216.5	260.9	257.2	259.7	281.2
Excess (deficiency) of Province contributions over pension expense	(34.5)	(13.6)	23.3	39.6	(84.2)	(148.9)	(301.7)	(52.6)	(75.8)	(56.5)

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

Exhibit 4.20 - Summary of Groups Earning Retirement Allowances

Summary of Groups Earning Retirement Allowances (unaudited)		
Group	# 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
Resource Services (NBU)	250	April 15, 2018
Crown Prosecutors (PIPSC)	60	September 30, 2018
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
Correctional Officers (CUPE 1251)	707	Currently under negotiation
<b>Total</b>	<b>35,047</b>	

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.

## Appendix I (continued)

Exhibit 4.21 - Summary of Groups No Longer Earning Retirement Allowance Credits

Summary of Groups Earning No Longer Retirement Allowance Credits (unaudited)		
Group	# 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)
<b>Total</b>	<b>7,382</b>	

Source: Prepared by AGNB using information provided by the Province

Exhibit 4.22 - Summary of Retirement Allowance Payments and Net Benefit Liability

Summary of Retirement Allowance Payments and Net Benefit Liability (\$ millions)		
Year	Payments	Net Benefit Liability
2013	34.8	448.2
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
<b>Total</b>	<b>395.1</b>	

Source: Prepared by AGNB