

# PENSION TALKS UPDATE

The CUPE 1253 executive has started talks on our pension plan with the New Brunswick Government. These talks follow the path set in the memorandum of agreement (MOA) ratified by the membership and by the provincial government in March 2022. Below is a recap of the MOA terms, which are binding on both sides. The terms and conditions of the new pension plan shall include the following:

1. Subject to eligibility requirements, all employees (including part-time and casuals) who are members of the Union shall participate in the plan;
2. The sustainability, affordability, and security for the Province and the plan members;
3. The Province will provide transition payments to the new pension plan to ensure its sustainability on transition. These payments shall fully amortize the deficiency that exists upon transition as identified in the actuarial report for the period ending December 31, 2020 (the “Existing Deficiencies”) in the Local 1253 plan on a schedule to be agreed to by the parties;
4. Contribution rates shall be fair and equitable for both the Province and the plan members;
5. There shall be no loss of the accrued pension amount for the plan members;
6. All accrued pension amounts associated with service up to the effective date of any possible changes to the Pension Plan shall be available to the member on an unreduced basis at age 60. In the event a pension plan member retires after the effective date and before age 60 they will be subject to a 3% per year early retirement reduction for all accrued pension amounts earned prior to the effective date. Any negotiated changes to the retirement rules will only be applied to benefits earned after the effective date of the pension plan changes;
7. The Province shall not be permitted to take any contribution holidays;
8. The contributions of the plan members and the Province shall transition over an agreed-to period to be equal as determined by actuarial valuations;
9. The plan design will identify any future funding risks of a fully funded plan and the appropriate risk mitigation approach as recommended by the actuaries;
10. A new funding formula.

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We have met with our advisors, a CUPE pension expert, a lawyer, and an actuarial to help us take the best course of action for members. On August 8, 2022, your CUPE 1253 executive met with the government (Treasury Board) to exchange proposals on pensions.

**On August 24, we will be combining our efforts with CUPE 2745** (the educational and clerical support staff) who is also in a similar process, and we will meet with the government in the near future.

**We hope to reach a mutual agreement with Treasury Board at our next round of talks.** If this does not happen, the MOA has a resolution clause to resolve an impasse.

The clause states that outstanding issues will be submitted to a board made up of two actuaries (one appointed by CUPE 1253, the other by Treasury Board) and a chairperson designated by the actuaries appointed by both sides.

Updates will be sent once we have more information to share.

In Solidarity,

***The Local 1253 Executive***

