

Pension

MEMORANDUM OF AGREEMENT
PROVINCE OF NEW BRUNSWICK
(the "Province")
and
CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 2745
(the "Union")

- 1) The Parties agree to negotiate in good faith the specific terms and conditions of a new pension plan, no later than June 30, 2022, or a mutually agreed to later date. This transition process shall be supported by the Parties' respective actuaries.
- 2) The terms and conditions of the new pension plan shall include the following:
 - a) subject to eligibility requirements, all employees who are members of the Union shall participate in the plan;
 - b) sustainability, affordability and security for the Province and the plan members;
 - c) **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 exist upon transition as identified in the actuarial report for the period ending December 31, 2020 (the "Existing Deficiencies") in the Local 2745 plan on a schedule to be agreed to by the parties;**
 - d) contribution rates shall be fair and equitable for both the Province and the plan members;
 - e) there shall be no loss of the accrued pension amount for the plan members;
 - f) **the Province shall not be permitted to take any contribution holidays;**
 - g) the contributions of the plan members and the Province shall transition over an agreed to period to be equal as determined by actuarial valuations;
 - h) 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;
 - i) a new funding formula
- 3) In the unlikely event the Parties are unable to agree on some of the matters in the process of amending the current plan or creating a new pension plan, they will submit the outstanding issues to a Board made up of two actuaries, one appointed by each party, and a chairperson designated by the actuaries appointed by the parties. It is understood that this third person will be associated with one of the following actuarial firms: PBI, Buck, Ecklers, Mercers or another appropriate professional as mutually agreed to by the parties. If the Parties are unable to agree to the chairperson shall be chosen by random from the above list. The Board's decision will be final and binding.

Other items

All the items that follow are the other items already agreed-to and signed by the parties since the start of collective bargaining.