





4. Does the request for portability suspensions mean the NEBS Pension Plan is in trouble?

No. Like all defined benefit pension plans, the NEBS Pension Plan is governed with an eye to conservatism. The NEBS Pension Plan entered the current pandemic with a surplus of assets over liabilities, as is prudent. Due to the large price declines and high degree in the investment markets, as well as potential swings in liability measures, it is currently difficult to get a clear measurement of the current funded and liquidity position of the NEBS Pension Plan, nor their future direction. Permitting commuted value transfers to be made at this time would impose additional uncertainty and thus is not prudent. The best course of action in situations like this is to take defensive measures, like OSFI and other provincial pension regulators, to invoke investment risk mitigation and the minimization of unnecessary expenditures. Suspending portability is one important item in the toolbox for pension plans, and therefore it is being proposed/employed now in the NEBS Pension Plan and in many other plans across Canada.

5. Why do departing members have to pay the price for this conservatism?

Departing members should not feel themselves to be paying a price. Departing members' rights to a lifetime pension have not been taken away or eroded, nor is their right to a commuted value transfer being taken away. It is true that the payment of the commuted value is being delayed, but interest will accrue on it in the meantime. Departing members are invited to elect to leave their money in the NEBS Pension Plan and to receive a deferred pension from the plan when they reach retirement age.

6. What if I had already terminated employment prior to the suspension being announced?

The portability suspension will not affect anyone who had already terminated employment prior to the implementation date of the suspension provided that NEBS was properly notified of the termination prior to July 15, 2020 and they have not exhausted their election period for electing portability.

7. What if I terminated prior to the portability suspension and elected a deferred pension but now want a commuted value transfer?

Once you have made a final election for a deferred pension this is a final decision. You cannot then choose a commuted value transfer at a later date. Please see page four (4) of your NEBS Pension Plan Options package for more information.

8. What if I terminated prior to the portability suspension but did not make any election and my election deadline has passed?

Departing members who do not elect a commuted value transfer prior to their election deadline are deemed to have made a final election to receive a deferred pension. Please see page four (4) of your NEBS Pension Plan Options package.

9. Does the portability suspension affect transfers of pension value to the public service superannuation plan or Ontario Municipal Employees Retirement System (OMERS)?

No, transfers to and from the public service superannuation plan and OMERS are not affected.

10. Does the portability suspension affect the payment of death benefits from the pension plan?

Death benefit payments are not affected by the portability suspension.

11. I recently terminated employment prior to vesting – does the portability suspension mean I will not receive my contributions back?

Contribution refunds following non-vested terminations are not affected by the portability suspension.

12. Will pension division on marriage breakdown be affected by the portability suspension?

No. Pension divisions will continue to be processed as before. If a settlement requires the transfer of a former spouse's share of a member's pension out of the NEBS Pension Plan, this transfer may proceed, and will not be affected by the portability suspension.

13. What happens if I am affected by the portability suspension but will be too old to elect portability when the portability suspension is lifted?

Your eligibility for portability is determined at your date of termination of employment. If you were eligible for portability when you terminated employment and you made the election for a commuted value transfer, you will be able receive it when the portability suspension is lifted regardless of your age then.

14. What if I elect portability and am now affected by the suspension? Can I change my election and elect a deferred pension from the NEBS Pension Plan instead?

YES. At any time during the suspension, if you have elected a Commuted Value transfer you may request a new NEBS Pension Plan Options package and may elect a different option than the one previously elected. NEBS shall implement the new election in substitution for the previously elected Commuted Value transfer upon receipt of a properly completed options form. Once you have made a final election for a deferred pension this is a final decision. You cannot then choose a commuted value transfer at a later date.

15. Is there a chance the portability restrictions will be lifted sooner than 24 months?

The suspension that is being put in place will be for a period of up to 24 months. The Pension Committee intends to suspend portability of all commuted value transfers for members terminating employment on or after July 15, 2020 and for any terminations received at the NEBS office on or after July 15, 2020 but will have the discretion to revert to less restrictive measures to control transfers or to discontinue restrictions altogether prior to the end of the 24 month period.

Decisions such as these will be made in the best interests of the long-term sustainability of the NEBS Pension Plan and its members as circumstances develop

16. Is there a chance the 24 month period will be extended?

The plan text permits portability suspensions for up to 24 months. If circumstances in 24 months time should make an extension appropriate, the Pension Committee could seek an extension. However, it is too soon to speculate about this.