

Human Resources Legislative Update

New Brunswick Introduces Public Service Pension Reform Bill

Date: November 22, 2013

On November 19, 2013, the New Brunswick government introduced Bill 11, [An Act Respecting Public Service Pensions](#), legislation that would, if passed, reform pensions for certain New Brunswick public sector employees. In particular, the proposed legislation provides for the conversion of the pension plan now governed by the *Public Service Superannuation Act* to a shared risk plan as permitted under the province's *Pension Benefits Act* ("NB PBA").

A shared risk plan is a type of target benefit plan only available in New Brunswick. Eight other New Brunswick-based plans have converted to a shared risk plan since the NB PBA was amended to allow for this. The unique feature for the New Brunswick public sector pension plan, as compared with the other converted plans, is that accrued pensions that would have been payable from the existing plan as of December 31, 2013 are guaranteed not to decrease. This includes cost of living adjustments (indexing) granted prior to December 31, 2013 but not adjustments that may be granted on or after January 1, 2014.

If passed, the legislation will come into effect on January 1, 2014. Background information on the Bill is available in the [government's news release](#).