

Independent Actuarial Consultant – July 30, 2013

In late June, following a meeting with Minister Higgs and senior government officials, NBTF secured a commitment from the Government of New Brunswick to pay for an independent actuary to assist NBTF staff with the pension review process of the Teachers' Pension Plan. As a result, NBTF has engaged the services of Mr. Robert Blais, an actuary and a former senior partner with the actuarial firm of Towers Watson. Mr. Blais has over 30 years experience in pension plan management, working on both the employer and employee sides. He has agreed to provide advice and guidance on the review process, to review all of the assumptions and risks that the government actuary has used, and, if necessary, provide possible alternative solutions to any identified problems. We look forward to working with Mr. Blais and utilizing his experience as we face the challenges associated with the pension review process.

In addition, NBTF has also requested that the Province of New Brunswick conduct an ALM (Asset Liability Modeling) Study on the Teachers' Pension Plan. We have been advised that this study will take approx. two months to be completed. This study, along with the most recent actuarial valuation of the plan, will provide valuable information in allowing us to begin to examine the assumptions and issues being raised by government concerning the Teachers' Pension Plan.

It is clear to us that this review process will present a significant challenge during the coming year. We have expressed to the Minister that teachers have always been good stewards of our pension plan and we have always been led to believe that the Teachers' Pension Plan is sustainable and well funded. We expressed clearly that Government will need to be convince us that there is now a problem. However, if such a problem does exist, we are interested in identifying possible solutions within the framework of the current plan so that the benefits of all plan members are protected and the Teachers' Pension Plan remains sustainable.