

Cost-of-Living Adjustment - January 1, 2027

CBE Pension Plan



Following a review of the open group funded ratio of 143.5% as at December 31, 2025, the CBE Pension Plan was in a position to award a cost-of-living adjustment (COLA) of **2.33%** to all Plan members.

Determining annual cost-of-living adjustments under the CBE Pension Plan

- Each year, the CBE Pension Plan Board of Trustees determines if the funding level within the CBE Pension Plan will allow for an annual cost-of-living increase.
- The decision is based on a financial report prepared by the Pension Plan's actuary and the Pension Plan's Funding Policy.
- One of three outcomes can occur as a result of the financial report:
 - There is a large enough surplus to provide a full cost-of-living adjustment.
 - There is only enough surplus to pay a portion of the cost of living adjustment.
 - There is not enough of an available surplus, or there is a deficit, and no cost-of-living adjustment will be provided.

Important information to understand

- According to the CBE Pension Plan Funding Policy, if in a given year, the full cost-of-living adjustment is not provided, the remainder may be provided in subsequent years if the Pension Plan has a large enough surplus.
- Inflation is based on the average change in the Consumer Price Index (CPI) over the 12 months prior to the previous June 30 (i.e., July 1, 2025 to June 30, 2026).
- Although cost-of-living adjustments are not automatic, the Plan is designed in such a way that the likelihood of providing annual cost-of-living adjustments is very high.

The calculation: Cost-of-living adjustment for January 1, 2027

The January 1, 2026 cost-of-living adjustment (COLA) was calculated by comparing the average Consumer Price Index (CPI)* for the period of July 2024 to June 2025 with the average CPI for the period of July 2023 to June 2024, as follows:

Month Year	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026	Avg.
CPI	164.9	164.8	164.9	165.3	165.4	165.0	165.0	165.9	167.4	168.0	169.6	169.0	166.27

Month Year	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	Avg.
CPI	162.1	161.8	161.1	161.8	161.8	161.2	161.3	163.0	163.5	163.4	164.3	164.4	162.48

Here's how the increase is calculated: $(166.27 - 162.48) / 162.48 = 2.33\%$

The methodology used for calculating the average change in the national Consumer Price Index is consistent with how other pension plans, including the Canada Pension Plan, calculate cost-of-living adjustments.

*CPI figures are drawn from the Bank of Canada.

They can be found at www.bankofcanada.ca/rates/price-indexes/cpi.

