



Retirement Ahead Webinars

In September, we launched our Retirement Ahead presentations offered via webinar. SHEPP members can learn more about their pension online at a time that is most convenient for them.

The live one-hour session provides the general information needed to help your employees plan for retirement. Upcoming sessions are posted at www.shepp.ca with new dates added on a recurring basis.



Plan Amendment Reminder

Earlier this year, SHEPP's Board of Trustees approved Plan amendments supporting the long-term sustainability of the Plan.

Please be reminded that effective January 1, 2022, the option for SHEPP members to elect a commuted value transfer of their pension will only be offered to those under the age of 55 when they terminate employment, with two or more years of service, and are not yet eligible to receive an unreduced pension.

Plan amendments have been communicated to SHEPP employers and members to ensure they are aware of how changes to the Plan may impact them.

Funded Status Improves

SHEPP's funded status improved for the sixth consecutive time based on its latest valuation as at December 31, 2020.

A valuation is one of the ways the Board of Trustees regularly monitors the Fund. A going-concern valuation assesses the Plan's financial health and assumes the Plan will continue operating indefinitely. The funded ratio – in this case, 97% – compares the Plan's assets to the Plan's liabilities (benefits payable).

SHEPP's 2020 valuation highlights:

- ✓ The going-concern funded ratio improved to 97% (from 96% in 2019).
- ✓ The going-concern deficit was reduced to \$268 million (from \$301 million in 2019) – a difference of \$33 million – a significant reduction in the span of one year.
- ✓ The Plan's solvency funding ratio improved to 75%. As such, the provincial regulator requires SHEPP to withhold 25% from all lump-sum termination benefits due under the Plan.



97% funded

What does this mean for you and your employees?

The Fund's strong performance has resulted in contribution rates remaining stable and unchanged for employers and members since 2014.

The Board continues to carefully monitor the Plan's funded position with priorities to secure members' benefits and stabilise contributions in support of long-term Plan sustainability.

Want more information?

For a detailed overview, please see SHEPP's [2020 Valuation Summary](#) at www.shepp.ca.



Plan Governance

Membership in SHEPP is a significant part of the benefits package your organisation offers. As such, you may be interested in learning more about how decisions are made that affect contribution rates.

Under SHEPP's joint-trusteeship structure, Plan obligations are shared between employers and employees, and governance is assigned to two governing bodies – the Partner Committees and the Board of Trustees (Board).

Who is the Board and what are they responsible for?

The Board consists of four employer Trustees appointed by 3sHealth and four employee Trustees – one appointed by each of the following four unions: CUPE, HSAS, SUN and SEIU-West.

The Board has a fiduciary duty to the Plan's members and must always act in the best interests of the Plan. The Board is responsible for the day-to-day operations of the Plan, which includes investing the pension trust fund, paying the pensions owed to members out of that trust fund, and setting the contribution rates for members and employers.

The Board is not responsible for Plan design, nor does it have the authority to make material benefit improvements unless the Plan has a funding surplus or the change is required by law. Except in those instances, only the Partner Committees can adopt material benefit improvements to the Plan.

Who are the Partner Committees and what are they responsible for?

There are two Partner Committees – an Employer Partner Committee with representatives appointed by 3sHealth and a Union Partner Committee with one representative appointed by each of the following five unions: CUPE, HSAS, SUN, SEIU-West and SGEU.

Members of the Partner Committees represent the interests of their appointing body. Collectively, the Partner Committees are responsible for Plan design – any fundamental change to the Plan or the pension benefits it provides must be agreed to by both the Employer and Union Partner Committees.

Questions about Plan governance?

Visit the About section at www.shepp.ca for more information, including a list of current Trustees and Partner Committee representatives. Email us at sheppinfo@shepp.ca if you have questions and we would be happy to direct your inquiry to the appropriate governing body.

SHEPP Member Survey Results

Our first-ever member survey received over 2,300 responses reflecting the broad range of member demographics, making the results a good indicator of overall member sentiment.

In general, Plan members told us:

- They recognise the Plan's value as a lifetime monthly pension benefit in retirement.
- They want to learn more about their defined benefit pension in comparison to other plans.
- Retirement planning information from SHEPP is important to them.



The feedback will be used to identify ways to enhance communication and delivery of key pension information to members moving forward. Stay tuned for updates!

Economic Benefits of Public Service Pension Plans

A recent report commissioned by the Canadian Public Pension Leadership Council (CPPLC) looks at understanding the positive local economic impact of public sector pension plans across Canada.

The research shows that in Saskatchewan, every \$10 of pension payments generates \$17.83 of economic impact for a total contribution of \$2.5 billion (3.0%) to the provincial economy annually.

The report also finds that the \$1.34 billion paid annually in pensions has broad-based benefits across the province, as local economic activity from pension plan operations and retirees spending their income supports 23,800 jobs and 1,800 businesses.

To learn more, read the full report *Economic Benefits of Canadian Public Sector Pension Plans* at cpplc.ca/research.



SHEPP

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