

## Employer Newsletter

FALL 2022



### SHEPP's Service Strategy

At SHEPP, we're dedicated to delivering quality service to members and employers alike, ensuring they feel important and appreciated. Driven by our service strategy, we strive for the following service standards which guide every interaction with our stakeholders:

- ✓ **Accurate:** We're providing accurate knowledge and information.
- ✓ **Timely:** We're delivering information in a timely manner for critical decision-making.
- ✓ **Helpful:** We find the best solution for every situation.
- ✓ **Approachable:** Every person is a welcome priority.



### Retirement Ahead Webinars

We are pleased to provide Retirement Ahead webinars, where SHEPP members can learn more about their pension online at a time that is most convenient for them.

These live, one-hour sessions provide the general information needed to help your employees plan for retirement. Upcoming dates are posted at [shepp.ca](https://shepp.ca), including options for morning, afternoon and evening sessions.

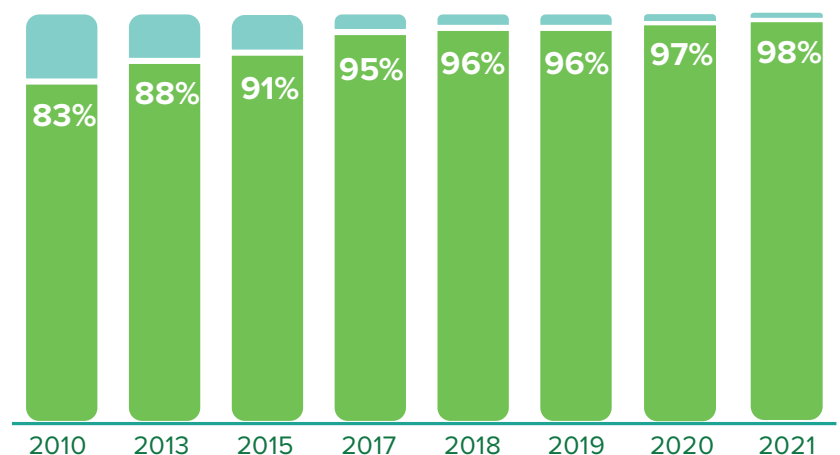
### Funded Status Improves Again

SHEPP's funded status has made another improvement based on its latest valuation as at December 31, 2021.

Highlights of the valuation include:

- ✓ The going-concern funded ratio improved to 98% (from 97% in 2020).
- ✓ The going-concern deficit was reduced by \$45 million to \$223 million (from \$268 million in 2020).
- ✓ The Plan's solvency funding ratio improved to 86%. As such, certain lump-sum termination benefits due under the Plan are subject to a 14% transfer deficiency holdback (the amount by which the solvency ratio is less than 100%).
- ✓ Based on the Fund's performance, contribution rates have remained stable and unchanged since 2014.

### Going-Concern Funded Ratio (as at December 31)





SHEPP's going-concern funded status has progressively improved since 2010, when the current unfunded liability was incurred as a direct result of the 2008 global financial crisis. Between 2011 and 2021, the Fund has more than doubled from \$3.6 billion to \$9.7 billion in assets, and SHEPP continues to make meaningful progress toward fully funded status.

## Monitoring the Plan's Financial Health



SHEPP's Board of Trustees carefully monitors the Plan's funded position with priorities to secure members' benefits and stabilise contribution rates in support of long-term sustainability.

One way the Board regularly assesses the Plan's financial health and investment performance is with an

actuarial valuation, which is required to be performed and filed at least every three years. In recent years, the Board has chosen to file more frequently to help proactively position the Plan to perform well under the stress of short-term market volatility and maintain funding stability.

SHEPP remains focused on long-term funding strategies to achieve our sustainability objectives for the Plan. A key aspect of risk management in our investment strategy is diversification, with a target asset mix focused on long-term returns. This approach has provided a solid foundation for the Fund to withstand the challenges of abrupt market fluctuations and turbulent economic conditions.

To learn more, see our [Valuation Summary](#) and read our [2021 Annual Report](#) available at [shepp.ca](https://shepp.ca).



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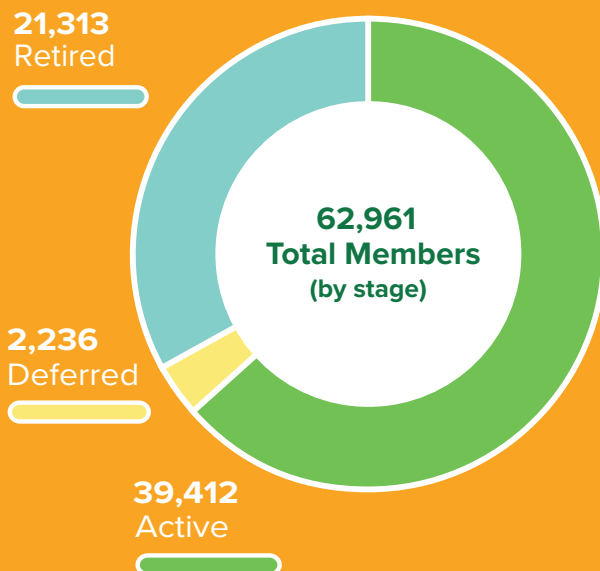
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## Snapshot of SHEPP's Membership

Plan Membership Profile  
(as at September 30, 2022)



**44 years old**  
is the average age of active members



**13,621 members**  
are eligible to retire in the next 10 years



**64 percent of members**  
who retired in 2021, retired early (under the age of 65)

## Active to Retired Member Ratio

