

## Active Member Newsletter

FALL 2022



### Looking for More Information?

At SHEPP, we want to make it easy for you to get the answers to your questions. That's why we've created information sheets for a variety of circumstances that you may encounter over your career.

Here are some of the more common ones accessed by members, like you:

- ✓ Designation of a Beneficiary (Pre-Retirement);
- ✓ Retirement;
- ✓ Current Service Purchase (Leave of Absence);
- ✓ Prior Service Purchase; and
- ✓ Spousal Relationship Breakdown (Pre-Retirement).

SHEPP's information sheets can be found under Resources at [shepp.ca](https://shepp.ca). If you still have questions, don't hesitate to call us.

### Going on a Leave of Absence

During an unpaid leave of absence, you do not make pension contributions and therefore do not earn credited service. However, you may purchase your leave on a current service basis during your leave or as prior service when you return to work so that it doesn't adversely affect your pension or early retirement date.



For more information, please refer to the Current Service Purchase (Leave of Absence) and Prior Service Purchase information sheets at [shepp.ca](https://shepp.ca) or sign in to [SHEPPweb](https://sheppweb.ca) to perform an instant estimate using our online calculators.

### 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.

Between 2011 and 2021, the Fund has more than doubled from

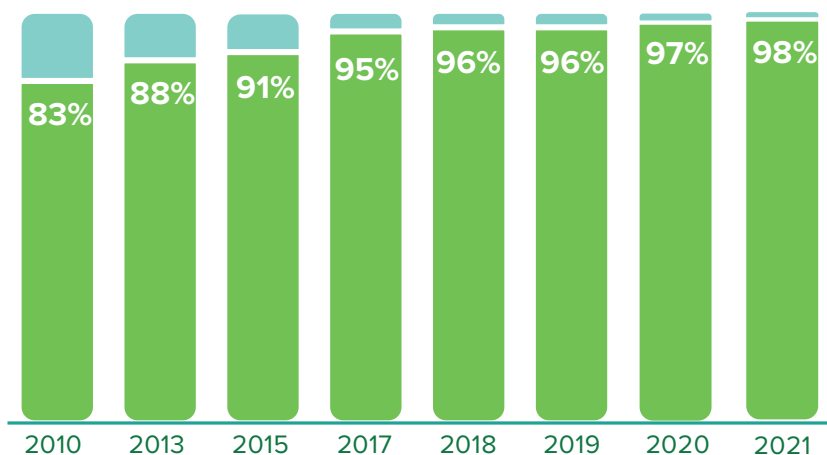




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\$3.6 billion to \$9.7 billion in assets, and SHEPP continues to make meaningful progress toward fully funded status.

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



### 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.

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



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## Ask a Pension Officer Q&A

### Q: What happens to my pension if I die prior to becoming eligible for it?

A: If you die before retirement, your surviving spouse is entitled to receive a death benefit equal to the commuted value of your pension. If you do not have a surviving spouse, the benefit is payable as a taxable lump sum payment to your designated beneficiary or estate.

For more details, please refer to the Designation of a Beneficiary (Pre-Retirement) information sheet at [shepp.ca](https://shepp.ca).



## Join us for a Retirement Ahead Webinar

Are you looking ahead to retirement? Register today and join us for a Retirement Ahead webinar! Topics covered will include:

- ✓ Understanding your pension benefit
- ✓ Retirement eligibility milestones
- ✓ Applying for your pension
- ✓ Helpful retirement planning resources

Visit [shepp.ca](https://shepp.ca) for more information and a listing of upcoming webinar dates.



## Calculators at Your Fingertips

Sign in to our secure online portal, **SHEPPweb**, to use our handy online calculators found under the Tools section.

**Pension Projection Calculator:** Use this calculator to estimate your pension under endless retirement scenarios. It's a great tool to help you choose your retirement date.

**Service Purchase Calculators:** If you're thinking about purchasing eligible service to maximise your pension benefit, use our Current Service Purchase and Prior Service Purchase calculators to estimate the cost.