



**SHEPP**

SASKATCHEWAN HEALTHCARE  
EMPLOYEES' PENSION PLAN

*September 2011*

# News



*For SHEPP members*

## *Update on SHEPP's Funded Status*

At December 31, 2010, the Plan's assets totalled \$3.51 billion and its liabilities, the cost of all the pensions and benefits earned to December 31, 2010, totalled \$4.251 billion. The result is that the Plan has a \$741 million shortfall.

We have determined that the current level of member and employer contributions is sufficient to meet the funding requirements of the Plan and pay off the \$741 million shortfall by the legislated deadline of December 31, 2025. At this time SHEPP's active members and participating employers will not be asked to contribute more than their present contribution rates.

The following table shows the present member and participating employer contribution rates:

	Pensionable Earnings up to the YMPE	Pensionable Earnings Over the YMPE
Plan Member	7.7%	10.0%
Participating Employer	8.62%	11.2%

YMPE – the Year's Maximum Pensionable Earnings under the Canada Pension Plan. The 2011 YMPE is set at \$48,300.

The Plan's funded status is not scheduled to be reviewed again until December 31, 2013. The SHEPP Board of Trustees may review the Plan's funded status sooner if the Board believes that circumstances warrant an early review.

## *Investment of the SHEPP Fund*

In 2010 the SHEPP Fund rate of return was 12.2 per cent. This followed a return of 15.1 per cent in 2009.

The Fund performance to December 31, 2010 over the last one, four and 10 years, measured against the benchmark returns, is shown in the following table:

Total Fund Performance			
	2010	Four Year	10 Year
Total Fund	12.2%	1.5%	5.2%
Benchmark Fund	12.0%	1.4%	4.6%

The SHEPP Fund has produced returns above the benchmark in each of the three measurement periods.

### **Mission**

To serve the best pension interest of our members.

### **Vision**

Excellence in pension plan administration, governance and the provision of benefits.

### **Values**

Excellence, Initiative, and Innovation;  
Openness, Respect and Service;  
Accountability, Integrity, and Trust;  
Leadership and Professionalism.

## Provincial Government Pension Funding Rules

The provincial government has allowed and the SHEPP Board of Trustees has elected a three-year suspension from funding the Plan on the theoretical basis of the Plan winding-up on December 31, 2010. Had the provincial government not made this option available, the Board of Trustees would have been required to substantially increase member and participating employer contribution rates to pay off the theoretical Plan wind-up shortfall within five years.

The provincial government will require SHEPP to holdback 19.62 per cent of all lump-sum termination and non-spousal death benefit payments due on or after September 26, 2011. These holdbacks are in relation to the deficit the Plan would have experienced had it been wound-up on December 31, 2010. Holdbacks will be paid, with interest, five years following the initial termination or death benefit payment date.

## Plan Administration and Member Services

The Board of Trustees is deeply committed to excellence in Plan governance and administration. While we are engaged in a historic funding recovery, the Plan continues to fully operate and SHEPP staff are working hard to provide you with great service.

On March 1, 2012 the Plan will celebrate its 50th anniversary. We look forward to serving the needs of our current and future members during the next 50 years and beyond.

## Did You Know?

- Any address changes provided to SHEPP must be provided to your employer as well or our update will be overridden by the address on the payroll from the employer each month.
- *SHEPPWeb* is the secure on-line pension information service for active Plan members. Through *SHEPPWeb* active Plan members can:
  - Perform unlimited pension projection calculations.
  - Perform unlimited prior service purchase cost estimate calculations.
  - View and print their most recent member's annual statement.
  - View and update key portions of their SHEPP member record.
  - Complete and submit a SHEPP designation beneficiary form.
  - Request pension estimates, prior service purchase and spousal relationship breakdown calculations from SHEPP.

*SHEPPWeb* usernames and passwords are issued to active Plan members directly from SHEPP.



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EMPLOYEES' PENSION PLAN

*This newsletter contains general information only. In the event of any error or misunderstanding, the terms of the plan text will apply. Here is our contact information:*

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