



# SHEPPNews

FALL 2017

## ACTIVE MEMBER NEWSLETTER

### Breaking Up: How a Spousal Relationship Breakdown Affects Your Pension

Whether you are legally married or in a common-law relationship, one of the first steps in the separation process is typically to determine the value of the family property. Under pension legislation, your SHEPP pension is considered family property and can be divided if an interspousal agreement indicates a division is to occur.

Either you, your spouse, or the solicitor of either can ask SHEPP for a statement of the value of your SHEPP pension. If the request is made by anyone other than you, SHEPP will send you notification that the request has been made. If it is decided that your pension must be split, SHEPP must receive a notarized copy of the inter-spousal agreement with clear instructions on how the pension is to be divided. Once SHEPP determines it is able to comply with the agreement, the division will proceed.

For more information on how separation and divorce may affect your pension, refer to the *Spousal Relationship Breakdown* Information Sheet on [www.shepp.ca](http://www.shepp.ca).

### Ask a Pension Officer

Answers to questions we've received from you

**Is it true that it's better to retire at the end of the month?**

What day you choose to be your last day of employment is entirely up to you, but there are some important things to keep in mind.

SHEPP considers your retirement date to be the first day of the month following your employment termination date, which means that your retirement date is not the same as your last day of work. If your last paid day of employment is Nov 30, your retirement date is December 1.

Also, SHEPP pensions are always paid on the last banking day of the month. So if your last day of employment is

November 2 (meaning your SHEPP retirement date is December 1), you will not receive a pension payment until the end of December. Depending on your employer's payroll dates, this could mean an extended period without any income.

**Can I continue coverage under the group life insurance and health and dental plans when I retire?**

SHEPP is strictly a pension provider and does not offer life insurance or health and dental benefits for pensioners. For information about retiree benefits, visit [www.3shealth.ca](http://www.3shealth.ca) or call 3sHealth at 1.866.278.2301 (option 4).

### Going on parental leave?

Don't want it to affect your pension?



During an unpaid leave of absence, you are not required to make pension contributions and therefore do not earn credited service. However, you may purchase your leave on a current service basis or as prior service when you return to work so that it doesn't adversely affect your pension or early retirement date. Visit [www.shepp.ca](http://www.shepp.ca) for more information or login to **SHEPPWeb** to perform an instant online estimate.

### THANKS FOR ATTENDING PENSION INFORMATION SESSIONS THIS FALL

SHEPP has finished its fall pension information sessions for 2017 and would like to thank all those members who attended a presentation this year. More dates will be scheduled this spring, so be sure to check the calendar under the Resources section at [www.shepp.ca](http://www.shepp.ca) to find out when SHEPP will be in your area, or talk to your employer about scheduling a presentation in your workplace.



**SHEPP**  
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## Diversification and the Asset Mix

### How SHEPP's Investment Strategy Helps Secure Your Pension

As a member of a defined benefit pension plan, you have many advantages when it comes to saving for retirement. Not only will you receive a predictable monthly pension for life, but you don't need to make any complicated investment decisions along the way. Your pension is based on a formula that uses your eligible earnings and credited service at retirement, not your investment knowledge.

SHEPP pools contributions from all members and employers and invests them with the goal of earning enough returns to fund our members' pensions. Choosing what to invest in can be a very tricky balancing act between risk and reward. All investments have some sort of risk attached to them, some more than others. To minimise risk, SHEPP uses a technique called "diversification."

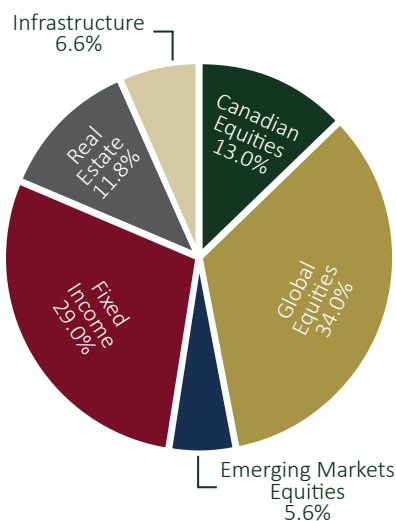
SHEPP's "asset mix" can be considered a road map for how the Plan has

diversified its investments. It is split into four main asset classes— equities (stocks), fixed income (bonds), real estate and infrastructure. An asset class is a group of similar types of investment vehicles. Within each asset class are numerous investments, diversified by region, market and industry.

The goal of diversification is to invest in a variety of assets that behave differently according to changes in the market. For example, the oil and gas sector is what is called a cyclical market, meaning it goes through cycles of higher and lower returns. Rather than trying to time investment with an upturn in the market (which is very difficult to do), a diversified portfolio looks for another sector that typically does well when the oil and gas sector is in a downturn. This has two benefits: First, less of the overall portfolio is invested in oil and gas, so less of the portfolio is affected by a downturn. Second, the negative effects of the downturn are offset (and hopefully outweighed) by the positive effects that come about in the other sector. SHEPP applies that same concept on a much broader scale too, diversifying not just by industry, but by asset class, geographical regions, markets and even individual businesses, resulting in a much steadier rate of investment return.

Because SHEPP is a defined benefit pension plan with over \$6 billion in assets, we are able to diversify our asset mix to a much further degree than an individual investor would, which reduces risk and helps increase returns. It helps to keep your pension secure and it's just one reason we've been able to meet our pension obligation for over 55 years.

**ASSET MIX**  
(June 30, 2017)



## NEW SHEPPWeb PORTALS AVAILABLE NOW

SHEPP has launched two all new SHEPPWeb portals that give pensioners and deferred members access to tools previously only available for active members. These members are now able to log in and view important statements, update personal information and learn more about their pension instantly.

Active SHEPP members who also have a deferred pension with SHEPP can access the deferred portal by logging in with their current member ID and password and selecting the deferred member portal in the 'My SHEPPWeb' menu. Members will also be able to access the pensioner portal when they retire using their current login credentials.

## UPDATE SPOUSAL INFORMATION AND DESIGNATE BENEFICIARIES

Under pension legislation, your surviving spouse will receive the pre-retirement death benefit if you pass away before retiring. However, if you are not survived by a spouse (as defined by pension legislation), or your spouse previously waived their right to the pre-retirement death benefit, then your designated beneficiaries are entitled to the benefit.

It is important to keep your spousal information and designated beneficiaries up to date. Visit [www.shepp.ca](http://www.shepp.ca) to learn more, or login to SHEPPWeb to update your spousal information and beneficiaries online.

