



# SHEPPnews

## Employer Newsletter

FALL 2020



### New Look, Same SHEPP

While we've had a bit of a makeover, our exceptional service still remains. Visit [www.shepp.ca](http://www.shepp.ca) and sign in to our secure Employer portal for 24/7 access to online tools, including the secure mailbox, forms and report generator.



### Thank You!

2020 has been full of challenges and we recognise the dedication and perseverance both you and your employees have shown throughout this uncertain time. Our healthcare heroes are essential and here at SHEPP, we thank you for your continued efforts and dedication and will continue to keep your pension our top priority.



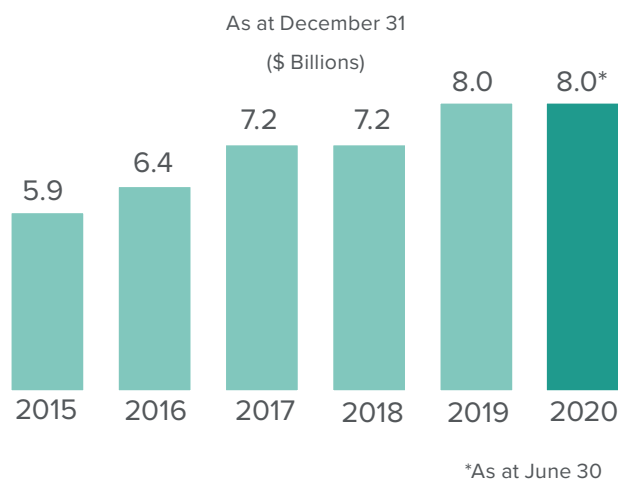
### Member Feedback

SHEPP will be reaching out to members via a survey in 2021. Stay tuned for more information on how your employees can participate!

## Financial Update

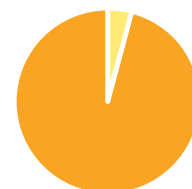
While the pandemic had a significant impact on markets earlier this year, SHEPP continued to focus on our funding strategy, including long-term Plan sustainability. This strategy has provided a solid foundation for your employees' pension. The one-year rate of return as of June 30, 2020 was 3.4%, which brings the total value of the Fund to approximately \$8.0 billion.

### Net Assets Available For Benefits



## Funded Status

A valuation, which compares the Plan's assets to its liabilities (benefits payable), is one way SHEPP's Board of Trustees monitors the financial health of the Plan. SHEPP's funded status has improved for the fifth consecutive time based on its latest going-concern valuation as at December 31, 2019, with the unfunded liability reduced by \$35 million (from \$336 million in 2018 to \$301 million in 2019).



**96% funded**



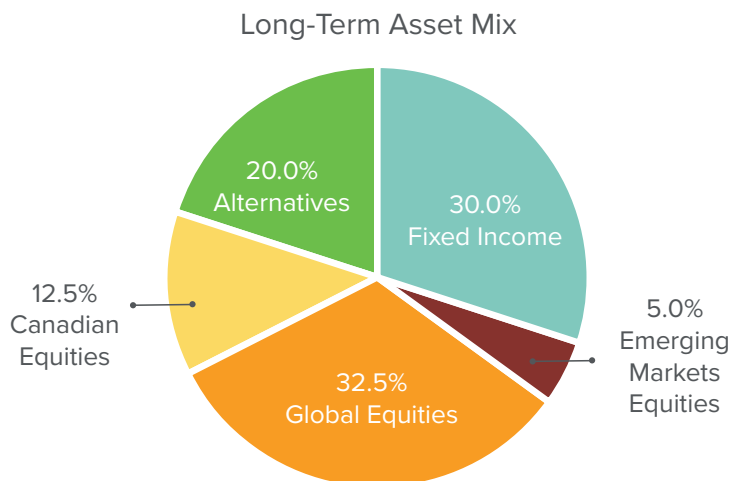
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## What does this mean for employers?

- ✓ Contribution rates remain unchanged, allowing you to budget with some level of certainty.
- ✓ The stability of contribution rates continues to remain a priority of the Board.

## Diversification Provides Long-Term Plan Sustainability

Our focus on diversification has been a key driver in our strategy over the last decade to ensure the long-term sustainability of the Plan. By focusing on a target asset mix that provides long-term returns for members, diversification reduces the risk of the Fund to market changes, such as those we saw in early 2020. While we have seen the markets rebound, it is important we continue this strategy to further sustain the Plan.



SHEPP will continue to seek investment opportunities that support this diversification strategy. For more information and to view our annual report, visit [www.shepp.ca](http://www.shepp.ca).



102 - 4581 Parliament Ave  
Regina, SK S4W 0G3

[sheppinfo@shepp.ca](mailto:sheppinfo@shepp.ca)

Phone: 306.751.8300  
Toll Free: 1.866.394.4440  
Fax: 306.751.8301

[www.shepp.ca](http://www.shepp.ca)

## Confidence in Retirement

Defined benefit (DB) pension plans, like SHEPP, are a valuable part of employers' total rewards offerings.

A survey completed by the Canadian Public Pension Leadership Council (CPPLC) entitled, *The Pensions Canadians Want: The Results of a National Survey*, identified key features of DB plans that Canadians recognised in providing the stable, lifetime income they want as they plan ahead for retirement.



### Predictable income that is guaranteed for a lifetime

Respondents felt they had a better sense of security knowing exactly what to expect for retirement income.



### Income does not fluctuate with investment results

In addition to a predictable monthly lifetime income, survey respondents also felt more confident with their DB plan knowing their income will not fluctuate with changes in the market or investment results.



### Income is available if forced to retire early

Respondents identified the early-retirement protection that DB plans provide offers more flexibility as they explore retirement options.

Pensions are an important component in a total rewards package for employees. Plans like SHEPP help to provide security and stability for your employees as they look ahead to plan for retirement. SHEPP is here to provide information to your employees to make informed retirement decisions.

For full survey results, visit the CPPLC website at [www.cpplc.ca](http://www.cpplc.ca).