



SHEPP

SASKATCHEWAN HEALTHCARE
EMPLOYEES' PENSION PLAN

Participating Employer Newsletter



July 2013



SHEPPWeb Employer Access Agreement

The SHEPPWeb Registration Package includes an access agreement for employers that defines who will have access to your payroll information via SHEPPWeb. When completing the SHEPPWeb Agreement, please keep in mind the following key points:

- Designate only those users who administer SHEPP for the Employer.
- Ensure all users read the Agreement and understand their responsibilities.
- When a user no longer require access, notify SHEPP immediately to terminate their account.
- Ensure all users comply with the terms and conditions of the Agreement and understand the Employer is liable for their conduct.
- Take steps to safeguard and protect the privacy of personal information as defined in the *Personal Information Protection and Electronic Documents Act* (Canada).
- Use the information forwarded through, or received from, SHEPPWeb for the sole purpose of administering SHEPP on behalf of the Employer.
- Notify SHEPP immediately of any event or circumstance that would lead a reasonable person to believe that an unauthorized person has gained or may gain access to SHEPPWeb.



Schedule a SHEPP Pension Information Session for your Employees

Do you have a group of employees who are close to retiring or a group of new employees who have just enrolled in SHEPP? We can make a presentation to your employees explaining all of the benefits they receive as members of the Plan. During this informative presentation we will also show them how to calculate their pension and determine when they are eligible to retire, as well as answer other pension questions they may have.

We are currently booking for fall 2013. To schedule a presentation for your employees contact:

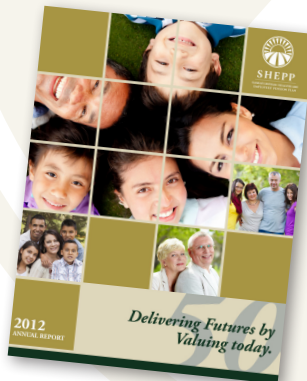
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Fund Reaches \$4.07 Billion in 2012

SHEPP's 2012 Annual Report is now available on our website, www.shepp.ca. You can access a copy by clicking "Check our latest news" from the home page.

Interesting SHEPP facts include:

- In 2012 the Fund achieved an 11.8% rate of return;
- Net assets totalled \$4.07 billion;
- Membership at December 31, 2012 was 49,283;
- 2,846 new members joined SHEPP in 2012;
- 88% of members are female;
- Average age of active Plan members is 45 years; and
- Administrative costs in 2012 were \$98.43 per member, one of the lowest among public pension plans in Canada.



Employer Workshop planned for Fall 2013

Are you interested in learning more about SHEPP policy and pension administration? Or perhaps some tips and tricks to help you work more efficiently in the Management Console. Watch for details regarding the Employer Training Workshop planned for fall 2013.



It is Important that Employees Understand the Definition of a Spouse

SHEPP defines a spouse as the person you are married to or if you are not legally married, a person who is living in a common-law relationship with you and has been living in that relationship continuously for at least one year prior to the date a determination is required.

This definition is important because when SHEPP pays a death benefit, it must be paid to the surviving spouse regardless of who

was appointed as beneficiary, unless the spouse has signed a waiver. An employee may not clearly understand this when they are making their beneficiary designation so please remind them that if they have a spouse, as defined above, any death benefits will be paid out to that spouse and not the designated beneficiary.

A person is a spouse even if you are separated, but not legally divorced.



Pensionable vs. Non-Pensionable Earnings

It is imperative that pension contributions are only deducted from pensionable earnings. According to the Plan's definition, only regular pay is pensionable under SHEPP and it is pensionable in the year that it is paid. Regular pay is defined as regular earnings received, while an employee is an active Plan member. Examples of pensionable versus non-pensionable earnings are listed below (for a complete list please see the Employer Administration Manual). For those employers that subscribe to the 3sHealth payroll service, these rules are programmed into the system. However, you must code pay properly in order for contributions to be deducted accurately. For those employers that do not subscribe to the 3sHealth payroll service, it is imperative that you program your system accordingly.

SHEPP will be performing biannual audits to ensure contributions are being deducted and remitted accurately. If a plan member has earnings greater than what would be expected (rate of pay multiplied by their full-time hours), you will be asked for an explanation. If it is determined that contributions have been deducted and remitted on non-pensionable earnings, you will be instructed to refund the contributions to the member and take a credit on your next monthly remittance.

PENSIONABLE EARNINGS (examples):

- Regular salary
- Statutory holiday pay (where a member works on a statutory holiday only the straight-time pay is pensionable; the premium paid for working the statutory holiday is not pensionable)
- Sick pay (except lump sum on termination)
- Retroactive earnings paid to an active member
- Vacation pay for vacation time taken
- Vacation pay paid out as a percentage of pay on each pay cycle, in lieu of the member taking paid vacation time
- Vacation pay paid as a lump sum in respect of vacation time taken (i.e. if a member takes vacation but asks her employer to advance her the vacation pay at the beginning of her vacation)
- If the member is receiving WCB net pay top up Benefits, the member's regular gross earnings are pensionable
- Relief pay paid at straight-time (i.e. not overtime)
- Vacation pay paid to a member in a lump sum during a period of Leave of Absence that is not an approved disability (i.e. maternity, education or personal leave) and the member receives pay, the vacation pay is pensionable

NON-PENSIONABLE EARNINGS (examples):

- Over-time pay
- Premium pay for working statutory holidays
- Supplemental Employment Insurance Benefit (SUN collective agreement)
- Bonuses
- Disability plan Benefits
- Sick pay paid out in a lump sum on termination
- Vacation pay paid out in a lump sum on termination
- Vacation pay paid out during a period of approved disability
- Vacation pay paid in a lump sum, in lieu of the member taking paid vacation leave (i.e. if a member works 52 weeks in the year and is paid three weeks' vacation in a lump sum)
- Paid time off in lieu of accrued overtime when paid out in a lump sum in lieu of the member taking this time off.
- Call back pay
- Standby pay
- Retroactive earnings paid to a terminated, deceased, disabled or retired member
- Shift differential pay

For a complete list of pensionable and non-pensionable earnings please refer to the *Employer Administration Manual*.

