



Retired Member Newsletter

2023



Tips for New Retirees

✓ Keep your pension information up-to-date

Let us know if you have updates to your address, banking information, marital status or beneficiaries. Sign in to **SHEPPweb** to access your pension information or contact us by phone or email.

✓ Watch for your T4A tax slip

Your T4A tax slip from SHEPP will be mailed and delivered in February. Once ready for mailing, a copy can be accessed online via **SHEPPweb**. Check **shepp.ca** for online availability and mailing updates.

2023 Pension Payment Schedule

Tuesday	January 31
Tuesday	February 28
Friday	March 31
Friday	April 28
Wednesday	May 31
Friday	June 30
Monday	July 31
Thursday	August 31
Friday	September 29
Tuesday	October 31
Thursday	November 30
Friday	December 29

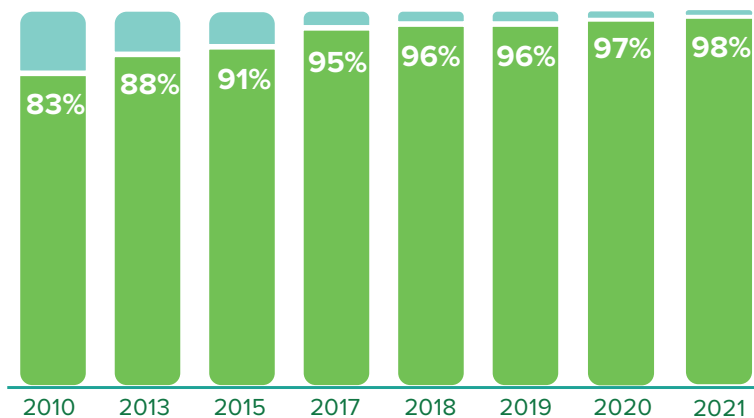
Funded Status Update

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%.
- ✓ The going-concern deficit was reduced by \$45 million to \$223 million (from \$268 million in 2020).
- ✓ Based on the Fund’s performance, the current deficit is on track to be fully amortised by 2025.

Going-Concern Funded Ratio

(as at December 31)



Cost of Living Adjustments and Your SHEPP Pension

With inflation at its highest since the early 1980s, it can be challenging to see the purchasing power of your pension diminish, especially when you are relying on a fixed monthly income. As your pension Plan administrator, we want to ensure retired SHEPP members understand why cost of living adjustments (COLAs) are not automatically granted and what must happen to grant COLAs in the future.



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Why are COLAs not automatically granted?

Your SHEPP pension was designed to provide secure, lifetime income during your retirement. Indexation or automatic annual COLAs are not built into the Plan's design. Plan design features and supplementary benefits, such as an automatic COLA, must be funded and factored into contribution rates. There has not been any point in the Plan's history that SHEPP members or employers contributed directly toward funding a COLA.

Is there a possibility for COLAs to be granted in the future?

A Plan design change or benefit improvement that impacts the cost of the Plan, like indexation or an automatic COLA for retirees, would need to be negotiated and agreed upon by SHEPP's Employer and Union Partner Committees as they are the governing body permitted to make changes to the design and cost of the Plan.

SHEPP's Board of Trustees has the authority to make cost-neutral changes to the Plan (those that do not impact contribution rates) and spend surplus funds on benefit improvements, such as an ad-hoc COLA. Ad-hoc COLAs were granted to SHEPP pensioners in the past when the Plan had a funding surplus.

The Plan has had a funding deficit since 2003, compounded by the global financial crisis of 2008. Steady progress has been made toward eliminating the funding deficit and the Plan is on track to being fully funded by 2025. Should sufficient surplus accumulate once the Plan is fully funded, the Board will be in a position to consider benefit improvements.

While we cannot control the rate of inflation, we want to reassure you that SHEPP is committed to ensuring the Plan is sufficiently funded and continues to pay the pensions promised, well into the future. If you have any questions or concerns about your pension, please don't hesitate to reach out to us. We are here to support you.



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Ask a Pension Officer Q&A

Q: What is a T4A slip and why do I receive one each year?

A: When it's time to file your income tax, you will need a T4A for your SHEPP pension (retirement or survivor), which indicates taxable income paid and the amount of tax withheld. By the end of February, SHEPP will mail your T4A to the address we have on file. Once the T4As have been mailed, a copy will also be accessible online through **SHEPPweb**.

Q: Can I change the amount of income tax deducted from my pension?

A: Yes. To change the amount of income tax withheld from your SHEPP pension, you can submit the required TD1 forms or provide written instructions to SHEPP indicating the amount you would like deducted.

Visit the Pensioners section at shepp.ca to access the required TD1 forms and refer to the Tax Forms Information Sheet for more information.



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