



Active Member Newsletter

FALL 2021



Join us for a Retirement Ahead Webinar

Are you looking ahead to retirement? Register today and join us for a Retirement Ahead webinar! Topics covered will include:

- ✓ Understanding your pension benefit
- ✓ Retirement eligibility milestones
- ✓ Applying for your pension
- ✓ Helpful retirement planning resources

Visit www.shepp.ca for more information and a listing of upcoming webinar dates.



Plan Amendment Reminder

Earlier this year, SHEPP members received a Notice of Plan Amendments with important information about changes to the Plan.

Please be reminded that effective January 1, 2022, the option to elect a commuted value transfer of your pension will only be available if you are under the age of 55 when you terminate employment, with two or more years of service, and are not yet eligible to receive an unreduced pension.

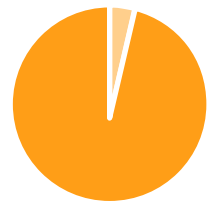
For details, visit www.shepp.ca and view the Plan Amendments Information Sheet.

Funded Status Improves Again

SHEPP's funded status improved for the sixth consecutive time based on its latest valuation as at December 31, 2020.

Here are the highlights:

- ✓ The going-concern funded ratio improved to 97% (from 96% in 2019).
- ✓ The going-concern deficit was reduced to \$268 million (from \$301 million in 2019) – a difference of \$33 million – a significant reduction in the span of one year.
- ✓ The Plan's solvency funding ratio improved to 75%. As such, the provincial regulator requires SHEPP to withhold 25% (the amount by which the solvency ratio is less than 100%) from all lump-sum termination benefits due under the Plan.



97% funded

A going-concern valuation assesses the Plan's financial health and assumes the Plan will continue operating indefinitely. The funded ratio – in this case, 97% – compares the Plan's assets to the Plan's liabilities (benefits payable). A valuation is one of the many ways the Board regularly monitors the Fund.

What does all of this mean to you?

- ✓ Your contribution rates remain unchanged - stable since 2014.
- ✓ Your pension is in good hands.

Want more information?

- ✓ Visit www.shepp.ca for information on our Valuation Summary and Annual Report.



Plan Governance

Your SHEPP pension is a valuable part of your retirement. As such, you may be wondering how decisions are made that affect your pension benefit. Under SHEPP’s joint-trusteeship structure, Plan obligations are shared between employers and employees, and governance is assigned to two governing bodies – the Partner Committees and the Board of Trustees (Board).

Who is the Board and what are they responsible for?

The Board consists of four employer Trustees appointed by 3sHealth and four employee Trustees – one appointed by each of the following four unions: CUPE, HSAS, SUN and SEIU-West.

The Board has a fiduciary duty to the Plan’s members and must always act in the best interests of the Plan. The Board is responsible for the day-to-day operations of the Plan, which includes investing the pension trust fund, paying the pensions owed to members out of that trust fund, and setting the contribution rates for members and employers.

The Board is not responsible for Plan design, nor does it have the authority to make material benefit improvements unless the Plan has a funding surplus or the change is required by law. Except in those instances, only the Partner Committees can adopt material benefit improvements to the Plan.

Who are the Partner Committees and what are they responsible for?

There are two Partner Committees – an Employer Partner Committee with representatives appointed by 3sHealth and a Union Partner Committee with one representative appointed by each of the following five unions: CUPE, HSAS, SUN, SEIU-West and SGEU.

Members of the Partner Committees represent the interests of their appointing body. Collectively the Partner Committees are responsible for Plan design – any fundamental change to the Plan or the pension benefits it provides must be agreed to by both the Employer and Union Partner Committees.

Questions about Plan governance?

Visit the About section at www.shepp.ca for more information, including a list of current Trustees and Partner Committee representatives. Email us at sheppinfo@shepp.ca if you have questions and we would be happy to direct your inquiry to the appropriate governing body.

SHEPP Member Survey Results

Thank you to all SHEPP members who responded to our member survey. With over 2,300 responses, you greatly exceeded our expectations!

Responses reflected the broad range of SHEPP member demographics (e.g. age, gender and years of service), making the results a good indicator of overall member sentiment.

Here is what you told us:

- ✓ You recognise the Plan’s value as a lifetime monthly pension benefit in retirement.
- ✓ You want to learn more about your defined benefit pension in comparison to other plans.
- ✓ Retirement planning information from SHEPP is important to you.



Your feedback is valuable to us and we will be using it to identify ways to enhance our communication and delivery of key pension information to you moving forward. Stay tuned for updates!

Have You Signed In to SHEPPweb?

Our secure online member portal allows you to view your annual pension statement, update your personal information and access pension tools such as our Pension Projection Calculator.

Visit www.shepp.ca and click “Sign in to SHEPPweb.” If you need help with your sign-in credentials, please contact our Member Services team at 1.866.394.4440.



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