



Retirement under SHEPP

SHEPP is a defined benefit plan, which means your pension is determined by a formula based on your highest average contributory earnings and years of participating in the Plan, or credited service. This means as your average contributory earnings and years of credited service grow, so does your pension. Once you start to receive your pension, the payments are guaranteed for life.

Normal Retirement

Normal retirement is the first day of the month that coincides with or immediately follows your 65th birthday.

Early Unreduced Retirement

You can retire with an unreduced pension as soon as your age and years of credited service add up to 80 years. You will also be eligible to receive a bridge benefit to age 65.

The bridge benefit is a temporary pension designed to supplement your SHEPP pension until age 65, when other sources of retirement income normally become available.



EXAMPLE

June is 50 years old with 30 years of credited service ($50 + 30 = 80$). She can retire with an unreduced pension plus a bridge benefit to age 65.

Early Reduced Retirement

You can retire with a reduced pension any time after age 55 with at least two years of service. The reduction applied will depend on your continuous service.

If you have ten or more years of continuous service and are between 55 and 65 years of age when you retire, your pension reduction will be 3% multiplied by the lesser of:

- the number of years that you are short of age 65;
- the number of years by which your age plus credited service is short of 80 years; and
- the number of years that you are short of age 62 or 20 years of credited service (whichever is greater).

If you have fewer than 10 years of continuous service, your pension is reduced on an actuarial basis. This means your reduced pension is the actuarial equivalent of the pension payable starting at age 65.

Postponed Retirement

You can begin collecting your pension as late as December 1st of the year in which you turn 71.

When should I retire?

This is a decision only you can make based on your personal circumstances. In order for you to make this decision, we ask you work with your spouse (if applicable), a financial planner and SHEPP. A good place to start is with a pension estimate.

Online

SHEPPWeb is our secure online portal for active Plan members that includes an online *Pension Projection Calculator*. Using this calculator, you can perform unlimited pension projection calculations to help you choose a retirement date and estimate what your monthly pension will be.

On Your Annual Pension Statement

You will find a pension projection on your Annual Pension Statement. The Annual Pension Statement provides a snapshot of your pension benefits as of December 31 of the preceding year, including an estimate of your future pension at normal retirement date, and upon early (unreduced) retirement if you are eligible.

By Mail

If you would like to request that SHEPP prepare and mail you a pension estimate for a specific date, please contact SHEPP toll free at 1.866.394.4440 or 306.751.8300 in Regina.



Once you have made the decision to retire, you should contact SHEPP 3 to 6 months prior to your retirement date to request a retirement package be sent to you.

What is included in my retirement package?

The retirement package contains important forms that you must review, complete and return to SHEPP so that your pension benefit can be finalised. Included in the package are the following forms:



- *Benefit Election Form*;
- *Application for Retirement Benefits form*;
- *Direct Deposit Authorisation form*;
- *Federal Personal Tax Credits Return (TD1 form)*;
- *Provincial Personal Tax Credits Return (provincial TD1 form)*.

If you have a spouse as defined by *The Pension Benefits Act, 1992 (Saskatchewan)*, a *Spouse's Waiver of 60% Post-Retirement Survivor Benefit* form is also included. If your spouse is waiving entitlement to the post-retirement survivor benefit, the Spouse's Waiver form must be completed by your spouse and returned with your retirement documents. The *Spouse's Waiver of 60% Post-Retirement Survivor Benefit* form must be signed within 90 days prior to your retirement date.

Who is a spouse?

Based on *The Pension Benefits Act, 1992 (Saskatchewan)*, a spouse is defined as:

- a person to whom you are legally married at the relevant time; or
- if you are not married, a person with whom you are cohabiting as spouses at the relevant time and who has been cohabiting continuously with you as your spouse for at least one year prior to the relevant time;

"Relevant time" refers to the date of retirement with respect to the post-retirement survivor benefit. Under this definition, a person who first becomes your spouse after your retirement date is not and cannot be considered your spouse for the purposes of the Plan. Also, a person is considered a spouse even if you are separated, but not legally divorced.

When should I tell my employer about my retirement?

As a member of the Plan it's your responsibility to notify your employer of your decision to retire. SHEPP cannot proceed to finalise your pension until your employer has submitted the required form to SHEPP.

When will my pension payments start?

Your pension payments are directly deposited to your bank account on the last banking day of the month, with the first payment payable on the last banking day of the month following your date of retirement (i.e. if your last paid day of work is May 1, your first payment will be June 30). In order to minimise the length of time between your last pay cheque from your employer and your first pension payment from SHEPP, you may want to consider working until the end of the month.



To ensure that there is no delay in having the payments start on time, you should ensure all documents in the retirement package are completed correctly, signed and submitted to SHEPP 4 to 6 weeks prior to your first payment date.

If your retirement forms are received more than two months after your retirement date, your pension payment will commence on a go forward basis only. That is, no retroactive payment will be made from the Plan for the period between your retirement date and when the forms are received.