



Make the Most of Your Finances: 5 Steps to Tackle in Your 20s and 30s

Dana and Brendan tied the knot in the fall of 2018. Dana is a registered nurse with the Saskatchewan Health Authority in Saskatoon and has been a member of SHEPP for the past four years. With the expenses of their wedding behind them, they're now focused on managing their financial priorities, including buying a home within the next two to three years. "There is so much information that it feels a bit overwhelming," said Dana, especially knowing they have some lofty goals in the next five years.



Unlike two-thirds of Canadians, Dana does have one big advantage – as a SHEPP member, her pension will continue building throughout her career so she's already growing her retirement fund despite it being a distant milestone.

If you're in your twenties, thirties, or beyond, and looking to build a solid financial foundation like Dana and Brendan, research shows that these five financial basics may be a helpful starting point.

1. Set goals and create a budget

When you're starting out, there is no shortage of things you want to do and need. Whether it's buying furniture, paying off student loans, saving for a down payment, or doing some travelling, the best way to achieve these goals is by writing them down. Next, create a budget that not only covers your monthly expenses, but lets you reach your goals. There are free online tools that may help, accessible from www.mint.com/Canada and the Financial Consumer Agency of Canada.

2. Start an emergency fund

Life has a way of surprising us so it's helpful to be prepared for the unexpected – like your car breaking down or a house repair. Financial planners suggest you assess your current living expenses and set aside between three to six months of living expenses in a rainy day fund. To help build your emergency fund, experts suggest setting aside a certain amount on a regular basis in a separate account.

3. Pay down debt

Did you know that the average Canadian owes about \$1.70 for every dollar earned in a year, after taxes? Before tackling your debt, money experts ask you to consider these questions: What is the interest rate? Is the interest rate tax deductible, as with student loans? Are there hidden fees if you pay the

Continued on page 2

Time Well Spent: Why It's Important to Review Your Pension Statement Today

Not only has spring finally arrived, but so has your annual SHEPP pension statement. While a detailed explanation appears on the back of your statement, we're highlighting three key areas that should be reviewed and updated, if required.

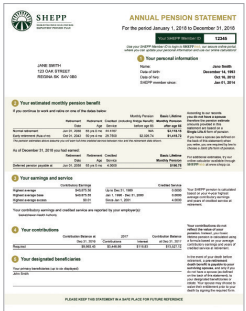
1. Your personal information

Double check that your basic information appears correct on your statement including your name, date of birth, and spousal information. The last two items are important factors in the

calculation of your pension benefit.

2. Your estimated monthly pension benefit

Wherever you are in your career, it's helpful to take a look at what this information means from a personal finance viewpoint. Your pension does have a monetary value that not everyone recognises.



Continued on page 2



Make the Most of Your Finances *(continued)*

balance early? Consider paying off debts with higher interest rates first. Most people need to access credit at some point in their lives. Aim to keep your credit limit low and use it in a smart way.

4. Save and invest

Saving and investing are on-going pursuits in life. If you're looking to save money for major purchases, one popular and flexible savings vehicle is a Tax-Free Savings Account (TFSA). Beyond your pension, another option is having a Registered Retirement Savings Plan (RRSP). To learn more, visit the 'Money and finances' section at www.canada.ca for an easy-to-understand overview on how each of these work.



5. Rent or buy?

Home ownership isn't the obvious choice anymore – there are pros and cons to each. Do your research since you may be surprised when you crunch the numbers. Renting provides flexibility, along with savings from not paying such operating costs as property taxes, mortgage interest, and maintenance costs. Home ownership is as much an emotional decision as a financial one so do your homework. The Canada Mortgage and Housing Corporation website (www.cmhc-schl.gc.ca) has an informative section on 'Buying' that walks you through the steps and has calculators as well.

Tackling these five areas early on in your career will not only give you peace of mind, it will go a long way to providing you with a solid financial foundation as you make your way through the ups and downs in life.

Time Well Spent *(continued)*

Your statement gives you an estimate of the deferred pension you've earned to December 31, 2018. If you're a permanent full-time or part-time employee, pension projections are also provided for the date(s) you become eligible for an unreduced pension.

3. Your designated beneficiaries

Unfortunately, life is unpredictable, and no one likes thinking about the unexpected. Yet, that's exactly why you need to make sure your beneficiaries are up-to-date.

If you die before you retire, your surviving spouse is entitled to receive a death benefit.

If you don't have a spouse upon your death or your spouse has signed and

submitted the *Spouse's Waiver of Pre-Retirement Survivor Benefit* form, your designated beneficiaries are entitled to the pre-retirement death benefit. To learn more, access the *Designating Beneficiaries: Pre-Retirement Information Sheet* at www.shepp.ca.

Want to update your beneficiaries? You can either make changes using **SHEPPWeb** or complete and submit a new *Designation of Beneficiary* form. Keep in mind that once you submit a new designation, it will replace any previous beneficiary designations.

If you no longer want to keep print copies of your pension statements, you can always access your most recent statement online through **SHEPPWeb**.

RETIREMENT AHEAD. ARE YOU READY?

If you're thinking about retiring within five years or less, consider attending one of SHEPP's retirement planning presentations in 2019. It's an ideal first step.

Our member presentation now focuses specifically on those of you who are about five years or less from retirement. Not only will you gain a better understanding of how your pension plan works, but the presentation also walks you through SHEPP's retirement process. For dates and locations, or to register for one of the upcoming presentations, go to www.shepp.ca and click on the *Pension Information Sessions* link found in the *Members* tab.

If you're unable to attend or not quite at this stage yet, be sure to visit **SHEPPWeb**, where you'll find helpful links to easy-to-use calculators, video tutorials and much more.

HAVE YOU TRIED SHEPPWeb YET?

More and more of you are visiting us online and using **SHEPPWeb**, which is fantastic.

This secure online member portal offers you 24/7 access to a variety of valuable tools and resources whenever and wherever you want. You can:

- View/print your SHEPP annual pension statement;
- Instantly update your personal information; and
- Access pension tools and resources, such as the Pension Projection Calculator.

Accessing **SHEPPWeb** is easy. Visit www.shepp.ca and click on the **LOGIN NOW** button on the right-hand side of the page.



SHEPP
SASKATCHEWAN HEALTHCARE
EMPLOYEES' PENSION PLAN

201 - 4581 PARLIAMENT AVE, REGINA, SK S4W 0G3
TEL 306.751.8300 | TOLL FREE 1.866.394.4440 | FAX 306.751.8301
SHEPPINFO@SHEPP.CA | WWW.SHEPP.CA