



## Active Member Newsletter

SPRING 2023



### Join us for a Retirement Ahead Webinar

Are you looking ahead to retirement? Register to 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 [shepp.ca](https://shepp.ca) for more information and a listing of upcoming webinar dates.



### Board of Trustees News

On February 9, 2023, SHEPP's Board of Trustees welcomed a newly appointed trustee! Darren Kurmey has taken over the role of Employee Trustee as the SUN appointee, following the retirement of Marg Romanow. We wish Marg the best in her future endeavors and extend a warm welcome to Darren.



Darren Kurmey



Marg Romanow

### Your 2022 Pension Statement Has Arrived! Now What?

Review your pension statement today. Here are three things you should do when reviewing your pension statement:

#### 1. Ensure your pension information is up-to-date

Check that your basic personal information is correct, including your name and date of birth, and make updates with changes to:

- ✓ Spousal information
- ✓ Marital status
- ✓ Designated beneficiaries

To update your information, sign in to our secure online portal, [SHEPPweb](https://sheppweb.ca), or contact us by phone or email.

#### 2. Check your estimated monthly pension benefit

Your statement gives you an estimate of the deferred pension you've earned to December 31, 2022. If you're a permanent employee, pension projection amounts are also provided for the date(s) you become eligible for an unreduced pension. Please read your statement carefully and refer to the reverse side for a guide to understanding each section of your statement.

#### 3. Sign up for SHEPPweb if you haven't already

Sign in to [SHEPPweb](https://sheppweb.ca) to update your pension information, access your annual pension statement, and use our pension tools and resources, such as our pension calculators.

To get started, visit [shepp.ca](https://shepp.ca) and click "Sign in to [SHEPPweb](https://sheppweb.ca)." You will need your six-digit SHEPP Member ID # and the temporary password included in your welcome letter. If you need help with your sign-in credentials, click 'Forgot password' and follow the steps, or give us a call and we'll help get you set up.



## Purchasing a Leave of Absence

One way to maximise your pension benefit is by purchasing credited service, such as an approved unpaid leave of absence (LOA). By increasing your credited service, you can increase your pension benefit and retire with an unreduced pension at an earlier date.

You can choose to purchase an LOA on a current service basis while on leave, or as prior service upon your return to work. Which option has better value? It depends. The cost to purchase service will vary throughout your career and can be affected by factors such as your age, service, earnings and interest rates.



### Example

Amy is age 30 with five years of credited service, a salary of \$80,000/year and is taking a 12-month LOA for maternity leave. Purchasing service would ensure her early retirement date and pension benefit are not negatively impacted due to her leave.

#### Option 1: Amy purchases her LOA as current service

Amy makes monthly payments (employee and employer contributions) to the Plan while on leave. Her monthly payment would be about \$1,200/month (\$14,400 total).

#### Option 2: Amy purchases her LOA as prior service

Amy purchases her LOA after returning to work by making a lump sum payment to the Plan using cash or a direct RRSP transfer. She can also purchase as little as one month at a time.

If she purchases within a relatively short time frame of returning to work, the cost to purchase all 12 months would be about \$13,000. If she waits until later in her career, the cost would be higher. For example, if she waits until she is age 50, with 25 years of credited service and a salary of \$100,000/year, the purchase cost would increase to about \$40,000.

For more information, please refer to the Current Service Purchase (Leave of Absence) and Prior Service Purchase information sheets at [shepp.ca](http://shepp.ca) or sign in to [SHEPPweb](http://SHEPPweb) to perform an instant estimate using our online calculators.



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## We Want to Hear From You!

To ensure we're consistently delivering on our service standards, later this year we'll begin asking for feedback when we serve you over the phone or through email, or when you receive pension benefit information from us through the mail.

### SHEPP's Service Standards

- ✓ **Accurate:** We're providing accurate knowledge and information.
- ✓ **Timely:** We're delivering information in a timely manner for critical decision-making.
- ✓ **Helpful:** We find the best solution for every situation.
- ✓ **Approachable:** Every person is a welcome priority.

We look forward to offering you the option to provide us with your feedback. Your responses will give us a valuable understanding of the service you received from SHEPP and help us achieve our goal of elevating the experience of our members.



## Ask a Pension Officer Q&A

### Q: Why should I update my spousal information and designate beneficiaries?

A: It's important to keep your spousal information and designated beneficiaries up-to-date for determining entitlement of a pre-retirement death benefit.

Under pension legislation, your surviving spouse will receive the pre-retirement death benefit if you pass away before retiring.

If you're not survived by a spouse (as defined by pension legislation), or your spouse previously waived their right to the pre-retirement death benefit, then your designated beneficiaries are entitled to the benefit.

If your marital status changes, please ensure you update your designation so that your benefit is paid as intended. For example, if you divorce your spouse but do not update your beneficiaries under SHEPP, your benefit could still be payable to your former spouse as your beneficiary on your date of death.

Visit [shepp.ca](http://shepp.ca) to learn more, or sign in to [SHEPPweb](http://SHEPPweb) to update your spousal information and beneficiaries online.