



SHEPP
SASKATCHEWAN HEALTHCARE
EMPLOYEES' PENSION PLAN

RetireeNEWS

This newsletter is published by the Saskatchewan Healthcare Employees' Pension Plan for its retired members and their survivors.

Our Mission

To serve the best pension interests of the members.

Our Vision

A quality retirement future through meaningful benefits.

Our Values

Openness, Respect and Service; Accountability, Integrity and Trust; Leadership and Professionalism; and Excellence, Initiative and Innovation

General Meeting

The Saskatchewan Healthcare Employees' Pension Plan Board of Trustees will be holding a general meeting on Tuesday, June 29, 2010.

The meeting will take place at the Royal Saskatchewan Museum, Albert Street and College Avenue, Regina, Saskatchewan in the auditorium from 2:30 pm to 4:00 pm.

Retirees, Plan members, participating employers and other stakeholders are invited.



Plan Funding

The Board of Trustees is conducting an actuarial valuation to determine the financial status of the Plan at December 31, 2009. The results of that valuation are expected to be available in July 2010.

The last valuation of the Plan was performed at December 31, 2007. At that time the Plan had a \$255 million unfunded liability. That is, the actuarial value of the assets were \$255 million short of the amount required to pay for all the pensions and benefits earned by Plan members to December 31, 2007.

Since December 31, 2007, the following things have happened:

1. Active member and employer contribution rates were increased effective April 2009 to pay off the \$255 million unfunded liability by December 31, 2022.
2. The Fund experienced a -19.8 per cent rate of return in 2008 causing a significant increase in the Plan's unfunded liability to December 31, 2008.
3. Active member and employer contribution rates were further increased effective April 2010.
4. The Fund achieved a 15.1 per cent rate of return in 2009.

The December 31, 2009 actuarial valuation will provide a clear and up-to-date snap shot of the Plan's funded status. It is expected that the valuation will report an unfunded liability at December 31, 2009 which may result in a further active member and employer contribution rate increase.

As a going concern operation, SHEPP continues to pay the pensions earned by Plan members. This means that SHEPP's pensioners have not been directly affected by the Plan's funding challenge.

Retirees are encouraged to visit our web site at www.shepp.ca to keep up with news about the Plan and to receive updates on our funding action plan.

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