



# SHEPPNews

SPRING 2016

## ACTIVE MEMBER NEWSLETTER

### Your 2015 Annual Statement Has Arrived!

Be sure to check out your pension estimates and service details.

Enclosed is your SHEPP Annual Pension Statement — a summary of the benefit entitlements you have earned up to December 31, 2015.

For permanent employees, pension estimates for normal and early (Rule of 80) retirement are also included based on the assumption that your employment status will not change.

But there is more to the statement than just pension estimates. Information on earnings and service—the two factors that determine your basic lifetime pension amount—is also included.

The statement also details contribution amounts. However, please remember that your pension is calculated using a benefit formula based on earnings and service. The contribution balance does not reflect the value of your pension and is provided for your reference only.

Finally, the statement provides a list of your designated beneficiaries. If you have a spouse on record, only their name will be listed here since they are automatically entitled to the pre-retirement death benefit. If you do not have a spouse on record, or if your spouse has signed the pre-retirement death benefit waiver form, then those you have designated as primary beneficiaries will be listed. Contingent beneficiaries will not be shown in the statement.

Please read your statement carefully and refer to the reverse side for a guide to understanding each section of your statement.

It's important the information in the statement is accurate. Please contact SHEPP if you notice any discrepancies, or if you have any questions or concerns regarding your statement.

### NEED TO UPDATE YOUR PERSONAL INFORMATION?

Login to **SHEPPWeb** to change the following information:

- Birth date;
- Marital status;
- Spousal information; and
- Beneficiaries.

Contact your employer to update the following information:

- Name;
- Address; and
- Date of hire.

### ATTEND A PENSION INFORMATION SESSION THIS SPRING

These seminars provide an overview of Plan benefits, and help answer questions about when you can retire, how your pension is calculated and how to maximise your pension benefit.

Check the calendar under the Resources section at [www.shepp.ca](http://www.shepp.ca) to find out when we'll be in your area, or talk to your employer about scheduling a presentation in your workplace.

### NEW AND IMPROVED SHEPPWeb COMING THIS FALL

SHEPP is busy redesigning and expanding **SHEPPWeb** to offer new and improved resources to help you manage your pension online. Watch your mail this fall for this important announcement.

## Learn to use SHEPPWeb

Watch our video tutorials at  
[www.shepp.ca](http://www.shepp.ca)



**SHEPP**  
SASKATCHEWAN HEALTHCARE  
EMPLOYEES' PENSION PLAN

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TEL 306.751.8300 | TOLL FREE 1.866.394.4440 | FAX 306.751.8301  
[SHEPPINFO@SHEPP.CA](mailto:SHEPPINFO@SHEPP.CA) | [WWW.SHEPP.CA](http://WWW.SHEPP.CA)

people. pensions. results.

## Investing to Secure Benefits

As set out in SHEPP's Funding Policy, the Board of Trustees' first priority is to secure members' benefits. SHEPP currently makes over 15,000 pension payments a month, and approximately 75% of the funds used to make those payments come from investment returns. The remaining portion is funded by contributions.

Keeping that in mind, it's easy to see how important it is to invest properly. SHEPP employs a prudent investment philosophy aimed at achieving optimal returns without exposing the Fund to excessive risk. Recent market volatility is a reminder of the challenges pension plans face: balancing the need for sufficient returns in an environment where prolonged low interest rates make it difficult to find low risk investments with sufficient yield. In addition, returns in the equity market are expected to slow after several years of strong gains. All of this leads to lower investment returns from traditional investments, which increases the pressure on contribution rates.

The Board keeps a close eye on the Fund and its investments, and regularly conducts asset-liability studies to ensure the risks of a volatile market are being managed. A risk management dashboard helps the Board track

trends in the Fund's investments, and presents a snapshot of the Plan's funded status at a given point in time.

The result of these ongoing analyses is clear: diversifying the investment portfolio will best help the Fund weather the storm of volatility and prolonged low interest rates. And SHEPP continues to diversify its investment portfolio to mitigate risk. In 2015, the Board increased the Fund's allocation to U.S. real estate, and further diversified the fixed income and foreign equity portfolios. These changes help reduce the Fund's risk exposure while providing more stable returns.

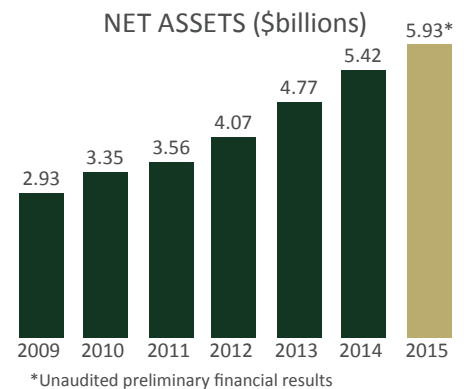
With this focus on diversification, SHEPP continues to find success in a challenging investment environment. In 2015, investment returns were 8.8%, exceeding the market benchmark by 0.9%. That's about \$470.8 million earned on investments in 2015.

SHEPP has been providing secure, dependable pensions to Saskatchewan's healthcare workers for over 50 years. Through the diversification of our investments, the Plan continues to strike a balance between risk and reward to help deliver on our pension promise for decades to come.



- Active Members (36,808)
- Retired Members (15,708)
- Deferred Members (1,799)

\*As of February 29, 2016

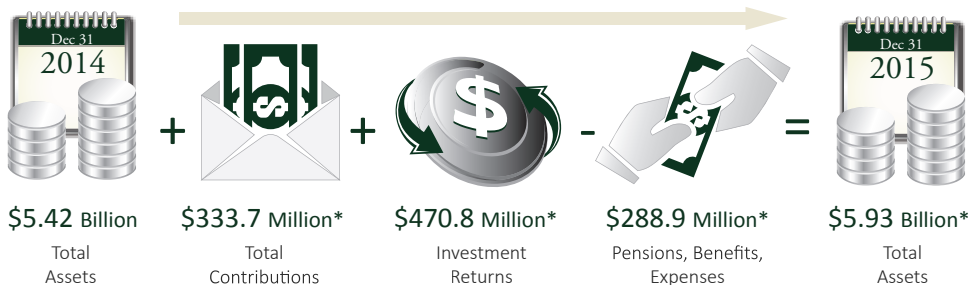


\*Unaudited preliminary financial results



- Canadian Equities (12.5%)
- Global Equities (32.5%)
- Emerging Market Equities (5.0%)
- Fixed Income (30.0%)
- Real Estate (12.0%)
- Infrastructure (8.0%)

### 2015 AT A GLANCE



\*Unaudited preliminary financial results

