



SHEPPNews

FALL 2018

ACTIVE MEMBER NEWSLETTER

What Type of Pension Plan is SHEPP: a Defined Benefit or a Defined Contribution Plan?

As a SHEPP member, do you know what kind of pension plan you have? Here's a brief overview on the two main types of pension plans out there so you know which type SHEPP is and how it works.

In a **defined contribution pension plan**, the member's contributions, as well as the employer's are placed into an investment fund selected by the member. That member's retirement account depends on two things: the amount contributed into the plan by both the member and the employer and how well the investments perform over time. The accumulated savings from both contributions and investment returns are then used to provide that employee with an income based on their account balance when they retire.

SHEPP is a **defined benefit pension plan** which works very differently from the one above. While you're a member, your pension contributions and your employer's are pooled and invested for the benefit of all members. This means that the Plan, rather than you as an individual member, bears the investment risk unlike a defined contribution plan.

At SHEPP, your pension benefit is determined by a formula based on your eligible earnings and credited service at retirement rather than on how well the market does. This defined benefit pension model means you don't have to worry about complex investment decisions or outliving your pension. When you retire with a SHEPP pension, you can expect a predictable monthly income for your lifetime.

To learn more about SHEPP, refer to the *Plan At-A-Glance* Information Sheet on www.shepp.ca.



ASK A PENSION OFFICER

ANSWERS TO QUESTIONS WE'VE RECEIVED FROM YOU

When should I retire?

This is a decision only you can make based on your personal circumstances. As part of your planning, we suggest you talk with your spouse (if you have one), a financial planner and SHEPP.

A logical starting point is to determine the amount of income you can expect in your retirement. Along with your SHEPP pension, this may include:

- government benefits, such as CPP (Canada Pension Plan) and OAS (Old Age Security); and
- possibly, personal savings, such as RRSPs, TFSAs, and equity in your home, to name just a few.

As for your SHEPP pension, here are three ways you can get your SHEPP pension estimate:

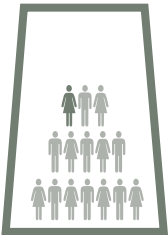
1 Online

SHEPPWeb is our secure online member portal. Among the resources available is SHEPP's **Pension Projection Calculator**.



Using this calculator, you can perform unlimited pension estimates to help you choose a retirement date based on one or more of SHEPP's retirement eligibility milestones, or another retirement date you may have in mind.

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1 in 15
People who work in Saskatchewan
is an active member of SHEPP



SHEPP
SASKATCHEWAN HEALTHCARE
EMPLOYEES' PENSION PLAN

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people. pensions. results.

SHEPP's Funded Status Improves Again

SHEPP is eager to tell you that the Plan's funded status has once again improved.

Here are the highlights of SHEPP's actuarial valuation performed as at December 31, 2017:

- ✓ No changes in contribution rates for members or employers;
- ✓ The going-concern funded ratio improved to 95% (from 91% in 2015); and
- ✓ The unfunded liability was reduced to \$385 million (from \$594 million in 2015) – a difference of \$209 million.

SHEPP's Board of Trustees regularly monitors the funded status of the Plan and performs an actuarial valuation at least every three years to formally assess the Plan's financial health. The going-concern valuation assumes the Plan will continue operating indefinitely while the resulting funded ratio is a comparison of the Plan's assets to the Plan's liabilities (benefits payable).

Interested in getting a more detailed overview of SHEPP's latest valuation? You can access SHEPP's *2017 Valuation Results* at www.shepp.ca.



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Plus, you can estimate your future pension using the eligible earnings information on record or make assumptions about what your eligible earnings may be at your retirement.

2 On Your Annual Pension Statement

You will find a pension projection on your Annual Pension Statement, including an estimate of your future pension upon normal retirement, as well as at early retirement (Rule of 80), if you're eligible.



3 By Mail

If you prefer, you can contact SHEPP and request a pension estimate be mailed to you for a specific retirement date.

What happens if I terminate my employment before I'm eligible to retire?

When you leave your job, SHEPP will receive a notice of your termination from your employer. We will then mail you a statement within 90 days of your termination date that shows the amount of your benefit and what options are available to you.

For more information on what happens to your pension if you terminate employment, refer to the *Termination of Employment* Information Sheet on www.shepp.ca.



Have You Tried SHEPPWeb Yet?

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

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.

Where to Turn When You Have Questions

SHEPP's Information Sheets are ready to access online whenever you have questions

At SHEPP, we want to make it easy for you to get the answers to your questions. That's why we've created Information Sheets for a variety of circumstances that you may encounter over your career.

Here are some of the more common ones accessed by members, like you:

- Designation of Beneficiary;
- Retirement;
- Current Service Purchase (Leave of Absence);
- Prior Service Purchase; and
- Spousal Relationship Breakdown.

SHEPP's Information Sheets can be found under Resources at www.shepp.ca. If you still have questions, don't hesitate to call us.

