



## Who is entitled to my SHEPP pension if I die before retiring?

If you die before retirement, your surviving spouse is automatically entitled to receive a death benefit equal to at least the commuted value of your pension, regardless of your beneficiary designation. Your spouse may choose to have the death benefit paid in one of the following forms:

- a taxable lump sum payment of the commuted value;
- a tax exempt transfer of the commuted value to a Locked-In Retirement Account (LIRA), Registered Retirement Savings Plan (RRSP), or Registered Pension Plan (RPP); or
- a monthly lifetime pension guaranteed for five years and their life thereafter, the actuarial value of which is equivalent to the commuted value.

You may designate a beneficiary or multiple beneficiaries to receive the benefit if you do not have a spouse on the date of your death, or if prior to your death:

- your spouse waives entitlement to the benefit by completing and submitting the *Spouse's Waiver of Pre-Retirement Survivor Benefit* form and does not rescind the waiver prior to your death; or
- a *Family Property Act* (Saskatchewan) division of your pension occurs prior to your death in which your spouse waives entitlement to any further benefit under the Plan.

If you do not name a beneficiary, or if all of your designated beneficiaries are no longer living, the benefit is paid to your estate.

## Who is a spouse?

Based on *The Pension Benefits Act, 1992* (Saskatchewan), a spouse is defined as:

- a person to whom you are legally married at the relevant time; or
- if you are not married, a person with whom you are cohabiting as spouses at the relevant time and who has been cohabiting continuously with you as your spouse for at least one year prior to the relevant time;

“Relevant time” refers to the date of death with respect to the pre-retirement death benefit, and the date of retirement with respect to the post-retirement survivor benefit.

## Who can I designate as my beneficiary?

You may designate any person you wish as your beneficiary. More than one beneficiary may be designated, and your beneficiary can include a legal entity such as your estate or a registered charity.

You may designate primary and contingent beneficiaries. A primary beneficiary is the person you have named to be first in line for your SHEPP death benefit. A contingent beneficiary is the person you have named to be second in line for your benefit if all of your primary beneficiaries predecease you.

If our records indicate you do not have a spouse, your designated primary beneficiaries will be listed on your annual statement. However, if our records indicate you do have a spouse, only your spouse's name will appear on the statement.

## Isn't it easier to leave my SHEPP benefit to my estate and have it dealt with in my will?

No, leaving your SHEPP benefit to a beneficiary is like taking a shortcut. It is a quick way of getting the benefit to someone you care about. Settling an estate can take weeks to years and can be very costly. In the meantime, your estate's money may be inaccessible. In addition, if you leave your SHEPP benefit to a beneficiary, the money becomes the property of your beneficiary and is safe from your creditors if you die owing money.

## How do I designate a beneficiary?

You will be asked to designate your beneficiaries when you join SHEPP, and you can change your beneficiaries as often as you wish. To change your beneficiaries, log into **SHEPPWeb**, select “Designated Beneficiaries” from the Web Services menu and fill out the form. The new beneficiary designation will take effect as soon as you submit the form and will replace any previous beneficiary designations.



#### IMPORTANT

Each time you update your designated beneficiaries, the new designation replaces the previous one. Therefore, ensure your designation includes ALL primary and contingent beneficiaries you intend to potentially receive a benefit.

### Can I designate my children as my beneficiaries?

Yes, you can designate your children as beneficiaries. However, SHEPP cannot pay a benefit directly to a minor. If your beneficiary is under the age of 18, SHEPP must pay the benefit to a trustee. You can appoint any individual or organisation as a trustee for your minor beneficiary using the Designated Beneficiaries section on **SHEPPWeb**. The trustee will hold any SHEPP benefit in trust until the minor reaches 18 years of age. If you do not designate a trustee, SHEPP will pay the benefit to the minor's legal property guardian. If there is no guardian, then SHEPP will pay the benefit to the Public Guardian and Trustee of Saskatchewan.

### How is my SHEPP death benefit divided if I designate more than one beneficiary?

If you are not survived by a spouse and you designate more than one person as your primary beneficiary, the benefit will be paid in equal shares to all of your named primary beneficiaries. If any of your primary beneficiaries predecease you, any benefit payable will be shared equally among the surviving named primary beneficiaries. If all of your primary beneficiaries predecease you, the benefit will be paid in equal shares to all of your named contingent beneficiaries.

If you have not named any contingent beneficiaries, or all of your contingent beneficiaries have predeceased you, the benefit will be paid to your estate.

### When should I review my beneficiary designation?

You should review your beneficiary designation regularly to ensure any death benefit payable to your beneficiaries is disbursed according to your wishes. To review your beneficiary designations log into **SHEPPWeb** and select Designated Beneficiaries.



For information regarding designating beneficiaries in retirement please refer to the *Designating Beneficiaries - Post Retirement* Information Sheet available at [www.shepp.ca](http://www.shepp.ca).