SHEPP Presentation

March 24, 2026 1200

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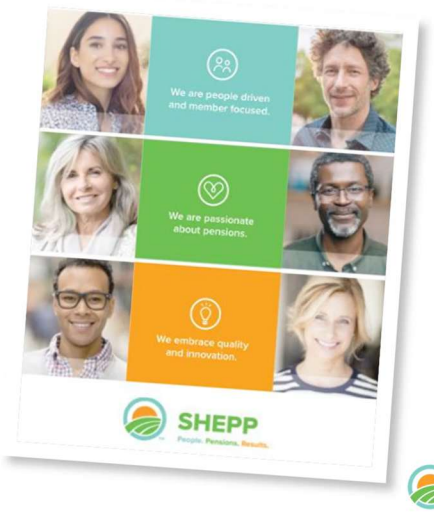
Saskatchewan Healthcare Employees' Pension Plan

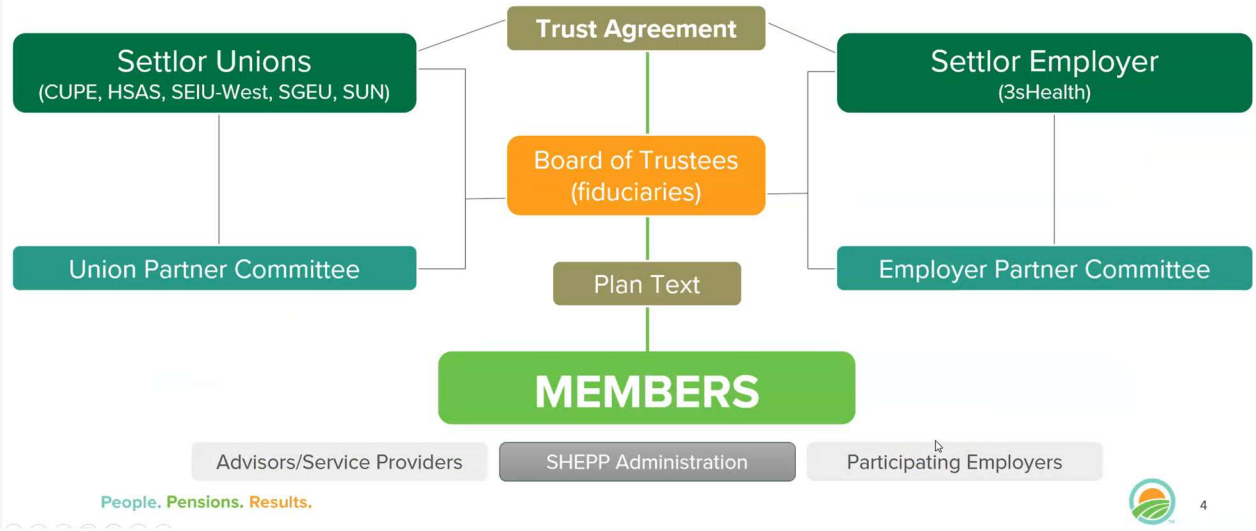
- Largest defined benefit pension plan in Saskatchewan
- Serving over 68,000 members in the healthcare sector
- Providing predictable, lifetime income in retirement



People. Pensions. Results.

3

SHEPP's Governance Structure



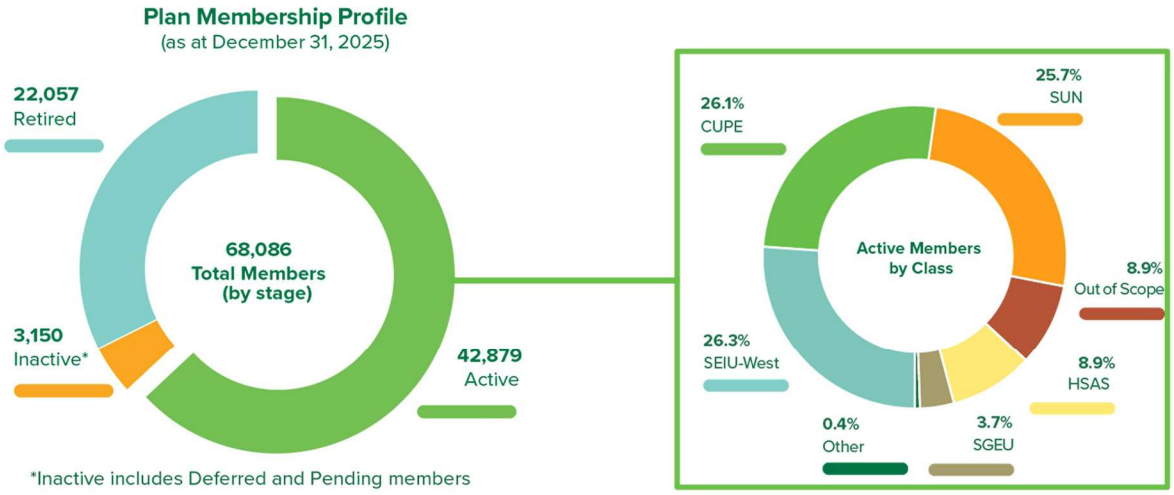
People. Pensions. Results.

4

Any changes to the pension plan that would not be cost neutral/require additional contributions need to be negotiated and agreed upon by partner committees. DT is the SUN Rep on the Union Partner Committee. Board of Trustees – only SGEU does not appoint to the board. Board of 8

trustees administers the fund. Fiduciaries – must act in the best interest of the plan. Staff of about 70 – administer day to day operations, through participating employers

SHEPP By the Numbers



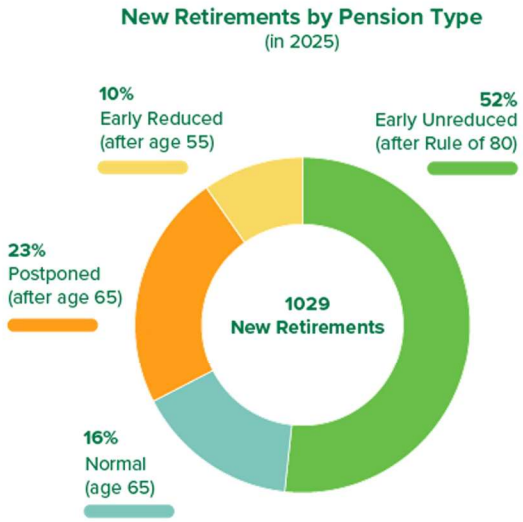
SHEPP By the Numbers - Membership





84& female, 16% male

SHEPP By the Numbers - Pensioners





Rule of 80 –

Plan Overview

SHEPP's Defined Benefit Model

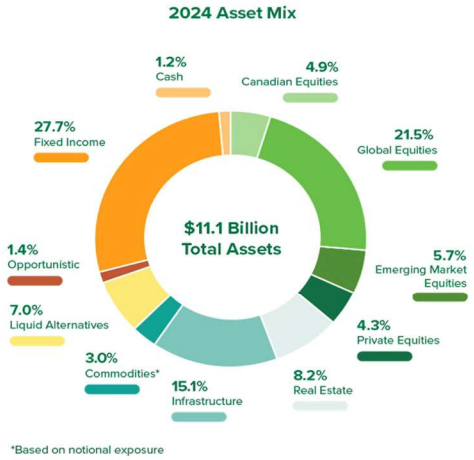
- Contribution rates vary and are determined by actuarial valuation
- Contributions pooled and invested long-term; shared risk
- Benefit is calculated using formula (based on eligible earnings and service)
- Pension paid for life

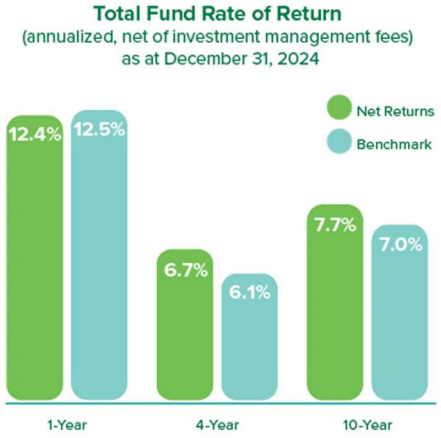


Earnings and service go into a formula to determine payout
For every dollar a member contributes – employer contributes 1.12 – fund is invested on behalf of all members. Risk is shared. Can be invested in long-term assets

Plan Overview

Investments

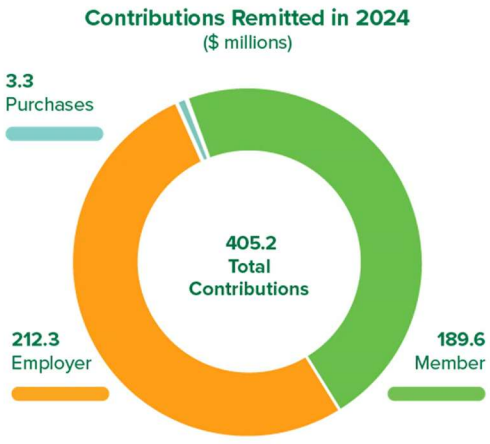




Diversified asset mix – worth over 11 billion

Plan Overview

Contributions





Investment returns are about 75% of investment returns, 25% comes from contributions. YMPE does not include YAMPE.

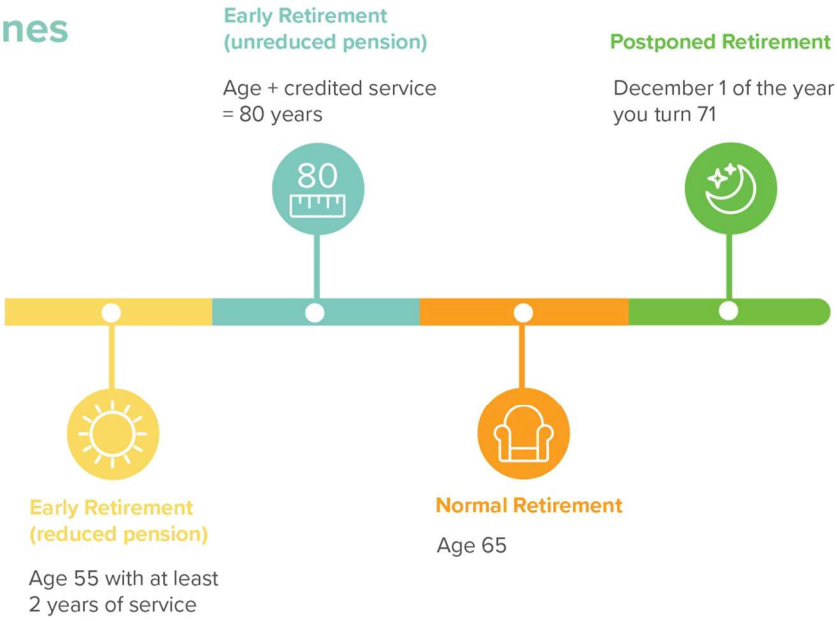
Benefits are defined, contribution rates can vary. Primary objective of the board is to have contribution rate stability. If the plan is in a deficit, as it was until 2023, the contribution rates can increase in order to meet a special payment. Can change based on the valuation – every few years the actuary completes a valuation to determine what the appropriate contribution rate is. This rate has bene in place since 2025.



Plan is fully funded – 2023 and 2024 valuations. Board has decided to use surplus for benefit improvements – will be communicated

SHEPP Benefits

Retirement Milestones



Plan Design Basics

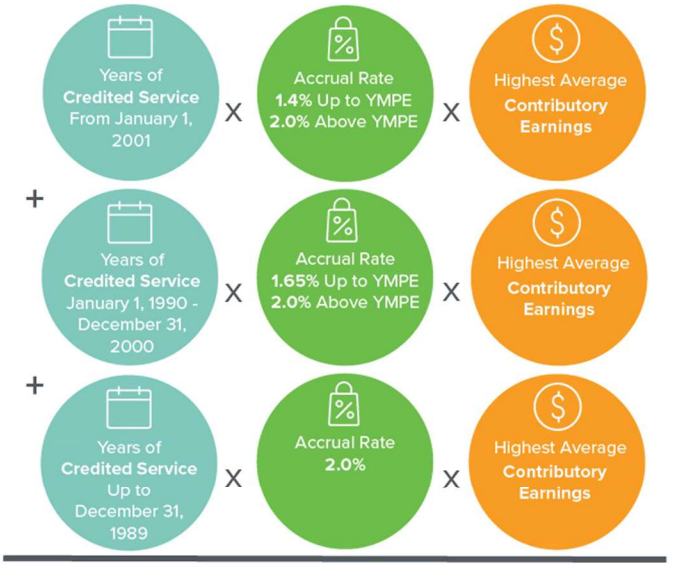
Benefit formula depends on:

- Highest four-years' average **contributory** earnings at retirement
- Years of **credited** service on retirement

All else being equal, the higher the average earnings and/or the greater the credited service the greater the pension

Remember

- SHEPP must apply the maximum pension limits set out in the *Income Tax Act* and the Plan Text



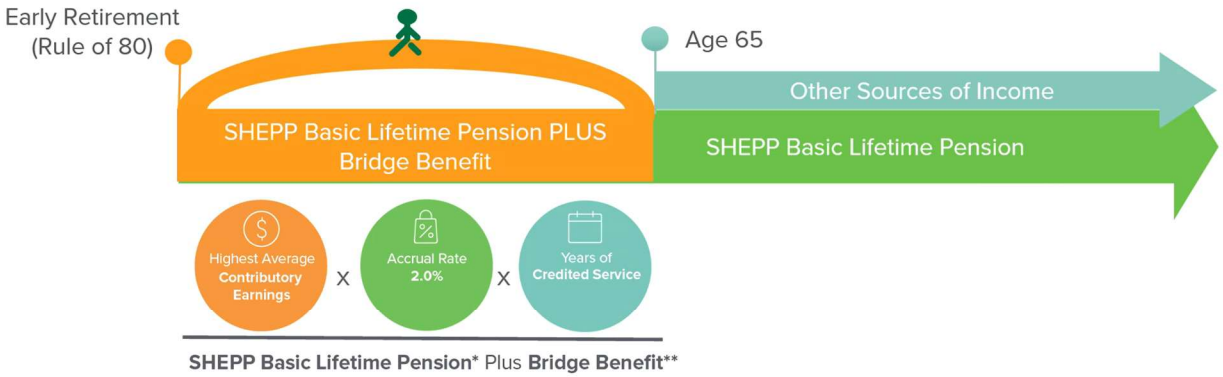
SHEPP Basic Lifetime Pension*

*Gross annual amount, based on Single Life form of pension where payments are guaranteed for five years and the member's life thereafter.

Higher accrual rates for service – result of benefit improvements that were made late in 1999 & 2001 – since then, the formula has been 1.4 and 2

Plan Design Basics

Early Retirement Formula (Unreduced)



SHEPP Basic Lifetime Pension* Plus **Bridge Benefit****

*Gross annual amount, based on Single Life form of pension where payments are guaranteed for five years and the member's life thereafter.
**Bridge Benefit is payable only to members who qualify for early unreduced retirement (Rule of 80) and is payable from retirement to age 65. From age 65 on, you will receive your basic lifetime pension only, as calculated using the basic lifetime formula.

Bridge benefit until age 65 – then the bridge drops off and just SHEPP basic lifetime pension

The SHEPP Advantage

Here are just a few of the benefits of being a SHEPP member:

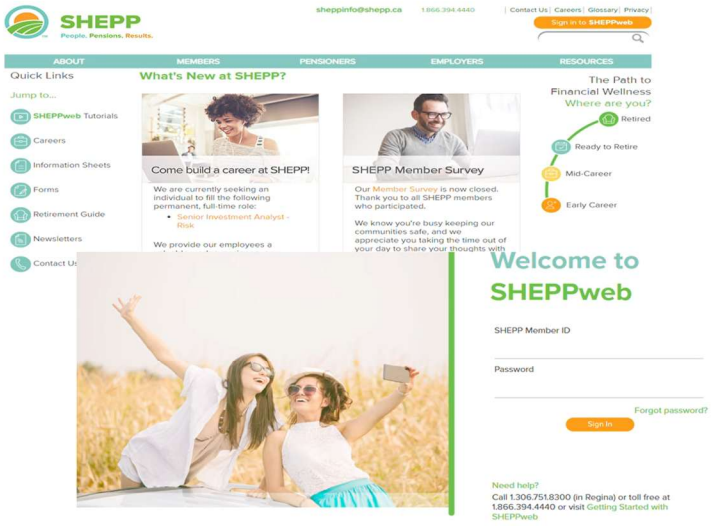
- Predictable retirement planning
- Pension payments for life
- For every dollar you contribute, your employer contributes $1.12
- Early, normal and postponed retirement benefits
- Portability transfer and service purchase provisions to maximize your pension
- Options if you change employment
- Survivor benefits upon your death



Cannot outlive your pension
Can port service from other pension plans and purchase missing service

www.shepp.ca and SHEPPweb

- Public website
  - View Plan booklet, Info Sheets, News
  - Register for Webinars
  - View Videos
- Secure Online Member Portal
  - View personalized pension info
  - View/print annual pension statement
  - Access personalized tools
    - Pension Projection Calculator
    - Prior Service Purchase Calculator



SHEPP's Member Experience Team

- Phone:
  - 306.751.8300 (in Regina)
  - 1.866.394.4440 (toll free)
- Email: sheppinfo@shepp.ca
- In-person at our Regina office at 102 – 4581 Parliament Avenue



Questions

Plan participation – does everyone need to participate?

Agreement with the Employer, they sign the agreement to remit contributions and data that SHEPP needs to administer. When a new Employer joins the plan, all members of the

existing pension plan are required to join. Any not part of the existing pension plan have the option to join

Details about purchasing of service

Any period of service where a member has employment with their employer – would be able to purchase prior service – could be paid for by cash or RRSP transfer in – SHEPP would provide cost – can purchase months or years

Years of service must be with a SHEPP Employer

Can port previous pension over to SHEPP

If not part of the current pension plan, we would be starting at scratch for years of service?

No, years of service from start date with Employer would start

Porting

Form that SHEPP would need – would send it to the other pension plan – years, earnings, accrued benefit – once received, would do a cost quote to see what that cost would be in SHEPP

Example – 10 years at previous plan – that might be 300,000 in SHEPP – if member only has 200,000 in other plan, it would be prorated into SHEPP. Can also transfer RRSPs to make up the full number of years

What would be the requirement, is it possible for SUN to join?

To become a participating employer, there is an application that can come to SHEPP, requirement that you be a customer of 3sHealth – can become a limited customer of 3s Health solely for the purpose of joining of SHEPP

Participation agreement is with the Employer – obligations are of Employer to remit contributions

If someone was wondering about a calculation or wanting to make an informed decision – is that a possibility?

Can't be done until an active member in the plan

Online calculator once a member of the plan – but isn't a portability calculator.

Provide information about the impact on the pension – when you bring service over bring you closer to rule of 80, increases pension

Employees in the existing pension plan MUST move to SHEPP. Choice would be to move the previous pension into SHEPP

SUN staff members who are working for a SHEPP employer

Would send over an electronic plan booklet

RRSPs being transferred into SHEPP – do LIRAs count too?

Yes