



# Plan Booklet 2026



**SHEPP**

People. Pensions. Results.



# Table of Contents

## Getting To Know SHEPP

Employees and Employers Jointly Govern the Plan	3
Funding Your Pension Benefit	4

## Joining The Plan

Becoming Eligible to Join the Plan	7
Contributing Toward Your Pension	8
Increasing Your Pension by Transferring Service	10
Designating Your Beneficiary	11

## Building Your Pension

Earnings and Service Matter	14
Determining When You Can Retire	15
Calculating Your Pension	16
Watching Your Pension Grow	19
Increasing Your Pension Benefit	20

## Getting Ready To Retire

Choosing a Date	24
Choosing a Form of Pension	26
Applying to Begin Receiving Your Pension	29

## Planning For Life Events

Spouse	32
Children	33
Leave of Absence	33
Disability	33
Leaving or Changing Employment	34
Shortened Life Expectancy	37
Death	38

## Resources

<b>SHEPPweb</b> Guide	40
Retirement Guide	41
Glossary of Plan Terms	42

This document is being provided for information only, and does not replace the terms of the Plan Text. While every effort has been made to ensure the contents are accurate, the terms of the Plan Text will prevail if this document conflicts with any of the Plan Text provisions. The Plan Text is available at [www.shepp.ca](http://www.shepp.ca).

A glossary of terms used throughout the booklet is contained at the back.

The Plan is registered with the Pensions Division of the Financial and Consumer Affairs Authority, and with the Canada Revenue Agency. The registration number is 0304667.



# Getting to Know SHEPP

The Saskatchewan Healthcare Employees' Pension Plan (SHEPP) is a jointly trustee, multi-employer pension plan providing retirement security for over 41,000 of the province's healthcare workers and more than 22,000 retired members and their beneficiaries.

SHEPP is a defined benefit pension plan, which means your pension is determined by a formula based on your eligible earnings and service. This defined benefit formula 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 life.

The Plan provides the following:

- early, normal or postponed retirement benefits;
- optional forms of pension on retirement;
- termination benefits;
- death benefits; and
- portability transfer, prior and current service purchase provisions.

## The Plan is Jointly Trusteed

### Board of Trustees

The Plan is governed by a Board of Trustees (the Board) made up of an equal number of employee and employer representatives. Four employer Trustees are appointed by Health Shared Services Saskatchewan (3sHealth) and one employee Trustee is appointed by each of the following four unions:

- Canadian Union of Public Employees (CUPE);
- Health Sciences Association of Saskatchewan (HSAS);
- Saskatchewan Union of Nurses (SUN); and
- SEIU-West.

As the administrator, the Board has fiduciary responsibilities to you and your beneficiaries. This means they must act in good faith and in the best interests of you and your beneficiaries when carrying out these responsibilities.

The Board must also:

- treat you and your beneficiaries impartially, and not prefer the interest of one person over another;
- act with the care, skill and diligence of a prudent person;
- interpret the Plan terms fairly, impartially and in good faith; and
- prevent personal interests from conflicting with those of the Plan.

### Partner Committees

While the Board administers both the Plan and the Fund, it is not responsible for Plan design changes. An Employer Partner Committee, appointed by 3sHealth, and a Union Partner Committee, appointed by the five healthcare unions, are responsible for Plan design and must approve any fundamental changes to the pension benefits.



## SHEPP Administration

SHEPP's Chief Executive Officer and employees are responsible for the day-to-day administration of the Plan and the Fund's diversified investment portfolio. This includes collecting contributions, calculating and paying benefits and providing services to you and your employer.

## Funding Your Pension Benefit

### Defined Benefit Pension Plan

In a defined benefit pension plan, members receive a pension payment every month until the day they die. Your pension is determined by a formula that takes into consideration your service and earnings. When you are nearing retirement, you can easily predict how much your monthly pension payment will be and rest easy knowing that you will receive that amount each month for the rest of your life.

### Funded Status

SHEPP is governed by *The Pension Benefits Act, 1992* (Saskatchewan) and as such, is required to perform an **actuarial valuation** at least every three years to determine the financial status of the Plan. These valuations assess the Plan's assets and liabilities, determining whether there are sufficient funds to cover future benefit obligations. Valuations categorize the Plan's financial position as fully funded, in surplus, or with an unfunded liability. A pension plan is considered fully funded on a going-concern basis when it has enough assets to meet all current and future obligations.

The solvency valuation is based on the assumption that the Plan terminates on the valuation date and that all pension benefits are settled by the purchase of annuities or the payment of lump-sum values to members. The purpose of this valuation is to determine the funded status of the Plan in the unlikely

event the Plan winds-up. The results of the solvency valuation have no impact on the level of contributions required. However, if the valuation determines that the Plan's solvency liabilities exceed assets, the Plan must apply a transfer deficiency holdback (percentage based on solvency ratio) to certain termination benefits payable from the Plan.

The going-concern valuation assumes the Plan will continue indefinitely and includes margins for benefit security and contribution stability. The going-concern valuation determines the level of contributions that will be required for the period following the valuation.

The last valuation as at December 31, 2024, determined that the Plan remained fully funded for the second consecutive year, at 107% funded on a going-concern basis and 105% solvency.

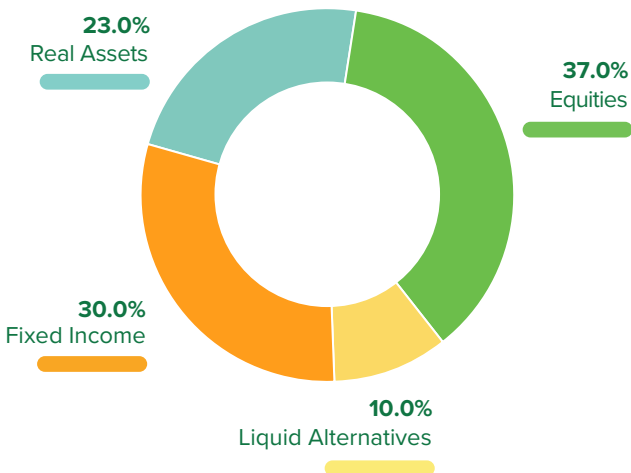
SHEPP's next actuarial valuation is required as at December 31, 2027.

## Investments

The SHEPP Fund is invested in accordance with the provisions of *The Pension Benefits Act, 1992* (Saskatchewan) and the Board's investment philosophy and objectives, which are set out in its Statement of Investment Policies and Procedures. The Board's goal is to ensure there are sufficient funds available to fulfill the pension obligations of the Plan. The better the investment performance of the Fund, the less pressure there is on contribution rates. However, the challenge still remains maintaining the right balance between the risk and reward of those investments.

Visit [www.shepp.ca](http://www.shepp.ca) for both financial and investment Plan details.

### Long-term Target Asset Mix





# Joining the Plan

When you become a member of SHEPP, you immediately begin building lifelong retirement income. Because your pension is determined by your eligible earnings and service, the sooner you join the Plan and the longer you contribute, the larger your pension will be.

# Becoming Eligible to Join the Plan

## Permanent Full-Time or Permanent Part-Time Employees

Membership in the Plan is mandatory if you work as a permanent full-time or permanent part-time employee of a SHEPP participating employer.

Your employer will enrol you in SHEPP and begin deducting contributions from your pay effective the first of the month that coincides with or immediately follows your appointment to permanent full-time or permanent part-time employment.

If you were hired before your employer joined SHEPP, membership is optional. You can choose to join on the first of any following month, but membership is not retroactive.

## All Other Employees

If you are not a permanent full-time or permanent part-time employee, there are two ways to become eligible to join SHEPP:

- by working at least 780 hours in the immediately preceding calendar year; or
- by working at least 700 hours in each of the two immediately preceding calendar years.

Your eligibility will be based on all SHEPP eligible positions held with all SHEPP participating employers. Your employer will notify you if you become eligible to join SHEPP. Once eligible, you can choose to join on the first of any month in that calendar year. If you qualify while you are on a leave of absence, you have the option to enrol on the first day of any month following your return to work. If you don't join in that year, you'll have to qualify again to become eligible to join the Plan.

Once enrolled, your membership will continue until you have terminated employment with all of your SHEPP employers.

If you choose to join SHEPP, you may also choose to purchase the eligible prior service you had accumulated during the qualifying period, in order to increase your credited service. All else being equal, by increasing your credited service, you will increase your pension and qualify for early retirement (Rule of 80) sooner. For more information, refer to the Prior Service Purchase Information Sheet on [www.shepp.ca](http://www.shepp.ca).

## Moving Between SHEPP Participating Employers

If you move between SHEPP participating employers, and your break in service is 30 days or less, you will automatically maintain Plan membership.



If your break in service is more than 30 days, you will need to re-qualify for Plan membership based on the eligibility rules.

## Employees with Multiple Employers

If you work for more than one SHEPP participating employer, your eligibility will be based on all SHEPP eligible positions held with all SHEPP employers. Once enrolled, you will join the Plan with all of the SHEPP employers for whom you work.

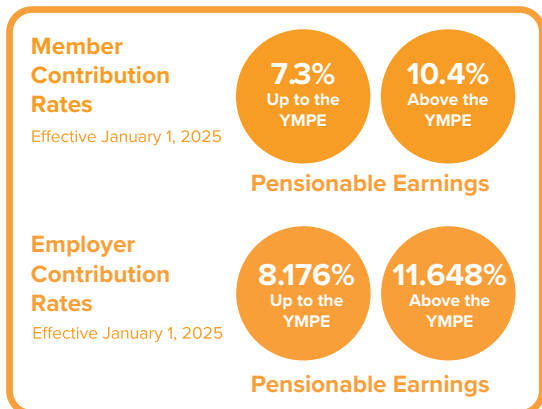
## Contributing Toward Your Pension

Two important concepts that relate to contributions made to the Plan include:

- **Pensionable earnings**, which are the regular earnings you receive from your employer while an active Plan member. They include straight time pay, statutory holiday pay, vacation pay, sick pay and the pensionable earnings portion of retroactive pay in the year in which it is paid. Pensionable earnings do not include lump sum vacation pay, premium pay, such as overtime pay, shift premiums or bonuses; and
- **Year's Maximum Pensionable Earnings (YMPE)**, which is a measure of the average wage in Canada. It is set every year by the federal government and forms the basis for Canada Pension Plan (CPP) benefits and contributions. The 2026 YMPE is \$74,600.

## Member Required Contributions

All of your contributions are made through payroll deduction and earn interest at a rate calculated on the basis of the average of the yields of a five-year personal fixed term chartered bank deposit rate.



Your contributions lower your overall taxable income for the year, meaning you pay less tax on each paycheque with no extra effort on your part. Pension contributions are deducted from gross pensionable earnings, which is essentially regular pay and does not include overtime.

Your contributions are limited based on the maximum pensionable earnings limit in the Plan. In 2026, members do not contribute to SHEPP in respect of their regular earnings above this limit of \$218,991.00, and therefore the maximum required contributions in 2026 are \$20,462.46.

## Employer Required Contributions

Your employer contributes 112% of what you contribute to the Plan. So, for every dollar you contribute toward your pension, your employer contributes \$1.12.

### Example

#### Contributions Payable at Various Earning Levels

Pensionable Earnings	Member Contributions	Employer Contributions
\$40,000	\$2,920.00	\$3,270.40
\$65,000	\$4,745.00	\$5,314.40
\$80,000	\$6,007.40	\$6,728.29
\$95,000	\$7,567.40	\$8,475.49

The contribution amounts are based on the Plan's 2026 contribution rates and the 2026 YMPE which is \$74,600. Contribution amounts will change with adjustments to the YMPE.

## Employees With More Than One SHEPP Participating Employer

If you work for more than one SHEPP participating employer, you will join the Plan at all of the participating employers for whom you work. When you participate in the Plan through either sequential or concurrent employment with two or more employers, the Plan does not require employers to recognize the member's pensionable earnings with any other employer when determining the member and participating employer contributions due to the Plan.

This means your total contributions to the Plan in a year may be less than they would have had you earned the same amount from just one employer. Your **contributory earnings**, used in SHEPP's pension formula, are calculated based on the total contributions you've made to the Plan from all employers.



Therefore, if you participate in the Plan with more than one employer or you change from one employer to another in a year, your combined contributory earnings may be lower than your total pensionable earnings in that year.

## Example

### Concurrently or Sequentially Employed

Suppose Suzanne and Mary both have pensionable earnings of \$80,000. However, Suzanne's are paid by two SHEPP employers. Both of her employers will deduct and remit contributions based only on the pensionable earnings paid.

Suzanne			Mary	
Employer 1	$\$40,000 \times 7.3\%$	\$2,920.00	$\$74,600 \times 7.3\%$	\$5,445.80
Employer 2	$\$40,000 \times 7.3\%$	\$2,920.00	$\$5,400 \times 10.4\%$	\$561.60
<b>Suzanne contributed:</b>			<b>Mary Contributed:</b>	
<b>\$5,840.00</b>			<b>\$6,007.40</b>	

SHEPP's pension formula uses **contributory earnings** (which are calculated based on required contributions to the Plan) rather than pensionable earnings. Therefore all else being equal, Suzanne would be earning a slightly lower pension than Mary.

The 2026 YMPE is \$74,600.

## Increasing Your Pension by Transferring Service

If you belonged to another registered pension plan with a former employer, you may be entitled to transfer your service credits from your former pension plan to SHEPP. If eligible, a portability transfer would increase your SHEPP pension and help you retire with an unreduced pension earlier.

Portability options are subject to a number of conditions, including specified time periods. The amount transferred from your former employer's pension plan is the lesser of:

- the amount (based on an actuarial calculation) required by SHEPP to credit the service available for transfer; or
- the amount available for transfer from your former employer's pension plan under the terms of that plan.

For more information, please refer to the Portability Agreement Transfer Information Sheet at [www.shepp.ca](http://www.shepp.ca).

You also have the opportunity to increase your pension by combining an active and deferred membership with SHEPP. For more information, refer to Combining Active and Deferred Memberships on page 22.



## Can I voluntarily contribute more to SHEPP to increase my pension?

**No.** You may not make voluntary contributions over and above your required contributions, except to purchase prior service. Keep in mind, your contributions do not reflect the value of your pension. Your SHEPP lifetime monthly

pension is based on a benefit formula which takes into account your highest average contributory earnings and your years of credited service. In order to increase your basic lifetime pension benefit, you would need to increase your credited service and/or your annual contributory earnings.

## Designating Your Beneficiary

When you are enrolled in the Plan, you will be asked to designate a beneficiary. Your designation goes into effect once you have completed and submitted the required form. You can change your beneficiary designation as often as you wish. Simply sign in to [SHEPPweb](http://SHEPPweb) to update your beneficiaries online or complete and submit a new designation form. Once you have completed a new designation, it will replace any previous beneficiary designations.

## Your Spouse is Entitled to the Death Benefit

Your **spouse** is automatically entitled to the benefit payable on your death prior to retirement, regardless of your beneficiary designation. A spouse is:

- 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.



The relevant time means “at date of death” with respect to the pre-retirement death benefit and “at date of retirement” with respect to the post-retirement survivor benefit.

In general, your designated beneficiary is entitled to the pre-retirement death benefit if you do not have a spouse on the date of your death, or prior to your death:

- your spouse waives entitlement to the benefit by completing and submitting the prescribed waiver form and does not rescind the waiver prior to your death; or
- a division of your pension occurs, pursuant to *The Family Property Act*, in which your spouse waives entitlement to any further benefit under the Plan.

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

For more information, refer to the Designation of a Beneficiary Information Sheets available at [www.shepp.ca](http://www.shepp.ca).



# Building Your Pension



## Earnings and Service Matter

SHEPP is a defined benefit plan, which means your pension is determined by a formula. When you retire, your basic lifetime pension will be calculated using two important factors – your average **contributory earnings** and years of **credited service** earned up to your retirement date. This means as your average contributory earnings and years of credited service grow, so does your pension.

### Contributory Earnings

SHEPP's benefit formula uses your four-year highest average contributory earnings – they do not need to be your final four years, nor do they need to be consecutive. Because the benefit formula uses the YMPE to determine the pension accrual rate on your average earnings, your earnings need to be further divided as follows:

- **Highest Average Contributory Earnings (HACE):** the average of your four highest years of contributory earnings, based on a payroll calendar year.
- **Highest Average Base Contributory Earnings (HABCE):** the average of your contributory earnings up to the YMPE during your five highest years of contributory earnings.
- **Highest Average Excess Contributory Earnings (HAECE):** the difference between your HACE and your HABCE.

### Credited Service

Your credited service is attributed to the period in which it was earned because the benefit formula uses different pension accrual rates for credited service earned in different periods:

- up to December 31, 1989
- from January 1, 1990 to December 31, 2000
- from January 1, 2001 to December 31, 2024
- from January 1, 2025

Your contributory earnings and credited service are reported on your Annual Pension Statement mailed to you each spring. It is important to review your statement every year to ensure the earnings and service amounts are accurate.

## Example

### Concurrently or Sequentially Employed

In a previous example, we determined that Suzanne would contribute less to the Plan than Mary—even though they both had pensionable earnings totalling \$80,000—because her contributions were remitted by two different employers. Contributory earnings are calculated based on required contributions, therefore, Suzanne’s contributory earnings will also be less.

Suzanne Contributed \$5,840.00		Mary Contributed \$6,007.40	
\$5,445.80 / 7.3%	\$74,600.00	\$5,445.80 / 7.3%	\$74,600.00
\$394.20 / 10.4%	\$3,790.38	\$561.60 / 10.4%	\$5,400.00
<b>Suzanne’s Contributory Earnings:</b>	<b>\$78,390.38</b>	<b>Mary’s Contributory Earnings:</b>	<b>\$80,000.00</b>

SHEPP’s pension formula uses contributory earnings (which are calculated based on required contributions to the Plan) rather than pensionable earnings. Therefore, all else being equal, Suzanne would be earning a slightly lower pension than Mary.

The 2026 YMPE is \$74,600.

## Determining When You Can Retire

Retirement eligibility is determined based on your age and years of service.

### Normal Retirement

You are eligible to retire with an unreduced basic lifetime pension as of the first day of the month that coincides with or immediately follows your 65th birthday. You may postpone retirement and continue working past age 65, but must begin collecting your pension by December 1 of the year in which you turn 71.

### Early Retirement (Unreduced Pension)

You can retire with an unreduced basic lifetime pension as soon as your age and years of credited service add up to 80 or more. You will also be eligible to receive a **bridge benefit**, payable from retirement to age 65.



## Example

If you are age 50 with 30 years of credited service ( $50+30=80$ ), you can retire with an unreduced pension plus a bridge benefit.

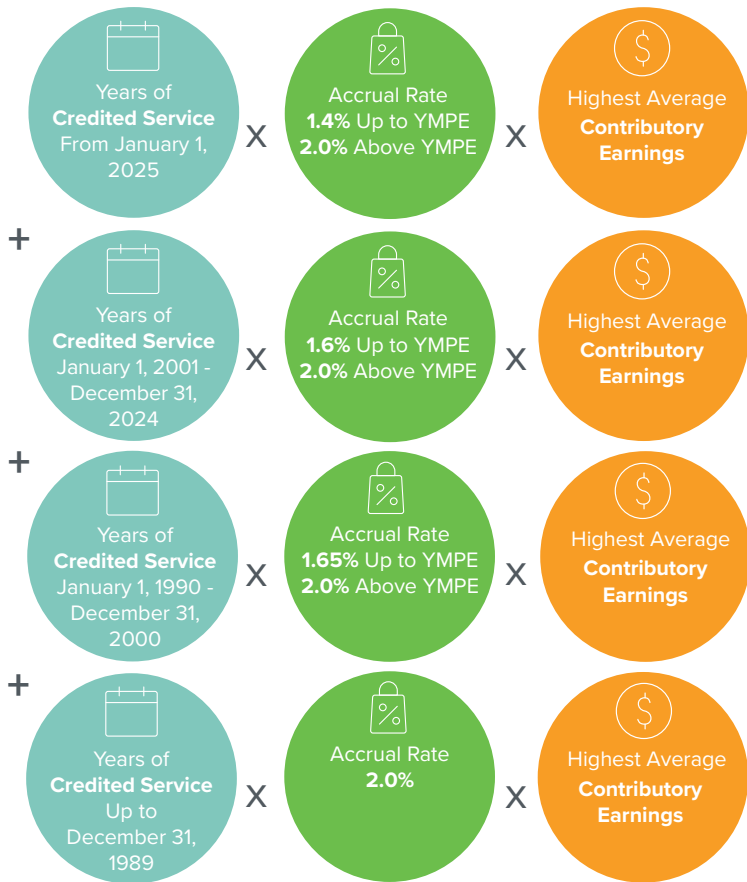
## Early Retirement (Reduced Pension)

You can retire early with a reduced pension any time after age 55 with at least two years of service. The reduction applied to your basic lifetime pension depends on your years of **continuous** or **credited service**.

## Calculating Your Pension

### Calculating the Basic Lifetime Pension

The benefit formula used to determine your basic lifetime pension is:



### 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.

## Calculating the Bridge Benefit

If you choose to retire early, having met the Rule of 80 (age plus years of credited service equal 80 or more), you will also receive a **bridge benefit** until age 65. The bridge benefit is designed to supplement your basic lifetime SHEPP pension until age 65 when other sources of retirement income normally become accessible.

From your early retirement age to age 65, you will receive both your basic lifetime pension plus the bridge benefit in a combined payment from SHEPP, which is calculated using the following formula:



X



X



---

## 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.

## Calculating a Reduced Pension

If you choose to retire before the age of 65 and you have not met the Rule of 80, a reduction will be applied to your basic lifetime pension. The reduction is determined by your years of continuous or credited service:

### Ten or More Years of Continuous or Credited Service

If on the date you terminate employment and Plan membership you are 55 years of age or older, but less than 65 years of age, and you have 10 or more years of **continuous** or **credited service**, you are entitled to your basic lifetime pension reduced by 3% multiplied by the lesser of the number of years:

- that you are short of age 65;
- by which your age plus credited service is short of 80 years; and
- that you are short of age 62 or 20 years of credited service (whichever is greater).

## Between Two and 10 Years of Continuous or Credited Service

If you have between two and 10 years of continuous or credited service, your basic lifetime pension is reduced on an actuarial basis. This means your reduced pension is the actuarial equivalent of the pension payable starting at age 65. Typically, the reduction applied is 5-7% multiplied by the number of years you are short of age 65 on early retirement. However, this may vary based on the actuarial factors in effect on your date of retirement.



### Do I have to take a reduced pension if I decide to retire early?

**No.** You don't have to take a reduced pension on early retirement. That is, you can still retire early, but you can choose to defer the start of your pension to the first of the month that coincides with or immediately follows your 65<sup>th</sup> birthday.

If you defer the start of your pension to age 65, you are entitled to your basic lifetime pension without any early retirement reduction.

## Every Pension Paid Must Comply With the Maximum Pension Limit

The *Income Tax Act* (Canada) caps the pension a retired member can receive from the Plan.

The 2026 maximum unreduced annual lifetime pension payable under the Plan is the lesser of:

- 2% multiplied by your highest average three consecutive years' annualized contributory earnings multiplied by your years of full-time equivalent pension service; and
- \$3,932.22 per year multiplied by your years of full-time equivalent pension service.

## Watching Your Pension Grow

The Annual Pension Statement, mailed to you each spring, is one of the most important documents you will receive from SHEPP. This statement provides you with a snapshot of your membership in the Plan from the date you joined until December 31 of the previous year. It summarizes your average **contributory earnings** and accumulated **credited service** – not only are these two factors used to calculate the amount of your monthly pension, but credited service is also used to determine your eligibility for an early unreduced pension (Rule of 80).



Your statement provides you with a calculation of the pension you have earned so far, and if you are a permanent employee, it also provides you with a projection of the pension you are expected to earn on your early and normal retirement dates. Keep in mind that these are conservative estimates which do not consider any future salary increases.

When you receive your statement, review it carefully and keep it handy. You can also download a copy of your statement on [SHEPPweb](#).

## Increasing Your Pension Benefit

Service that is credited to you under SHEPP is used for determining both your eligibility for, and the amount of, your SHEPP benefits. By increasing your credited service, you can increase your pension benefit and retire with an unreduced pension at an earlier date.

Each month that you make required contributions to the Plan counts as one month of credited service, providing you have at least three hours of paid employment. There are situations where Plan members may have service that is not credited. Such service can be purchased on either a prior service or current service basis.

## Purchasing Prior Service

If you have service which is not currently credited under the Plan, you may choose to purchase it to increase your credited service. Eligible prior service includes:

- **Service with a SHEPP employer during which you were not contributing to any pension plan**, including SHEPP. This includes service with your employer:
  - before your employer joined SHEPP;
  - during which you weren't eligible to join SHEPP; or
  - during which you chose not to join SHEPP even though you were eligible.
- **Service with a former SHEPP employer** (before you started working for your current employer), during which you were contributing to SHEPP and

for which you received a refund of contributions or commuted value transfer when your employment ended.

- **An approved unpaid leave of absence**, including a maternity, parental, adoption or education leave, etc.

You can apply to purchase prior service at any time while you are an active member. The cost to purchase prior service is actuarially calculated based upon your age and earnings. All else being equal, the younger you are and the lower your earnings, the less expensive your service purchase will be. If you are thinking of purchasing prior service, you can estimate the cost by using the Prior Service Purchase Calculator on **SHEPPweb**. You can also request a cost quote be mailed to you by contacting SHEPP.

For more information, refer to the Prior Service Purchase Information Sheet.

## Making Contributions While on a Leave of Absence (LOA)

Active Plan members can purchase leave of absence periods on a current service basis, meaning while you are on an approved unpaid leave of absence. To purchase current service, you are required to remit both your share and your employer's share of required contributions through pre-authorized debit payments payable each month during your leave.

To purchase a leave of absence on a current service basis, you must submit the Leave of Absence Purchase Member Notification form provided to you by your employer, indicating your desire to have a cost quote prepared. SHEPP will prepare and mail you a cost quote and the relevant application forms to purchase your leave of absence.

To be eligible, SHEPP must receive the completed and signed Pre-authorized Debit form and the Current Service Purchase Agreement before the end date of your leave. SHEPP will confirm receipt in writing. If SHEPP does not receive the completed forms, it is assumed that you do not wish to purchase the leave of absence and the option to purchase through monthly pre-authorized debit will no longer be available. You will still be eligible to purchase the leave of absence on a prior service basis after you return to work.

For more information, refer to the Current Service Purchase (LOA) Information Sheet available at [www.shepp.ca](http://www.shepp.ca), or sign in to **SHEPPweb** to get a cost estimate using the Current Service Purchase Calculator.



## Is it better to purchase an LOA as prior service upon my return or on a current service basis while on leave?

**It depends.** The cost to purchase service, both on a prior and current service basis, will vary throughout your career. In general, a prior service purchase tends to be more expensive than a current service purchase later in your career.

Conversely, a current service purchase may be more expensive than a prior service purchase early in your career. There are also different payment methods and tax considerations for each type of purchase. Prior to starting your leave, it is best to compare the estimated cost of both purchases and refer to the Information Sheets for additional information on payment methods and tax considerations.

## Combining Active and Deferred Memberships

If you have an active and deferred membership with SHEPP, all of your service and earnings will be combined to determine your SHEPP benefit and your eligibility to receive that benefit.

Combining of memberships will happen automatically when SHEPP receives your new active enrolment and will occur no matter what length of time has lapsed between the end of your deferred membership and your enrolment date of your new active membership.



# Getting Ready to Retire



## Choosing a Date

You are eligible to retire when you reach any of the milestones on the following page. However, the decision of exactly when to retire is up to you.

It is important to keep in mind that SHEPP is a defined benefit plan, which means your pension is determined by a formula based on your highest average contributory earnings and years of credited service. This means as your average contributory earnings and years of credited service grow, so does your pension. Therefore, some members choose to work past their early and/or normal retirement date in order to increase the amount of their basic lifetime pension. However, by December 1 of the year you turn 71, you can no longer contribute to the Plan. Although you are not required to terminate your employment, you must begin collecting your pension at this time.

If you would like to consider the impact of various retirement dates on the amount of your pension, sign in to **SHEPPweb** and use the Pension Projection Calculator to compare the estimated pension amounts for each of the dates you have in mind. You can also request a pension estimate be mailed to you by contacting SHEPP.

## Your Pension is Determined by Earnings and Service as of Your Retirement Date

Your pension will be calculated based on your four-year highest average contributory earnings and credited service earned as of your retirement date, using SHEPP's basic lifetime formula illustrated on page 17.

# Retirement Eligibility Milestones



## Early Retirement (reduced pension)

Age 55 with at least 2 years of service

You can retire early with a reduced pension any time after age 55 with at least two years of service. The reduction applied to your basic lifetime pension depends on your continuous and/or credited service.

You can retire with an unreduced basic lifetime pension as soon as your age and years of credited service add up to 80 or more. You will also be eligible to receive a bridge benefit, payable from retirement to age 65.

## Early Retirement (unreduced pension)

80

Age + credited service = 80 years



## Normal Retirement

Age 65

You can retire with an unreduced basic lifetime pension as of the first day of the month that coincides with or immediately follows your 65th birthday.

You must begin collecting your basic lifetime pension by December 1 of the year in which you turn 71. However, you are not required to terminate your employment.

## Postponed Retirement



December 1 of the year you turn 71

## Example

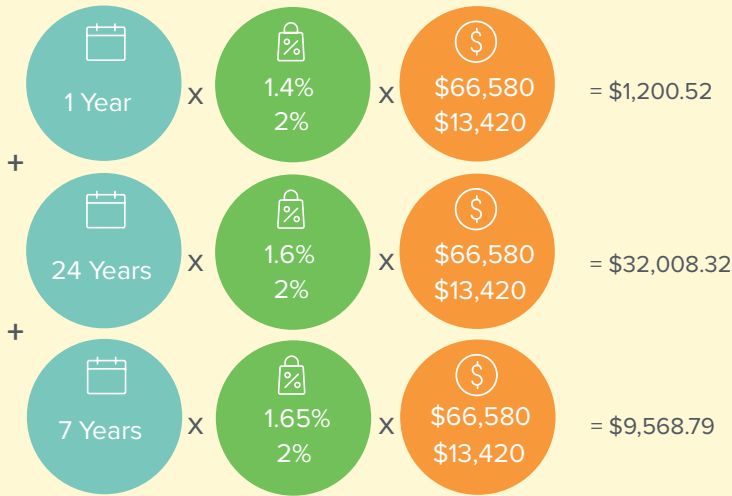
### Normal Retirement

Brenda has chosen to terminate December 31, 2025 and elected to retire January 1, 2026, having accumulated a total of 32 years of credited service and highest average contributory earnings of \$80,000 as of her retirement date.

Contributory Earnings		Credited Service	
HACE	\$80,000	From Jan 1, 2025	1 year
HABCE (base)	\$66,580	Jan 1, 2001 - Dec 31, 2024	24 years
HAECE (excess)	\$13,420	Jan 1, 1990 - Dec 31, 2000	7 years



Using SHEPP's basic lifetime pension formula and these numbers, we can calculate the monthly pension Brenda has earned as of January 1, 2026.



Gross Annual Pension\* = \$42,777.63

## SHEPP Basic Monthly Lifetime Pension = \$3,564.80

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

## Choosing a Form of Pension

Pensions come in different shapes and sizes called "forms." This means you can tailor your pension to meet your particular needs.

Choosing the form of your pension is one of the most important decisions you

will make about your pension. Your decision is irrevocable upon your retirement date. That is, once you've elected an option and retired from employment, the Plan does not allow a change in the form of your pension. You may wish to speak with a professional financial planner who can help you decide which form of pension is best for you.

At retirement, SHEPP will provide you with a retirement package that shows the amount of pension payable to you in the various forms of pension available under the Plan. The options available to you will depend on whether you have a spouse or not.

## Single Life

If you do not have a spouse as defined by pension legislation at retirement (see page 11) or your spouse has waived their right to your pension by signing the prescribed form, you will be required to choose a Single Life form of pension. There are three options:

- Single Life pension guaranteed for 5 years;
- Single Life pension guaranteed for 10 years; or
- Single Life pension guaranteed for 15 years.

Under all three options, the pension is paid for your life, and if you die before the end of the guaranteed term, the pension will continue to your beneficiary or estate until the guarantee expires.

## Joint Life

If you have a spouse on the date of retirement, unless your spouse waives their entitlement, you are required to elect a form of pension where no less than 60% of your pension is payable to your spouse for life following your death. There are 12 options:

- Joint Life 60% survivor pension guaranteed for 0, 5, 10, or 15 years;
- Joint Life 75% survivor pension guaranteed for 0, 5, 10, or 15 years; or
- Joint Life 100% survivor pension guaranteed for 0, 5, 10, or 15 years.

Under all Joint Life options, your pension is paid for life. On your death, the percentage you select will continue to your surviving spouse for life. To this, you can add a guaranteed term of 5, 10 or 15 years. If you die before the end of the guaranteed term, your full pension will continue to your surviving spouse until the end of the term. When the guarantee expires, the pension reduces to the survivor percentage you selected at retirement.

If you and your spouse both die before the end of the guaranteed term, pension payments remain payable until the end of the guaranteed term. Settlement of the balance of the guaranteed pension payments is determined based upon whether you or your spouse dies last.

It is important to keep in mind that, in general, the longer the guarantee



period, or the larger the survivor benefit you want for your spouse, the smaller your monthly pension payments will be. For a detailed estimate of your monthly pension payments under each form of pension, sign in to **SHEPPweb** and use the Pension Projection Calculator.

You must elect a form of pension by completing and returning the form to SHEPP by the specified date. Only your spouse on the date of your retirement is entitled to a Joint Life survivor pension. Your spouse may waive their entitlement by signing and submitting to SHEPP the Spouse's Waiver of 60% Post-Retirement Survivor Benefit form no more than 90 days prior to your retirement. Please note that all forms of pension are calculated to be equal in value to the Single Life pension guaranteed for 5 years option.

Member without a Spouse (or Member whose Spouse has signed a waiver)		
Single Life guaranteed for 5 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>guaranteed for 5 years</li> </ul>	Single Life guaranteed for 10 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>guaranteed for 10 years</li> </ul>	Single Life guaranteed for 15 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>guaranteed for 15 years</li> </ul>
<ul style="list-style-type: none"> <li>If you die before the end of the guaranteed term, your pension continues to your beneficiary until the guarantee expires.</li> </ul>		

Member with a Spouse		
Joint Life 60% guaranteed 0, 5, 10 or 15 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>on your death, 60% continues for your surviving spouse's lifetime</li> </ul>	Joint Life 75% guaranteed 0, 5, 10 or 15 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>on your death, 75% continues for your surviving spouse's lifetime</li> </ul>	Joint Life 100% guaranteed 0, 5, 10 or 15 years* <ul style="list-style-type: none"> <li>paid for your life</li> <li>on your death, 100% continues for your surviving spouse's lifetime</li> </ul>
<ul style="list-style-type: none"> <li>If you die before the end of the guaranteed term you select, the pension continues to your surviving spouse until the end of the term. Then it reduces to the percentage you chose for your surviving spouse's lifetime.</li> </ul>		
<ul style="list-style-type: none"> <li>If your spouse predeceases you, and you die before the end of the guaranteed term you select, your pension continues to your beneficiary until the guarantee expires.</li> </ul>		
<ul style="list-style-type: none"> <li>If, having survived you, your spouse dies before the end of the guaranteed term, the balance remaining on the guaranteed term of pension payments will be commuted and paid to your spouse's estate.</li> </ul>		

\*Guarantee periods begin on the date your pension commences, not the date of death.

# Applying to Begin Receiving Your Pension

Once you've selected a retirement date, it is your responsibility to advise your employer of your decision to retire. SHEPP will not be able to finalize and commence payment of your pension until notice is received from your employer that you have terminated your employment. The only exception to this is where a member elects to continue in employment past November 30 of the year in which they turn 71. In this situation, the member's pension must commence December 1 of that year even though the member continues in employment.

If you work for more than one SHEPP employer, you can only receive a retirement benefit if you terminate employment from all of your SHEPP employers.

There are a number of forms that SHEPP requires you to sign to apply for your pension. It is a good idea to contact SHEPP three to six months prior to retirement to receive your retirement package. If SHEPP doesn't hear from you prior to retirement, SHEPP will send you a retirement package upon receiving notice from your employer of your retirement.

It is important to note that the pension application forms are date sensitive. If your retirement date changes after you have received the forms, you will need to request a new retirement package based on your actual retirement date.

To avoid any delay to the start of your pension payments, please ensure you complete and submit your pension application forms at least four to six weeks before your first pension payment is due. If your retirement forms are received more than two months beyond your retirement date, your pension payment will commence on a go forward basis only. That is, no retroactive payment will be made from the Plan for the period between your retirement date and when the forms are received.

For more information, refer to the Retirement Guide on page 41.

## Cost-of-Living Adjustments

There is no provision under the Plan for automatic cost-of-living adjustments (COLAs) to any pension payable under the Plan.

## Government-Sponsored Benefits

The amount of your SHEPP benefit will not be affected by any government-sponsored benefits you may receive, such as Canada Pension Plan (CPP) and Old Age Security (OAS).



## Returning to Work After Retirement

Once you begin receiving your SHEPP pension, you will continue to receive it for the rest of your life, even if you return to work. If you receive a bridge benefit, you will receive it until age 65. That isn't to say other retirement benefits you receive won't be affected (e.g. CPP and OAS). It is important to consider how all of your retirement income sources may be affected before returning to work.

Once you begin receiving your SHEPP pension, you cannot make contributions toward another SHEPP pension.



# Planning for Life Events



## Spouse

If you are married or in a common-law relationship, your **spouse** is entitled to certain benefits under the Plan.

### Pre-retirement Death Benefit

In the event you die before retirement, your spouse is entitled to the death benefit regardless of who you have designated as beneficiaries. To waive entitlement to the pre-retirement death benefit, your spouse must sign and submit the Spouse's Waiver of Pre-Retirement Survivor Benefit form.

### Post-retirement Survivor Benefit

If you have a spouse on date of retirement, you are required to elect to receive your pension in a form where no less than 60% of your pension is payable to your spouse for life following your death (Joint Life 60%). Only your spouse at date of retirement is entitled to receive a Joint Life survivor pension upon your death. To waive the survivor benefit, your spouse must sign and submit the Spouse's Waiver of 60% Post-Retirement Survivor Benefit form no more than 90 days prior to your retirement. For more information, refer to the Getting Ready to Retire section of this booklet (page 23).

### Spousal Relationship Breakdown

A SHEPP pension falls within the meaning of family property, and therefore, your **spouse** has certain entitlements. On the breakdown of a spousal relationship, a calculation of the value of the SHEPP pension may be required for the purpose of establishing the value of the family property.

Once the value of the family property is determined, a division of that property may occur. Such a division may require SHEPP administration to divide your pension. SHEPP can only divide the pension in accordance with a valid interspousal agreement or court order under the applicable family property legislation.

For more information, refer to the Spousal Relationship Breakdown Information Sheets available at [www.shepp.ca](http://www.shepp.ca).

## Children

You may name your children as beneficiaries. However, upon your death, your surviving spouse is automatically entitled to receive the pre-retirement death benefit regardless of your beneficiary designation. Your designated beneficiaries will only receive the benefit if:

- you are not survived by a spouse;
- a division of your pension occurs prior to your death pursuant to *The Family Property Act* in which your spouse waives entitlement to any further benefit under the Plan; or
- 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.

If you die post-retirement, your designated beneficiaries will only receive a benefit if you are not survived by your spouse and you have elected a form of pension for which the guarantee has not yet expired.

## Leave of Absence

Service that is credited to you under SHEPP is used for the purpose of determining both your eligibility for, and the amount of, your SHEPP benefits. Your membership in the Plan continues during an unpaid leave of absence. However, since you will not receive pensionable earnings, and member and employer required contributions will not be remitted, no benefit will accrue. If you are on an unpaid leave of absence for more than one calendar month, you may wish to purchase the unpaid leave of absence on a current service basis or at the end of the leave on a prior service basis. Your purchased service is added to your regular credited service for the purpose of calculating your pension and determining your eligibility for early retirement with an unreduced pension.

For more information, refer to page 21 in this booklet or the Current Service Purchase (LOA) and Prior Service Purchase Information Sheets at [www.shepp.ca](http://www.shepp.ca).

## Disability

Your SHEPP contributions must continue during a period of disability if you receive full earnings from your employer, such as paid sick or vacation leave, or worker's compensation net pay top-up benefits. You will receive credited service for this period just as if you had worked. If you remain disabled beyond the full earnings period and qualify for disability benefits through your employer disability income plan, you will be given approved disability status with SHEPP.

If you are given SHEPP-approved disability status, you will continue to earn credited service and build your pension throughout the approved disability period, even though no contributions are payable to the Plan by you or your employer. The pension you earn during the approved disability period is based on your pre-disability rate of pay.



If you do not qualify for SHEPP-approved disability or your approved claim period ends and you do not return to work, you will be considered to be on an unpaid leave of absence until such time as you return to active employment. Your SHEPP membership continues during an unpaid leave of absence. However, since you will not receive pensionable earnings, and member and employer required contributions will not be remitted, no benefit will accrue. If you are on an unpaid leave of absence for more than one calendar month, you may wish to purchase the unpaid leave of absence on a current service basis or at the end of the leave on a prior service basis.

While you are a SHEPP member on a 3sHealth managed disability claim, you continue to earn credited service. If you choose to retire and access your SHEPP pension, this may impact the disability benefits you receive. Please contact 3sHealth for further information on how this may impact your disability benefits.

SHEPP has very specific rules about what happens to your pension benefit when you are absent from work due to disability. For more information, refer to the Disability Information Sheet available at [www.shepp.ca](http://www.shepp.ca) or contact SHEPP.

## Leaving or Changing Employment

If you are 65 years of age or have met the Rule of 80 when you terminate employment and Plan membership, you are entitled to a monthly pension benefit commencing the first day of the month following your termination of employment.

If you terminate employment and Plan membership before you're eligible for an unreduced retirement benefit under the Plan, your termination benefit and your options depend on your years of service.

If you work for more than one SHEPP employer, you can only receive a termination benefit if you terminate employment with all SHEPP employers.

## Terminating With Less Than Two Years of Service

If you have less than two years **credited service** and have not completed two years of **continuous service**, you will have up to six months to choose one of the following options:

- take a refund of your own contributions, with interest. Income tax will be withheld, and the payment is taxable income for the year in which it is received; or
- transfer your contributions, with interest, to a **Registered Retirement Savings**

**Plan (RRSP)** or to another Canadian Registered Pension Plan (RPP), provided the plan accepts the transfer. No income tax will be withheld.

If you fail to make an election before the benefit election deadline of six months, a taxable lump sum refund of contributions with interest will be issued.

## Terminating With Two or More Years of Service

If you have at least two years of **continuous** or **credited service**, but are not yet eligible for an unreduced pension, you will have up to six months to choose one of the following options:

- leave your benefits in SHEPP to pay you a pension at age 65, or as early as age 55 if you are willing to accept an actuarially reduced pension; or
- transfer the **commuted value** of your **deferred pension** payable at age 65 out of SHEPP providing your employment ends before the month you turn 55 and before your age and years of credited service add up to 80 years. The commuted value may be transferred to your personal **Locked-In Retirement Account (LIRA)** or to another Canadian RPP, provided the plan accepts the transfer. This termination benefit may be subject to a **transfer deficiency holdback**. If you choose this option, any portability or prior service contributions you have made will also be transferred out of the Plan, with interest.

The Plan will only offer the **commuted value** transfer option if you are under the age of 55 when you terminate employment, with two or more years of continuous or credited service, but are not yet eligible for an unreduced pension.

If you fail to make an election before the benefit election deadline of six months, a deferred pension will remain in the Plan for you.

## Transferring Between Participating Employers

If you have terminated employment and are entitled to a termination benefit, you may defer the election of your termination benefit for up to six months following your date of termination.

If you become employed by a SHEPP employer and meet the Plan's eligibility requirements prior to making an election within the above time period, you will no longer be entitled to a termination benefit under the Plan. You will be re-enrolled in the Plan and required to transfer your contributions and service to your new employer. By transferring your contributions and service, you can continue to build your pension despite a change in employers.



In the event that you reach the deadline date without having made a termination benefit election, your termination benefit will be processed with the default option noted in your statement and you will become ineligible to transfer between participating employers. If you enrol with a SHEPP participating employer in the future and you have a deferred SHEPP membership, your deferred and active memberships will be combined.

For information on how other changes to your employment circumstances might affect your pension, please refer to the Change of Employment Information Sheet.

## Excess Contributions

If you are entitled to a SHEPP pension when your employment ends, you may also be entitled to excess contributions. Excess contributions are any required contributions you have made that exceed 50% of the commuted value of your pension. If your required contributions with interest have paid for more than 50%, then your excess contributions will be refunded to you with interest. Income tax will be withheld, and the payment is taxable income for the year in which it is received.

Alternatively, if you are transferring the commuted value of your pension out of SHEPP, you may be eligible to transfer all or a portion of your excess contributions, with interest, to an RRSP or to another RPP willing to accept the transfer.

If you fail to make an election before the benefit election deadline of six months, a taxable lump sum of excess contributions with interest will be issued.

## Small Benefit

Your pension benefit may be too small to warrant being paid as a monthly pension. If you terminate employment and Plan membership in 2026 and the basic lifetime pension you've earned is less than \$2,984 per year (\$248.67 per month), or if the lump sum commuted value of your **deferred pension** is less than \$14,920, you are entitled to receive the commuted value of your benefit as a taxable lump sum payment. Alternatively, you may tax shelter your benefit and transfer it to your RRSP or to another RPP, provided the plan accepts the transfer.

If you fail to make an election before the benefit election deadline of six months, a taxable lump sum of the commuted value will be issued.

## Transfer Deficiency Holdback

SHEPP has been permanently exempt from having to fund on a solvency basis. However, a solvency valuation must be completed to determine a solvency ratio used in calculating current **transfer deficiency holdbacks**. Because the Plan's solvency ratio was 105% as at December 31, 2024, SHEPP does not require holdbacks on termination benefits.

Refer to the Transfer Deficiency Holdback Information Sheet for more information.

## Maximum Transfer Limit

*The Income Tax Act* (Canada) limits the funds that can be transferred out of SHEPP on a tax-exempt basis. This means that if a portion of the benefit payable is over the transfer limit it must be taken as a taxable lump sum. Please note, the transfer limit is subject to change depending upon your age at date of payout, therefore, the portion that must be taken as a cash refund would be calculated at that time.

## Shortened Life Expectancy

Members with a shortened life expectancy can apply to transfer the **commuted value** of their pension benefit to an RRSP or receive it as a lump sum cash payment less the applicable taxes prior to retiring. To qualify, your physician must sign a certification form confirming you have a life expectancy of 24 months or less, and your **spouse** – as defined on page 11 – must willingly waive their entitlement to the survivor benefit.

If you receive the Shortened Life Expectancy benefit, your membership in the Plan will continue until you terminate employment or pass away. The benefit payable on termination or death is calculated based on the service and earnings you accrued after the shortened life expectancy benefit was paid out, and would be considerably lower than if you had not accessed the Shortened Life Expectancy benefit. Refer to the Shortened Life Expectancy Information Sheet for more information.



## Death

### Death Before Retirement

If you die before retirement, your surviving spouse is entitled to receive a death benefit equal to at least the commuted value of your pension. 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 (assuming the monthly pension is greater than small benefit threshold), the actuarial value of which is equivalent to the commuted value.

If you do not have a surviving spouse, the benefit is payable as a taxable lump sum to your designated beneficiary or estate.

Prior to your death, your spouse may waive the right to receive the pre-retirement death benefit by filing a signed Spouse's Waiver of Pre-Retirement Survivor Benefit form with SHEPP. The effect of signing a waiver is that SHEPP can pay the benefit to your designated beneficiary or, if none, to your estate in the event of your death before retirement. Your spouse may revoke the waiver at any time before your death by delivering a written and signed notice of revocation to SHEPP. If the waiver is revoked, your spouse is again first in line for the death benefit, regardless of any other beneficiary you have designated.

### Death After Retirement

If you die after retirement, the payment of death benefits depends on the form of pension you elected at retirement. Refer to pages 26-28 for more information.



# Resources



## SHEPPweb Guide

### Managing Your Pension Record Online is Easy

**SHEPPweb** is the secure online portal available to all Plan members.

#### Access SHEPPweb to:

- view important pension statements;
- instantly update your personal information; and
- access pension tools and resources.

If you are new to SHEPP, upon confirmation of your enrolment to the Plan you will receive a member ID number and temporary password by mail.

#### Using SHEPPweb is easy:

1. Visit [www.shepp.ca](http://www.shepp.ca).
2. Enter your SHEPP Member ID in the **SHEPPweb** sign-in area. Your SHEPP member ID number is printed in the top right corner of your pension statement.
3. Enter your password. If you have forgotten your password, you can retrieve it by clicking the “Forgot Password” link below the sign-in field. If you are still having trouble signing in, please contact SHEPP toll-free at 1.866.394.4440 or 306.751.8300 (Regina) to have your password reset immediately over the phone.
4. Watch the video tutorials under the Resources menu to learn how to navigate the site and its tools.
5. Write your SHEPP Member ID in the space provided below and keep this booklet handy to help you access your pension information anytime.



**SHEPP Member ID:** \_\_\_\_\_

# Retirement Guide

This guide provides step-by-step instructions on how to apply for and receive your SHEPP pension in retirement. Your SHEPP pension will provide you with monthly income for your lifetime. However, it is only one potential source of retirement income. It is important you consider your expected expenses and all potential sources of retirement income (including government programs and personal savings) when making decisions regarding retirement.

- **Estimate your SHEPP pension.** Review your Annual Pension Statement for pension estimates on milestone dates, or sign in to **SHEPPweb** to estimate your pension for other dates you may be considering.
- **Set your retirement date.** This is an important decision in the retirement process and can affect the amount of your pension. For more information, refer to the Getting Ready to Retire section on page 23 of this booklet.
- **Request your retirement package** from SHEPP approximately three to six months before your retirement date.
- **Provide notice to your employer.** It is your responsibility to notify your employer of your intention to retire. Your pension cannot be processed until your employer has submitted the required form to SHEPP.
- **Carefully review and complete retirement documents.** Keep in mind that the form of pension you choose may have implications for your beneficiaries and spouse. Contact SHEPP if you have any questions.
- **Submit retirement documents** and proof of age for you and your spouse to SHEPP by email, fax or mail, four to six weeks prior to your first pension payment.
- **Review your letter from SHEPP** confirming all required documents have been received. If further action is required, act immediately to ensure your first payment is not delayed.
- **Review pension finalization letter** stating exact amounts and beneficiary information at date of retirement.
- **Enjoy retirement.** Your first pension payment will be deposited to your account on the last banking day of the month.

You may also:

- **Finalize your departure from work:** Ask your employer what advance notice, forms and other documents are required from you before you retire and discuss options regarding accrued vacation and benefits.
- **Understand your federal retirement benefits:** Visit [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or call 1.800.277.9914 to learn more about the Canada Pension Plan and Old Age Security.
- **Consider your extended health and group life coverage:** Visit [www.3shealth.ca](http://www.3shealth.ca) or call 1.866.278.2301 to learn more about the Retiree Benefits Plan and Group Life Insurance.
- **Plan for retirement:** Speak with other professionals (e.g. lawyers, accountants, financial planners, insurance or tax specialists) who may be able to answer your questions and assist you.



## Glossary of Plan Terms

**Actuarial Valuation** is a mathematical analysis of the financial condition of a pension plan. The purpose of the valuation is to determine the financial status of the pension plan and, in certain situations, the future contribution rates needed to ensure its long-term funding. The amount of money required to pay future pension benefits is determined based on certain assumptions about future investment returns, future inflation rates, future salary increases, retirement ages, life expectancy and other factors.

**Bridge Benefit** is a temporary monthly payment designed to supplement your basic lifetime SHEPP pension until age 65, when other sources of retirement income normally become available.

**Commuted Value** is the amount of a lump sum payment today that is calculated to be equal in value to your future pension payments.

**Continuous Service** is the most recent uninterrupted period of employment with one or more SHEPP participating employers.

**Contributory Earnings** are earnings you receive from your employer on which you have made pension contributions. They are calculated by dividing your contributions made in a year by the applicable contribution rate.

**Credited Service** is service that is credited to you under SHEPP for the purpose of determining both your eligibility for, and the amount of, your SHEPP benefits. Each month that you make contributions to SHEPP counts as one month of credited service providing you have at least three hours of paid employment. Credited service includes service credited to you during a period of approved disability, service transferred to SHEPP from another pension plan or service that is purchased.

**Deferred Pension** is a specified pension determined at the time of termination of employment, but not payable until a later date.

**Highest Average Contributory Earnings (HACE)** is the average of your four highest years of contributory earnings, based on a payroll calendar year.

**Highest Average Base Contributory Earnings (HABCE)** is the average of your contributory earnings up to the YMPE during your five highest years of contributory earnings.

**Highest Average Excess Contributory Earnings (HAECE)** is the difference between your HACE and your HABCE.

**Locked-In Retirement Account (LIRA)** is an RRSP which holds money transferred from a pension plan and upon which certain contractual conditions have been placed. Funds transferred to a LIRA can be transferred to a Registered Retirement Income Fund (RRIF) or used to provide income any time after age 55.

**Pensionable Earnings** are regular earnings you receive from your employer while an active Plan member and are used to determine your required contributions. They include straight time pay, statutory holiday pay, vacation pay, sick pay and the pensionable earnings portion of retroactive pay in the year in which it is paid. Pensionable earnings do not include premium pay, such as overtime pay, shift premiums or bonuses.

**Registered Retirement Savings Plan (RRSP)** is a personal registered retirement savings plan as defined by the *Income Tax Act*.

**Spouse** is a person to whom you are legally married at the relevant time; or if 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. The relevant time means “at date of death” with respect to the pre-retirement survivor benefit and “at date of retirement” with respect to the post-retirement survivor benefit.

**Transfer Deficiency Holdback** is the percentage that is held back from certain termination benefits. The holdback is based on the Plan’s solvency ratio at a given point in time.

**Year’s Maximum Pensionable Earnings (YMPE)** is a term used in the Canada Pension Plan (CPP) which refers to the earnings from employment on which CPP contributions and benefits are calculated. YMPE is adjusted, according to a formula based on average wage levels, and published annually.







**SHEPP**

People. Pensions. Results.

102 - 4581 Parliament Ave  
Regina, SK S4W 0G3

Phone: 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)

January 2026 v2