



## Deferred Member Newsletter

2026



### Review Your 2025 Pension Statement

Be sure to review your enclosed 2025 Annual Pension Statement, which reflects recent pension formula improvements, and refer to the reverse side for a detailed explanation of each section. Also confirm that your personal information is correct, including your name and date of birth, and make updates to:

- ✓ Mailing address
- ✓ Spousal information
- ✓ Designated beneficiaries

It's important to keep your information up to date with SHEPP so you receive communications in a timely manner and your pension is administered effectively. You can update your personal information anytime by signing in to your **SHEPPweb** account. If you have any questions about your statement, email or call us.



### Combining Your Memberships

Did you know that if you are re-hired by a SHEPP employer and become re-enrolled in the Plan, your memberships will be automatically combined? This means you can continue accruing a pension from where you left off – potentially retiring sooner with an unreduced pension.

### Pension Benefits Get a Boost!

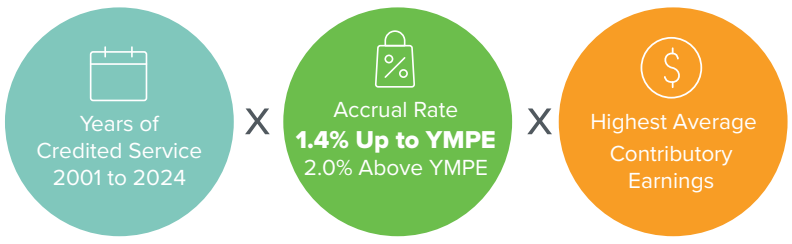
At the most recent valuation, the Plan has more assets than it needs to cover its liabilities – meaning it is in surplus. The Board of Trustees has decided to use this surplus to fund past benefit improvements for eligible members, increasing pensions earned between 2001 and 2024.

SHEPP pensions are based on a formula that considers your earnings, an accrual rate, and your years of service in the Plan. The benefit improvement has increased the accrual rate from 1.4% to 1.6% for service from January 1, 2001, to December 31, 2024. The result: If you have credited service during that period, your pension has increased, at no additional cost.

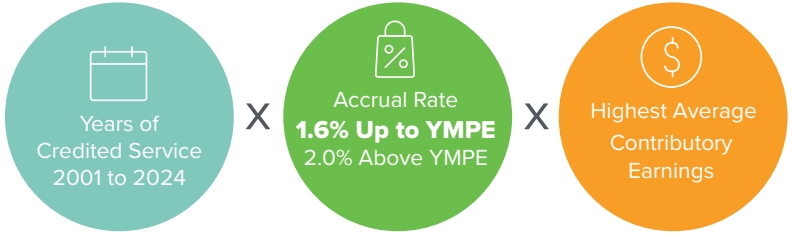


### Lifetime Pension Earned Between 2001-2024

#### Previous Formula



#### Improved Formula



**Note:** The Year's Maximum Pensionable Earnings (YMPE) 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.



## How Does This Improved Formula Impact Your SHEPP Pension?

The chart below provides examples for reference only. Please review your enclosed 2025 Annual Pension Statement, which shows your updated pension amounts. Sign in to **SHEPPweb** to compare your 2024 and 2025 lifetime pension amounts.

### Example: Lifetime Pension Changes (Service between 2001 and 2024)

Age	Previous	Improved
65	\$501.67	\$573.33

\*Based on average earnings of \$43,000 and 10 years of service earned between 2001 and 2024. **Estimated** lifetime monthly pension (Single Life-5 option).

\*\* An average deferred pension is approximately \$500.

## A Note About Your RRSP Contribution Room

While the benefit improvements outlined here retroactively increase the value of members' lifetime pension benefits, they also reduce available RRSP contribution room. This is referred to as a Past Service Pension Adjustment (PSPA). Later this year, members will receive a T215 slip from SHEPP showing the PSPA reported to the Canada Revenue Agency.

If you are approaching your RRSP contribution limit, it will be important to keep an eye on your remaining room in your 2025 Notice of Assessment.

For more information, visit [shepp.ca](http://shepp.ca) and read the PSPA Information Sheet.



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## SHEPP Remains Fully Funded

SHEPP's latest actuarial valuation as at December 31, 2024 shows that your pension plan remains fully funded for the second consecutive year, with strong investment returns resulting in a healthy surplus. It determined that the Plan is 107% funded on a going-concern basis, with a surplus of \$768 million.



**107%**  
funded



**\$11.1B**  
in assets



**\$768M**  
surplus

Remaining fully funded on a going-concern basis means the Plan is in a positive financial position, with sufficient assets to cover all current and future pension obligations. SHEPP's priority is to manage your pension plan with a long-term view, ensuring it remains strong and provides secure lifetime pensions for members now and in the future.



## Thinking About Retirement?

- ✓ **Normal retirement at age 65:** Deferred members may begin collecting their unreduced pension at age 65. SHEPP will send a package about three months before your 65th birthday. You'll choose a form of pension, which can affect your beneficiaries and spouse. Learn more at [shepp.ca](http://shepp.ca) > Members > Planning Your Retirement > Choosing a Form of Pension.
- ✓ **Early retirement (age 55+):** You may choose to start your pension as early as age 55, with a reduction. Request a retirement package from SHEPP to see your reduced monthly pension amount.

To request a package, sign in to **SHEPPweb** at [shepp.ca](http://shepp.ca) or call 1.866.394.4440.

Once you've received and reviewed your package, complete and return the forms for your chosen retirement date. Forms may be submitted by email, fax or regular mail.

If you have questions at any stage, contact our Member Experience team and we'll be happy to assist.