SHEPPnews

Employer Newsletter

SUMMER 2026

Leadership Update

After more than 18 years of service with SHEPP, Alison McKay has retired from her role as Chief Executive Officer (CEO). We extend our sincerest thanks to Alison for her outstanding contributions to SHEPP's success and wish her all the best in retirement.

Following a rigorous nationwide recruitment process, the Board has appointed Paula Potter as SHEPP's new CEO, effective July 1, 2026. Ms. Potter brings to the role more than 22 years of pension experience, including 20 years with SHEPP, most recently as Chief Operating Officer. Congratulations, Paula!

Paula Potter

Alison McKay

Welcome to the Plan!

We'd like to extend a warm welcome to our newest SHEPP participating employer:

- Sunnyside Adventist Care Centre joined SHEPP effective December 14, 2025.

SHEPP now has 53 participating employers.

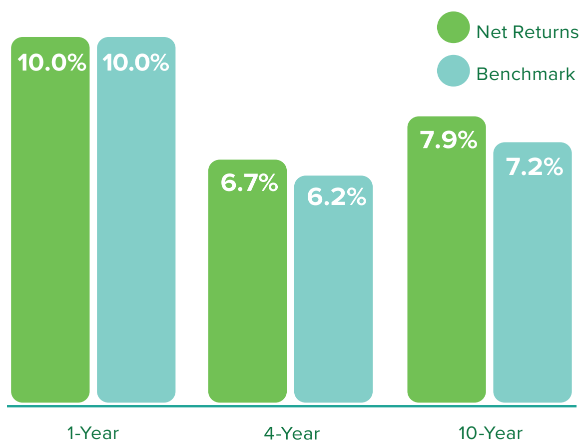
See the full list of **Participating Employers** at **shepp.ca**.

A Strong 2025 for SHEPP

Despite times of high volatility and a challenging geopolitical backdrop, 2025 delivered positive returns across our major asset classes.

As a result, the SHEPP Fund experienced a strong one-year net investment return of 10.0%, matching the Plan benchmark return. At year-end, the total value of the Fund was approximately $12.0 billion.

Total Fund Rate of Return
(annualized, net of investment management fees)
as at December 31, 2025



2024 Valuation Leads to a Boost in Pension Benefits

The Plan's strength in 2025 followed a strong valuation in 2024. SHEPP's Board of Trustees used the Plan's 2024 surplus to fund the following past benefit improvements for eligible members, effective January 1, 2026:

- Increasing the basic lifetime pension formula to 1.60% from 1.40% for credited service between January 1, 2001 and December 31, 2024;
- Providing a one-time, ad hoc cost-of-living adjustment (COLA) up to 1.89% to pensioners with little to no service between 2001-2024;
- Indexing the deemed earnings used to calculate pension benefits for members who had a period of approved disability leave.

A pensioner COLA and contribution rate reduction for active members and employers in January 2025 followed the Plan's first fully-funded valuation as at December 31, 2023. Read more here.

People. Pensions. Results.

Protecting the Plan's Future

During times of economic uncertainty, SHEPP remains focused on Plan sustainability and mitigating risk. SHEPP's investment strategy is designed for resilience over the long term, supported by a well-diversified portfolio built to withstand market disruptions. SHEPP and its Board closely monitor the economic environment and maintain a disciplined approach to safeguarding the Fund's long-term health.

SHEPP mitigates risk through diversification, ongoing financial oversight, and built-in margins that reinforce the Plan's strength. The Benefit Security Margin protects accrued benefits, while the Contribution Stabilization Margin helps keep contribution rates steady. Together, these measures provide a strong foundation for the Plan's continued stability.

SHEPP remains committed to achieving strong long-term returns while taking on an appropriate level of risk to maintain the Plan's funded position, protect member benefits, and keep contributions stable. For more information, visit **shepp.ca** or read the Annual Report.

Share Your Feedback

SHEPP is inviting representatives from participating employers to take part in small group discussions about their experiences with the Plan, and their views on its value to employees and organizations.

Your feedback is important. What we learn through these discussions will help us better understand your perceptions and identify opportunities to enhance how we support participating employers.

The sessions will be informal, approximately 60 minutes long, and offered both in-person and virtually. We welcome participation from individuals who can share their organization's perspective and experiences with SHEPP.

To participate, register at the link below:

Share Your Perspective with SHEPP

Email communications@shepp.ca for more information.

SHEPP

People. Pensions. Results.

102 - 4581 Parliament Ave
Regina, SK S4W 0G3

www.shepp.ca

Follow us on LinkedIn

Phone: 306.751.8300
Toll-free: 1.866.394.4440
Fax: 306.751.8301
Email: sheppinfo@shepp.ca

Changing Payroll Providers?

Let Us Know

Changing payroll providers can affect the reporting of enrolments, leaves of absence, terminations, and monthly payroll details, requiring careful coordination with SHEPP. If you're considering a change, please contact us as we can help ensure your employees' SHEPP pensions transition smoothly.

For assistance, contact our Employer Services Officers at **employerservices@shepp.ca**.

Your Questions Answered: Rehiring Retired Employees

From time to time, SHEPP is asked whether employers can rehire retired employees.

From a Plan funding perspective, rehiring retirees can reduce the number of active contributors while also increasing the number of members receiving pensions. Over time, if done widely, this could affect the long-term sustainability of the Plan, especially when retiring employees are not replaced by new contributors.

SHEPP recognizes that employers are ultimately responsible for workforce management and hiring decisions. As such, while we don't promote rehiring of retirees, we also don't prohibit it.

Pension Plans Make a Difference

A recent study by the Healthcare of Ontario Pension Plan (HOOPP) and Angus Reid Group found that employers recognize the value of retirement benefits in attracting and retaining talent. In fact, 88% of employers who offer a defined benefit (DB) pension say it has helped them recruit and retain employees.

Employers also recognize the positive impact retirement benefits can have on employee mental health and productivity.

Read the **2025 Canadian Employer Pension Survey**.