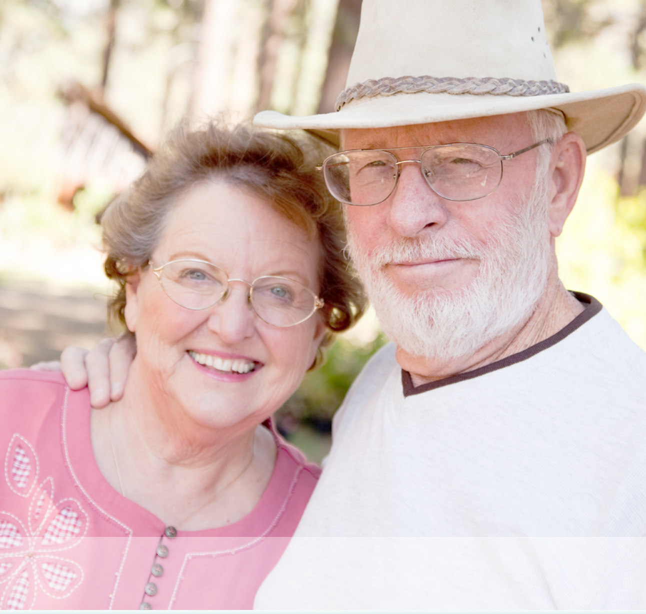

SHEPPnews

Retired Member Special Update

JULY 2026

Your New Pension Payment Confirmation

Your SHEPP Pension Payment Confirmation Statement is enclosed and is available electronically on **SHEPPweb**.

Your statement features a new, simplified layout, and reflects the recent benefit improvements, so some amounts may look different than in previous years.

The following pages, titled "Reading Your Pension Payment Confirmation," provide a visual tour of the statement and will help you understand key sections.

Please note that your statement will look different depending on whether you're receiving a Basic Lifetime Pension or a Bridge Pension. Be sure to refer to the correct example.

2026 Pension Payment Schedule	
Friday	January 30
Friday	February 27
Tuesday	March 31
Thursday	April 30
Friday	May 29
Tuesday	June 30
Friday	July 31
Monday	August 31
Tuesday	September 29
Friday	October 30
Monday	November 30
Thursday	December 31

Pension Benefits Get a Boost!

At the most recent valuation, the Plan has more assets than it needs to cover its liabilities – meaning it's 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. These improvements are retroactive to January 1, 2026.

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 **Basic Lifetime Pension** has increased, at no additional cost.

The improvements also provide a one-time cost-of-living adjustment (COLA) up to 1.89% to pensioners with little to no service between 2001 and 2024, ensuring all pensioners receive a lifetime pension increase of at least 1.89% (which is 80% of the Consumer Price Index for 2024).

Previous Formula

Years of Credited Service 2001 to 2024 X Accrual Rate **1.4% Up to YMPE** 2.0% Above YMPE X Highest Average Contributory Earnings

Improved Formula

Years of Credited Service 2001 to 2024 X Accrual Rate **1.6% Up to YMPE** 2.0% Above YMPE X Highest Average Contributory Earnings

Note: The Year's Maximum Pensionable Earnings (YMPE) is a measure of the average wage in Canada. It's 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.

Reading Your Pension Payment Confirmation

If You're Receiving a Basic Lifetime Pension

Your Pension Payment Confirmation Statement looks different than before. We've simplified it to make it easier to read, while adding important information.

The illustration below outlines the key changes to your statement and provides further explanation. *Note that the amounts shown here are for illustrative purposes only. Refer to your statement for your pension amount.*

An Additional Payment

This month, in addition to the Basic Lifetime Pension, pensioners will receive a separate, one-time retroactive payment. Because the benefit improvements announced here are effective January 1, 2026, the retroactive payment ensures you receive the full value of your improved pension from January 1, 2026 to the payment date.

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Pension Statement
Pension Payment Confirmation
SHEPP Member ID # **123456**
Use your SHEPP Member ID to sign in to SHEPPweb, our secure online portal, where you can update your personal information and view your pension details.

DOROTHY RUBYSHOES
1234 YELLOWBRICK RD
OZVILLE SK S1T U2V

1 Your pension details

Monthly pension payment — **Payment Date:** May 31, 2026

Basic Lifetime Pension	**$1,677.06**
DEDUCTIONS	
Income Tax	$49.65
Total Deductions	**$65.93**
NET PENSION	**$1,611.13**

To change the amount of income tax being deducted from your pension, please call or submit your request in writing to SHEPP.

If you have questions regarding Group Life Insurance contact 3sHealth at 1.866.278.2301.

One-time retroactive payment — **Payment Date:** May 31, 2026

Gross Retroactive Pay	**$X,XXX.XX**
Less: Income Tax	$XXX.XX
Net Retroactive Pay	**$X,XXX.XX**

Note: This is a single, one-time payment that accounts for the increased value of your pension from January 1, 2026 to the payment date. This increased value will be reflected in your Basic Lifetime Pension amount moving forward.

2 Important information

Pension Payment Confirmation Statements are not issued every month. You will receive a Pension Payment Confirmation Statement the month your pension payment begins. Following that, you will only receive a statement each January or if there is a change to your payment amount.

To change the amount of income tax being deducted from your pension, you may complete new federal and provincial income tax forms (TD1s). Obtain the federal and provincial TD1 forms at www.shepp.ca or contact SHEPP. You may also call, email or write to SHEPP and request that additional income tax be deducted from your monthly pension payment. Please include your SHEPP Member ID number and your signature.

102 - 4581 Parliament Ave
Regina, SK S4W 0G3
sheppinfo@shepp.ca

Phone: 306.751.8300
Toll Free: 1.866.394.4440
Fax: 306.751.8301
www.shepp.ca

SAMPLE

Your **Basic Lifetime Pension** has increased! That increase primarily depends on the amount of credited service you have between 2001 and 2024.

Your statement shows your new monthly pension amount.

Your Income Tax has been adjusted to reflect your increased pension amount. To change the amount of Income Tax being deducted from your pension, call, email or write SHEPP.

If your circumstances have changed since you set your tax rate, please speak with a tax professional for assistance determining eligibility for additional exemptions.

Your retroactive pay is a **single, one-time payment** that accounts for the increased value of your pension from January 1, 2026 to the payment date. This increased value is reflected in your Basic Lifetime Pension amount.

Generally, this is considered taxable income. As such, SHEPP has deducted taxes as required.

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Reading Your Pension Payment Confirmation

If You're Receiving a Bridge Pension

Your Pension Payment Confirmation Statement looks different than before. We've simplified it to make it easier to read, while adding important information.

The illustration below outlines the key changes to your statement and provides further explanation. *Note that the amounts shown here are for illustrative purposes only. Refer to your statement for your pension amount.*

Your Bridge Benefit

If you retired before age 65 and are receiving a Bridge Benefit, your total pension to age 65 will remain the same and your Basic Lifetime Pension after age 65 will increase.

This is because the Bridge Benefit is designed to supplement your pension to a maximum accrual rate of 2% before age 65.

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Pension Statement

Pension Payment Confirmation

SHEPP Member ID # 123456

Use your SHEPP Member ID to sign in to **SHEPPweb**, our secure online portal, where you can update your personal information and view your pension details.

DOROTHY RUBYSHOES
1234 YELLOWBRICK RD
OZVILLE SK S1T U2V

1 Your pension details

Monthly pension payment	**Payment Date:** May 31, 2026
Bridge Pension (Payable to age 65)	**$1,677.06**
DEDUCTIONS	
Income Tax	$49.65
Total Deductions	**$65.93**
NET PENSION	**$1,611.13**

To change the amount of income tax being deducted from your pension, please call or submit your request in writing to SHEPP.

If you have questions regarding Group Life Insurance contact 3sHealth at 1.866.278.2301.

Your Basic Lifetime Pension (after age 65) is: $1,447.37

Your Bridge Pension amount is the total of your Basic Lifetime Pension and your Bridge Benefit. You'll receive this amount until age 65.

To change the amount of Income Tax being deducted from your pension, call, email or write SHEPP.

At age 65, your Bridge Benefit will drop off and you'll continue to receive your **Basic Lifetime Pension**.

Your Basic Lifetime Pension has increased! That increase primarily depends on the amount of credited service you have between 2001 and 2024.

Your statement shows your new Basic Lifetime Pension amount.

2 Important information

Pension Payment Confirmation Statements are not issued every month. You will receive a Pension Payment Confirmation Statement the month your pension payment begins. Following that, you will only receive a statement each January or if there is a change to your payment amount.

To change the amount of income tax being deducted from your pension, you may complete new federal and provincial income tax forms (TD1s). Obtain the federal and provincial TD1 forms at www.shepp.ca or contact SHEPP. You may also call, email or write to SHEPP and request that additional income tax be deducted from your monthly pension payment. Please include your SHEPP Member ID number and your signature.

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How Does This Improved Formula Impact Your SHEPP Pension?

The chart below provides examples for reference only. Please review your enclosed Pension Payment Confirmation Statement, which shows your updated pension amounts. Please note that this benefit improvement increases your **Basic Lifetime Monthly Pension**.

Examples: Lifetime Pension Changes

Service	Previous	Improved
5 years	$359	$410
10 years	$718	$820
15 years	$1,076	$1,230
20 years	$1,435	$1,640

* Based on average earnings of $61,500. Service earned between 2001 and 2024. **Estimated** lifetime monthly pension at normal retirement (age 65).

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, you'll receive a T215 slip from SHEPP showing the PSPA reported to the Canada Revenue Agency (CRA).

If you still have RRSPs and are approaching your contribution limit, it'll be important to keep an eye on your remaining room in your 2025 Notice of Assessment.

If your RRSP has already been converted to a RRIF, CRA still requires that you receive a T215 form. While RRSP contribution room is no longer a concern, you should keep the T215 in your files.

For more information, visit **shepp.ca** and read the PSPA Information Sheet.

Share Your Perspective with SHEPP

SHEPP is inviting pensioners to participate in small-group discussions about their experiences with the Plan and what matters most throughout their retirement journey.

Your perspective is important. What we hear in these discussions will help shape how SHEPP communicates and supports members and pensioners in the future.

Sessions will be informal, approximately 90 minutes long, and offered in both in-person and virtual formats. No preparation or pension expertise is required – we're simply interested in learning from your experience.

Register by scanning here.

Participants will receive a small gift as a thank you for their time.

Email **communications@shepp.ca** for more information.

Need to Update Your Banking Information?

No problem! Send your request in writing! Please include a void cheque in your name or a letter from your bank – and we'll take it from there.

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.

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