



# pension perspectives

## PEPP STEPS BETTER outcomes for members

The pension industry as a whole is learning, growing, and gaining experience with lifecycle funds. We have now had PEPP Steps, our lifecycle fund, for 12 years. This experience and the advice of an independent consultant has led the Public Employees Pension Board to make some changes.

As of June 27, 2019 changes to PEPP Steps will include:

1. changes to the age bands;
2. adjustments to the asset mixes; and
3. expanding the fund from 12 to 13 steps.

The PEPP Steps table shows the current and new age bands and the targeted asset mix percentages. As you can see, the fund will move members along the steps at a slower pace in the early steps and again in the later steps. This should improve member outcomes over time by keeping the investment more aggressive longer.

The age band changes will result in a shuffle of member accounts among the various steps. For example: If Yusuf is 41 years old, he is currently in Step 4; on June 27 his account balance will be moved to Step 2. This will give him added years in the more aggressively invested steps, which, over time should help him end up with more money at retirement.

If you are impacted by the age band changes:

- Your account value will not be impacted. You may have a different number of units if you move steps, but the value of your account will be the same.
- You will move to a different step. Some members may move one or more steps.
- There is no action required by you for this change. It will take place automatically.

The percentages within the asset classes of the steps will change. These adjustments will make the steps more aggressively invested. The chart shows the targeted asset mix percentages, but changing asset mixes is a slow process that will happen over time and not immediately on June 27.

The 13th step has been added as the final step with an asset mix of 65 per cent fixed income and 17.5 per cent each in alternatives and equities. Step 13 will have a unit value of \$100 on day one.

Long story short... PEPP Steps will be more aggressively invested in equities and alternatives which should improve the overall risk/return of the fund leading to improved member outcomes – more money for retirement!

PEPP Steps					
Step	Age bands		Target asset mix (%)		
	Current	New	Fixed income	Equities	Alternatives
1	<30	<35	5	73	22
2	30-34	35-42	10	68	22
3	35-39	43-46	15	63	22
4	40-44	47-50	20	58	22
5	45-49	51-53	25	53	22
6	50-54	54-56	30	48	22
7	55-59	57-58	35	43	22
8	60-64	59-60	40	38	22
9	65-69	61-62	45	33	22
10	70-74	63-64	50	28	22
11	75-79	65-69	55	23	22
12	80+	70-74	60	20	20
13	new	>75	65	17.5	17.5

If you would like to compare the new target asset mixes with the previous PEPP Steps asset mixes, refer to the Fund Fact Sheet on the PEPP website.



PEPP Steps is our default fund, meaning all new members and members who make no active investment choice are automatically put into PEPP Steps.

More than 70 per cent of the membership is invested in PEPP Steps. Members choose this fund for its 'hands-off' approach. You make the decision to invest in PEPP Steps and your pension virtually looks after itself by moving you to more conservative steps as you age.

PEPP offers eight investment choices. All members may transfer their account balances to a different fund at any time. We do recommend you annually review your PEPP investments and do a *My PEPP Investor Profile* (on our website under investments) to ensure you are still on track with your risk level and retirement goals.

## Only TWO questions!

The Public Employees Benefits Agency (PEBA) is the administrator of PEPP and we want to know what you think!

Take a moment to complete a two-question survey on how you feel about PEPP's communication materials and the service you receive from the Plan. You can access the survey at:

<https://ca.surveygizmo.com/s3/50037995/PEPP-Client-Satisfaction>



## Retirement Video

Take two minutes (literally!) of your time and go to the PEPP website to watch the video on ***Creating a Retirement Plan***.

Paint a picture of your retirement. This video is a simple guide for you to use when creating a retirement plan and some things to consider before you decide to retire.



# Temporary system interruption

In order to complete the transition to the new PEPP Steps a temporary interruption in services will occur.

***PEPP Access will be unavailable:  
Wed. June 26 at 2:00 p.m. - Sat. June 29 at 8:00 a.m.***

***All transactions will be suspended and  
unit values will not be declared:  
Thu. June 27 and Fri. June 28***

***Normal business processing will resume:  
Tue. July 2 at 8:00 a.m.***

You may continue to send information directly to PEPP for processing, however it will be held until the systems are back up and running, at which point the transactions will be addressed in the order they were received.

We apologize for the inconvenience and thank you for your patience and cooperation on this matter.

## Choose paper-free



Be in the know! E-Comm members get advance notice by email that Plan news and personal information (like your member statement) is available on the website or in your PEPPAccess account. To sign up, click on the E-Comm logo on the PEPP homepage.

**Interesting fact:** If everyone signed up for E-Comm about \$140,000/year would be saved on postage alone.



Public Employees Pension Plan  
c/o - Public Employees Benefits Agency  
1000 - 1801 Hamilton Street  
Regina, SK S4P 4W3  
In Regina: 306.787.5442  
Toll free: 877.275.7377

 [www.peba.gov.sk.ca](http://www.peba.gov.sk.ca)  
 [pepp@peba.gov.sk.ca](mailto:pepp@peba.gov.sk.ca)  
 [facebook.com/PEPP.Canada](https://facebook.com/PEPP.Canada)  
 [@PEPP\\_DC](https://twitter.com/PEPP_DC)