



It pays to belong.

Are you new to the Public Employees Pension Plan – also known as PEPP? Do you know how a pension works or what it means for you and your finances? This overview is a terrific place to start.

PEPP is a defined contribution (DC) pension plan that's been around for over 40 years. Today, PEPP is the largest DC plan in Canada with over \$12 billion in assets.

Retirement income sources

Many Canadians, but not all, typically have three basic sources of income when they retire: employment pensions, government sources (Canada Pension Plan and Old Age Security), and personal savings.

Today, less than half of working Canadians are members of an employer-sponsored pension plan. As a member of PEPP, you'll earn an additional retirement income on top of the government sources and personal savings like Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSA).

Contributions

Contributions to your PEPP account come off each paycheque – so saving for retirement is easy. Your employer also contributes every time you get paid. Your employer can tell you your contribution rates.

Another way to build your retirement savings with PEPP is by making voluntary contributions, which come directly off your paycheque.

Members-only savings

Save each pay period

When you contribute to PEPP, your taxable income on each paycheque drops immediately by the amount you contribute to the Plan – including voluntary contributions. This is different from personal RRSPs, in which your taxable income is not reduced until tax time.

Save on fees

PEPP charges lower fees because the Plan doesn't aim to make a profit. As a member of the largest DC plan in Canada, your fees are lower than what you'd pay at a bank or other financial institutions.

Lower fees means more money in your PEPP account. For example, if you invested \$10,000 in the PEPP Balanced Fund for 10 years with a six per cent rate of return, you would pay about \$779 in fees. In a mutual fund, the same investment with the same return, could cost you about \$1,294 to \$3,528 in fees.

Retirement and more

The most obvious benefit to a pension plan is income at retirement. But there are also benefits if you leave your job, have a terminal illness, or pass away before you retire.

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Your choice

As a member, you get to decide how you want to invest your contributions – conservatively, aggressively or with a more hands-off approach. PEPP has eight investment options and plenty of ways to help you choose the right option for you.

Your investment choice is important in a DC plan because your retirement income is determined by two things: 1) how much you and your employer contribute, and 2) how much those contributions earn over the years.

When you retire, you have multiple retirement income options. You can open a Variable Pension Benefit account so your money continues to work for you in retirement while you draw retirement income or you can purchase an annuity to receive lifetime benefits. You can also use a combination of the two options.

Want to know more?

As a PEPP member, you can also:

- access your PEPP account through PLANet, our secure online website;
- attend one of our workshops to learn more about your pension plan; and
- use our online retirement planning tool to get an idea how long your money will last in your retirement.

There are many ways to answer your questions and experience PEPP's dedicated customer service. You can email or call us to ask a question or to schedule an appointment for a personal consultation with one of our Retirement Information Consultants.

Your Plan. Your Way.

Investing with PEPP

You may invest in up to three funds at one time.

Choose one of the six allocation funds:

- PEPP Steps Fund (hands-off approach*/ default option)
- Accelerated Growth Fund (most aggressive)
- Growth Fund
- Balanced Fund
- Moderate Fund
- Conservative Fund

And add one or both of the specialty funds:

- Bond Fund
- Money Market Fund (most conservative)

* The PEPP Steps Fund automatically changes your investments, becoming more conservative as you age.

To learn more about investing with PEPP, you may want to start here:

- review your Welcome Book;
- fill out a PEPP Member Investor Profile;
- review the [Fund Fact Sheets](#) for each of the eight investment options; or
- schedule an appointment with PEPP staff for a one-on-one consultation.

We're here to help

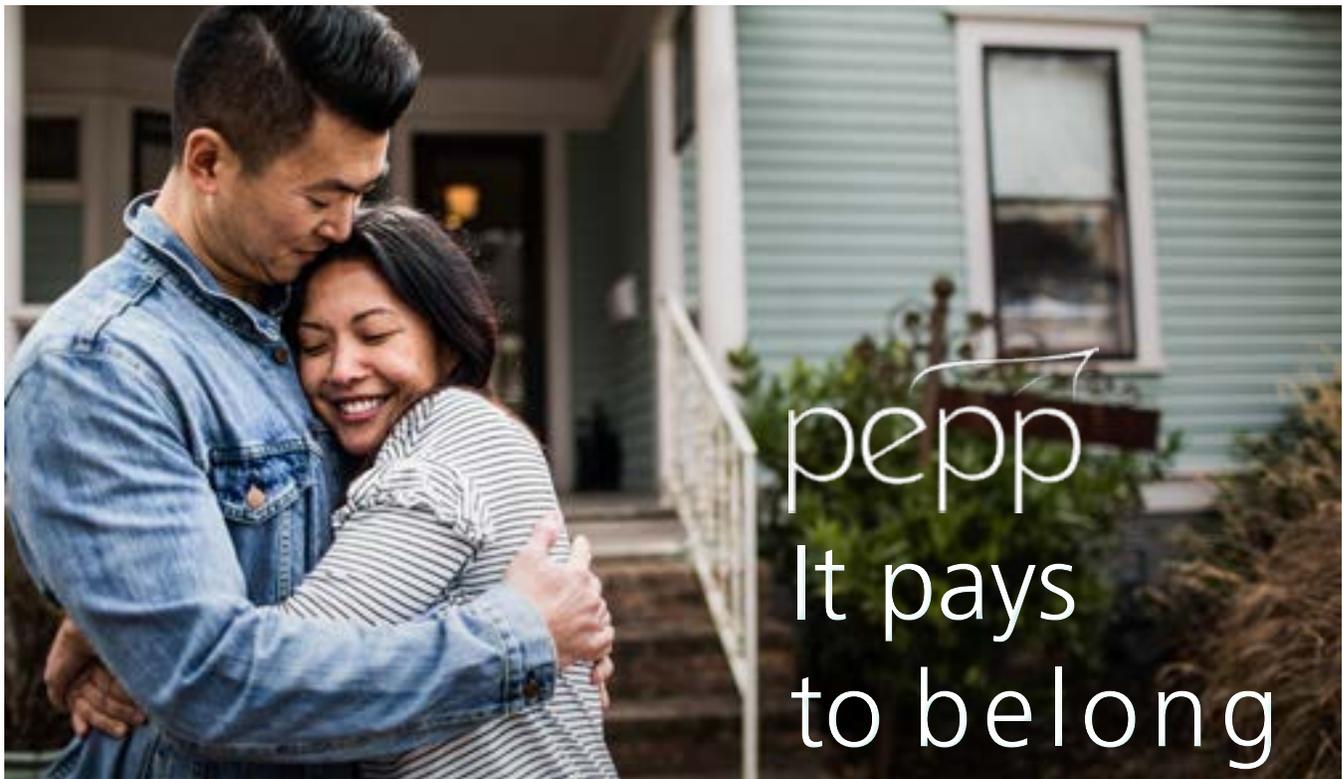
Phone: Toll-free 1-877-275-7377
In Regina 306-787-5442

Email: pepp@plannera.ca

Hours: Monday to Friday
8:00 a.m. to 5:00 p.m.

Web: pepp.plannera.ca





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Retirement Income Sources

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The most obvious benefit to a pension plan is income at retirement. But there are also benefits if you leave your job before you retire, or in case of terminal illness or your death before retirement.