



Special Forces
Pension Plan



2023 WINTER
Newsletter

SFPP CORPORATION
sfpp.ca

Message from the CEO

At times when markets are volatile and the economy seems somewhat fragile, it is important to remember that SFPP is a long-term investor with an eye to sustainability for generations into the future.

We manage investment risk with a well-diversified portfolio, based on an asset allocation that is set by our Board and reviewed annually.

Above all, we remain focused on what's best for our pension plan and its members.

Our investment manager, AIMCo, delivers long-standing performance with risk-adjusted returns that meet our expected liabilities over the long term, while providing the liquidity needed to meet pension payments in the short term. Our goal is a healthy funded ratio that helps us to weather inevitable market fluctuations and allows us to set cost of living adjustments to help retirees with inflationary pressures.

Three-quarters into 2023, AIMCo delivered a return of 3.34% and has returned an annualized net investment return of 4.49% over four years. In the latter half of the year markets are experiencing some volatility, owing to political unrest and economic uncertainty around the globe. It appears, however, despite short-term volatility, the Plan will remain fully funded at year end.

Our sound financial position has allowed our board to grant COLA at 80% of the change in the Alberta Consumer Price Index (CPI) for those retirees with service post 2000. Any retiree with service pre-2001, is already guaranteed COLA at 60% of the change in CPI, so this is good news for all our retirees at a time Canadians are facing inflationary pressures. It means pension payments for retirees will increase between 2.34% and 3.12% this year, depending on the dates service was accumulated.

Looking back on 2023, it has been an exciting year for the Plan, with the addition of the new Grande Prairie Police Service to the SFPP family of municipalities. We look forward to working with Grande Prairie as they recruit the officers they need and build the local policing services for their community.



Liz Doughty, CEO
SFPP Corporation

In closing, looking at the increased turmoil around the globe, it is important to say how grateful we are at SFPP, for the police services we have protecting us and preserving peace in our communities. We continue to support our police and the important work they do to serve and protect us every day.

On behalf of the team at SFPP Corporation, I wish you and your family all the best this holiday season. Here's hoping 2024 is a happy and prosperous year for all our members.





Understanding Your Bridge Benefit

Did you know that if you choose to retire prior to age 65, SFPP provides a temporary bonus benefit in addition to your lifetime pension benefit?

The bonus benefit is referred to as a **bridge benefit**. It takes that name because it bridges your pension income from the age at which you retire to the age of 65, when you are typically eligible for government benefits to supplement your pension income.

The bridge benefit is calculated based on a percentage of your pensionable income and the amount will vary between members depending on length of service and income. The greater your pensionable service is, the higher your bridge benefit will be.

You will not have to apply for your bridge benefit; it is given to those who qualify automatically.

Age 65 is regarded as the normal retirement age in Canada and is the age at which Canada Pension Plan (CPP) and Old Age Security (OAS) benefits typically begin. Once you turn 65, the bridge benefit provided by SFPP ends. This means the bonus period is over, but you will continue to receive your lifetime pension.

Your total pension prior to age 65 will be your lifetime annual pension as calculated at retirement **plus** the bridge benefit. Your pension benefit at age 65 will be your annual lifetime pension without the bridge.

If you would like to read more about the bridge benefit and how it is calculated, visit the SFPP website at: www.sfpp.ca/page/how-your-pension-is-calculated



How is your pension calculated?

SFPP is a defined benefit pension plan. Your pension is based on a formula that includes your pensionable salary and years of service. It is not based on how much you and your employer have paid into the Plan.

The longer you contribute to the Plan and the higher your average salary becomes, the larger your pension will be.

There are tools available on the SFPP website to help you estimate your pension well in advance of retiring. These tools can help you to plan your retirement and consider what other retirement savings you might need for the retirement lifestyle you want.



The Pension Estimator lets you compare retirement scenarios. Once you enter values for average salary, pensionable service and retirement age, the tool applies the pension formula to estimate your potential pension.



The Pension Projection Calculator uses your actual salary and pensionable SFPP service to project your pension. You'll need to log in to the secure part of the website to use this calculator, which can do a little more of the work for you.



Sharpen your pencil if you prefer to do the math yourself. You can visit the SFPP website to find the formula for calculating your future pension and your bridge benefit at: www.sfpp.ca/page/how-your-pension-is-calculated

SFPP.ca is full of information about your pension and also provides contact information if you want to connect with a member services representative to answer any questions you might have. The best time to start planning for your retirement is today!

Enter to win our contest!

WEBSITE CHANGES COMING FEBRUARY

Very soon we will be launching a new website, with improved access to information and a whole new look for our members to enjoy. Make a plan to check out the website between February 24 and March 31, fill in a quick survey and enter our contest for a chance to win an exciting prize.

We want to hear what you think about the changes we are making to your website. We are adding tools

you can use to plan your retirement and will share information that will be helpful to you.

Do you have any ideas about what we can do to make your website experience better? We would love to hear them. Mark the date on your calendar and enter to win! No matter how far away your retirement is, it is important to pay attention to your pension today.



2024 Cost-of-Living Adjustments

SFPP Corporation is pleased to announce the 2024 cost-of-living adjustments (COLA). Details of the 2024 COLA are as follows:

- Retired members with pre-2001 service will see that portion of their pension increase by 2.34%.
- Retired members with service earned after 2000 will see that portion of their pension increase by 3.12%.

COLA is based on the increase in the Alberta Consumer Price Index (CPI) and the period when you earned your pensionable service.

- **Pre-2001 service:** COLA is guaranteed at 60% of the increase in the Alberta CPI.
- **Post-2000 service:** Every year, SFPP determines whether COLA can be granted for post-2000 service based on the Plan's financial position. COLA is usually targeted at 30% of the increase in CPI but due to the positive funded status of the Plan, COLA is granted at 80% of CPI for 2024.

COLA is automatically applied to your pension. For more about COLA, visit www.sfpp.ca

2023 Tax Slips

PREPARING FOR TAX TIME

Tax time is coming soon, and we want you to receive your tax slips as soon as possible.

Tax slips are required to file annual taxes for any SFPP member or pensioner having received or made one of the following payments in 2023:

- regular monthly pension benefit payments;
- a payment made to beneficiaries or pension partners;
- a pension payout or lump sum payment; or
- a buyback purchased through SFPP.

If you are in receipt of an SFPP pension or survivor's benefit, your 2023 tax slip will be available online during the first week of February.

If you have already registered for your account, and your communications preference is set to "Go Green", your tax slip will be provided electronically instead of mailed. You will receive a notification email informing you when the tax slip has been added to your secure account. Just go to sfpp.ca and log in to download and print your tax slip.

If you have not registered for your account, visit sfpp.ca, click "Login" in the top right corner, and follow the "Register Now" instructions. Once you have logged in, a link to the tax slip can be located on your dashboard.

If you are not registered to go green, you can expect to receive your tax slip in the mail. Mailed tax slips will be sent by the end of February and are expected to arrive by mid-March.

To ensure you receive your tax slip as soon as possible, log in to your secure online account to confirm your current contact information, correct mailing address, and communication preferences.

sfpp.ca



Buyback Estimator Tool Coming Soon

Have you ever returned from a leave of absence and wondered how much it might cost to buy back that service?

The ability to buy back service after a period of leave is an important feature of your pension plan. Buying back service will increase your pensionable service - the more pensionable service you have, the sooner you may be able to begin collecting your pension and the higher it may be.

We are excited to announce that a buyback estimator tool will be added to the SFPP website in early 2024. The tool will allow you to input various scenarios to determine an approximate cost of buying back service.

Visit the Resources tab at sfpp.ca for this and other estimators and calculators available to SFPP members, including a pension estimator and pension projection calculator.