

Contributions

The Saskatchewan Pension Plan Newsletter

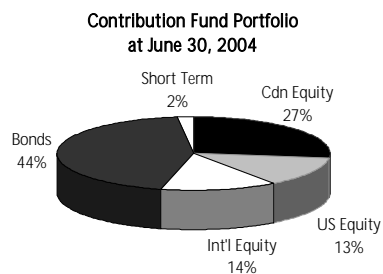
Market Indices

Several members who responded to our recent survey suggested that we provide an explanation of terms used in the investment articles. Watch future newsletters for brief explanations of investment terms. The term explained in this newsletter is 'market indices'.

If you open the financial pages of many newspapers, you will find a number of major market indices listed. Each of the indices tracks the performance of a specific "basket" of stocks considered to represent a particular stock exchange or sector of the stock market. For example, the S&P/TSX Composite Index (formally known as TSE 300) serves as the premier benchmark for Canadian pension funds and mutual market funds. It measures changes in the market value of more than 200 stocks listed on the Toronto Stock Exchange. Other indices referred to by SPP include the S&P 500 for US equities, MSCI EAFE for Non-North American equities, and SC UBI for Canadian Bonds. ❖

Quarterly Update

(to June 30, 2004)



The chart shows the holdings in the Contribution Fund as at June 30, 2004.

The market returns of all sectors were mixed in the second quarter, with the Canadian stock market returns flat, emerging markets and Canadian bonds in negative territory and only US and Non North American equities with positive returns. The market return of

the SPP fund was 0.8% for the quarter, 4.9% year-to-date.

The S&P/TSX Composite Index (Canadian equities) was flat in the second quarter, ending roughly where it began. There was some volatility in the quarter as stock prices fell and then rebounded at the end of the quarter.

US equities, measured by the S&P 500 Index, rose 1.7% (US\$), or 3.8% in Canadian dollar terms as the US dollar remained strong relative to the Canadian dollar in the second quarter.

Non-North American equities, as measured by the MSCI EAFE Index, rose 2.4% in local currency, or 2.2% in Canadian dollars.

The Canadian bond market, measured by the Scotia Capital Universe Bond Index, declined 2.0% in the quarter. This decline was the weakest quarterly performance since the second quarter of 1994. In April, for the third time in three months, the Bank of Canada cut the overnight rate by 25 basis points to 2%. The Bank of Canada feels the economy is operating below full capacity and will facilitate growth through stimulative monetary policy. ❖

Can I Contribute to SPP?

SPP receives calls each year from members who have moved out of province and wish that they could contribute to the Plan. The good news is that they can. If you are between the ages of 18 & 69, you are eligible to contribute to the Plan regardless of where you live.

Another common question is from members who have been unable to make some contributions and wonder if they can start contributing again. The answer is yes.

Contributions to your account can be made in several ways:

- at any bank or financial institution,
- by Pre-Authorized Contributions,
- on-line @ www.spp.gov.sk.ca,
- by calling the SPP office and contributing with your VISA or MasterCard, or
- by mail.

Call today for more information on these options. We look forward to hearing from you. ❖

The results are in....

Our thanks to all those who responded to the survey in our May newsletter. It is gratifying to see how many respondents are satisfied. We are proud of the calibre of service we provide and it is nice to know that members appreciate it as well.

We received some excellent suggestions for future newsletter articles. Some of those items are included in this edition and you can watch for more in the future.

There were several suggestions regarding the timing of our tax receipts and ways we provide information to members. We will be factoring those suggestions in to future plans. In some cases, such as tax receipt timing, we are bound by reporting requirements imposed on us by Canada Revenue Agency. Other suggestions like eliminating multiple mailings to the same household will be considered for the future.

Several people indicated that it is important to them that the Plan use funds prudently when providing service to members. This is a primary consideration for us when planning all projects and services to members. The effect of expenditures on return to members is one of the reasons we do not yet offer on-line account information.

Many respondents requested a higher contribution limit. This is an area the Plan continues to pursue actively. ❖

Deadlines

Joining SPP

You can join SPP anytime during the year. The annual March 1 deadline only applies to contributions. Membership applications can be submitted and are processed throughout the year.

Contributions to SPP

Contributions for the 2004 plan year must be made by March 1, 2005.

For your reference, here are the tax deduction guidelines for your contributions:

- Contributions made between January 1 and March 1, 2004 are tax deductible for either the 2003 or 2004 tax year.
- Contributions made between March 2 and December 31, 2004 can be used for only the 2004 tax year.
- Contributions made between January 1 and March 1, 2005 are tax deductible for either the 2004 or 2005 tax year.
- Contributions to the 2004 tax year can be accepted by SPP anytime between January 1, 2004 and March 1, 2005.

Tax deductibility is the same across Canada. If you have RRSP room you can claim your deduction on line 209 of your tax return. If you file your taxes outside of Canada you must follow the tax laws where you file.

If you have any other questions regarding contributing or joining the Plan please contact our office toll-free. ❖

Web Site Update

Our web site has a new look and some new features. You can still make your contribution on-line and now you can use the calculator to estimate your future account balance. Use the web site to:

- view or download the 2003 Annual Report and list of investments;
- read previous newsletters; and
- obtain a Member Guide and Retirement Guide.

Check out our web site:

www.spp.gov.sk.ca

Stay in Touch

We want to keep your account information up-to-date. Please advise us when:

- you change your address;
- you want to change your beneficiary;
- you change your name, or;
- you change your banking information.

The SPP Newsletter 'Contributions' is issued three times per year. If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail. ❖

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