

Contributions

The Saskatchewan Pension Plan Newsletter

Quarterly Update

(to March 31, 2007)

The Canadian equity and fixed income markets started the year slowly after a surging fourth quarter in 2006. The slow starting Canadian equity market still managed to out pace its U.S. and global counterparts. But much like the Canadian market, the global markets were affected by the economic slow down of the first quarter.

The Canadian dollar gained some ground against the U.S. dollar in the quarter as the U.S. trade deficit continued its growth from 2006. The dollar was up 0.9 per cent for the quarter.

The SPP fund returned 1.6% for the quarter.

The S&P/TSX Composite Index (Canadian equities) finished the quarter up 2.6 per cent. Six of the ten sectors had positive returns with Telecom and Industrials being the best performing sectors and Utilities the worst.

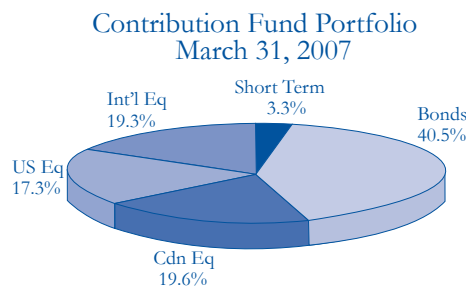
U.S. equities, measured by the S&P 500 Index, were up 0.6 per cent (US\$) with the return decreasing to negative 0.2 per cent in Canadian dollar terms in

the quarter. Five of the ten sectors had positive returns in the quarter with Utilities being the best performing sector.

Non-North American equities, measured by the MSCI EAFE Index, were up 3.3 per cent in the quarter in local currency, or 3.1 per cent in Canadian dollar terms. Eight of the ten sectors had positive returns in the quarter. Materials and Industrials were the top performing sectors while Information Technology and Energy were the worst performing sectors.

The Canadian bond market, as measured by the Scotia Capital Universe Bond Index, gained 0.9 per cent over the quarter.

Short-term bond rates were stable as the Bank of Canada left the overnight rate at 4.25 per cent and the U.S. Federal Reserve left the key rate at 5.25 per cent. ❖



Mandatory

Retirement Age

In March 2007 the Federal Government proposed changes to the age limit for Registered Pension Plans (RPP) and Registered Retirement Savings Plans (RRSP). The proposed change will affect the age limit for maturing RPP's and RRSP's from age 69 to age 71. This change will be law when the Federal Government passes the legislation. Saskatchewan Pension Plan's (SPP) Board of Trustees recommends the Plan's legislation be amended to comply with the federal rules. However, until both the federal legislation and SPP's Act are amended, the mandatory retirement age for SPP is 69. ❖

Small Business

Pension Plan

You may have recently received a direct mail piece or heard our radio ad promoting SPP's employer plan.

To learn more about providing your employees with a pension plan call:

1-800-667-7153 ❖

May 2007



Options for Spousal Beneficiaries

In the March newsletter, we explained the lump sum payment of SPP death benefits to a beneficiary. If your spouse is the beneficiary of your SPP account, he or she has two additional options: transfer the death benefit into their SPP account or transfer to a Registered Retirement Savings Plan (RRSP) or a Registered Retirement Income Fund (RRIF). The following is an explanation of the transfer options.

Transfer to an SPP account

As long as the spouse is between 18 and 69 years of age and not yet retired from SPP, the death benefit can be added to their existing account. If the spouse is not a member of the Plan and meets the age requirements, he or she may become a member and the funds will be transferred to their account. This option also gives the spouse the opportunity to contribute to SPP.

RRSP/RRIF Transfer

Transferring to an RRSP or RRIF involves making arrangements with another financial institution to receive the death benefit. The funds are then held in the beneficiary's RRSP or RRIF. In order to transfer to an RRSP the spouse must meet the age requirement for that option.

Each of the transfer options allows the beneficiary to defer payment of tax until the money is received as income. It is worth noting again that the transfer options are only available when the beneficiary is the spouse of the SPP member.

Life has a way of changing unexpectedly. Take the time to review the beneficiary information provided on your annual statement and make any necessary updates. Changes to your beneficiary must be done in writing. The Designation of Beneficiary form is on our website (www.saskpension.com) or you can call SPP, toll-free, to obtain it. ❖

New Member Growth

The tables below show new member growth and account balance information. As you can see, these statistics are very positive. Congratulations on being part of this growing Plan. ❖

Year	2002	2003	2004	2005	2006
New Members	553	635	553	1272	1345
Average Age	42.6	42.2	39.0	39.3	38.7

Member Statistics (December 31, 2006)	
Largest account balance	\$70,600
Average account balance	\$10,800

Missing Members

SPP needs to locate the following people:

Raye Cobb
Stanley Davies
Gladys E Guevara
Bridget Mangatal
Patricia L McWatters
Jeannette P Stushnoff

If you know their whereabouts, please ask them to contact SPP. ❖

Annual Report

The 2006 Annual Report is now available. The report can be viewed or downloaded from the SPP website. If you would like to have a copy mailed to you, please call the SPP toll-free line. ❖

The SPP Contributions Newsletter is issued three times per year to provide members with general information about current issues affecting SPP.

If any discrepancy arises between the information contained in this newsletter and the Act, the Act will prevail.

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