Contributions

The Saskatchewan Pension Plan Newsletter

July 2010

Member statements

Since April 1, 2010 Saskatchewan Pension Plan (SPP) members have the option to transfer funds from the Balanced Fund (BF) to the new Short Term Fund (STF). As of June 1, 2010 members also have the choice to direct their contributions to either or both funds. A few changes have been made to statements to reflect these changes.

The top portion of the statement mirrors previous Annual Statements. Your personal information and account number is provided. Please notify SPP if this information is incorrect.

Staying the same

The first section of the statement remains the same as the previous Member Annual Statements. It provides a summary of your account at December 31, 2009; the account activity from January 1, 2010 to June 30, 2010; and your account balance at June 30, 2010. This summary is a total of both funds.

New information

Investment summary by fund ($) section of the statement will provide details of each fund from January 1 to June 30, 2010 including interfund transfers. You are able to view the balance in each fund you have money in, contribution activity, earnings, transfers and portion in each fund.

Earnings

Earnings of each fund you have money in are provided to the statement date.

Investment instructions

You have the option of having your contributions deposited to the BF, STF or both. This section provides you with the portion being applied to the funds for your account.

Beneficiary information

The Member Statement will continue to provide your beneficiary information. If any of the information provided on this statement is incorrect, please update it by completing a Designation of Beneficiary form available by contacting SPP or by downloading it from our website. ❖

Contribution Limit Increase

As part of the 2010-11 Saskatchewan Budget, the Province announced they have requested the federal government increase the annual SPP contribution limit from $600 to $2,500. Federal approval is required to make this change and discussions with federal officials are currently taking place. We will keep members updated through the Plan's website (saskpension.com) and future newsletters.

The increased limit will benefit those with no company pension plan, including the self-employed and those working for small businesses to accumulate a more meaningful retirement account balance. ❖

Board announcement

Robert J. Devrome, Chairperson of the SPP Board of Trustees, retired on May 31, 2010. Replacing him is Warren Wagner. Mr. Devrome was first appointed to the SPP Board in 2003 and served as Chair from 2007-2009. The Board wishes to thank him for his many years of service to the Plan. Garry Schlichemeyer and Maureen Wilson have also been appointed to the Board. ❖

Saskatchewan Pension Plan

A new era: investment choice

There is a new phase in the history of SPP - members now have investment choice. Members told the Board they like our Plan but want to have more options for investment. The introduction of the STF is in direct response to member requests.

Members are permitted, but not required, to choose how to direct their contributions in the Plan's funds. The default fund is the BF—if a member does not give us directions, contributions are deposited to the BF.

The addition of the second fund for investment (the STF) allows members, especially those close to retirement, to reduce their equity exposure and preserve capital.

Balanced Fund

The objective of the BF is capital accumulation - growing member accounts in a prudent, risk-controlled manner to provide income to members at retirement. The BF diversifies investments between several asset classes including bonds, equities, real estate and short-term investments. As a further diversification tool, the assets of this fund are divided between two investment managers Greystone Managed Investments Inc. and Leith Wheeler Investment Counsel.

Short term fund

The objective of the STF is capital preservation; therefore, the money is invested in one asset class - Canadian money market instruments. The STF benchmark is the DEX 91-day T-bill Index.

STF returns will likely be lower than the BF as the objective is to preserve capital rather than provide long-term growth.

Greystone Managed Investments Inc is the manager for this fund.

Investment choice and transfers

To help you choose the fund that is right for your investment style, SPP has developed an Investment Fund document. SPP will be happy to send you this document when you contact the office.

To proceed with an interfund transfer or to direct future contributions you will need to complete the Transfer and investment instructions form available from SPP's website or by calling the toll-free line.

Both the BF and STF are professionally managed. Our goal, now more than ever, is to continue to strive for maximizing investor returns while avoiding unnecessary risks. These investment choices demonstrate our commitment. ❖

Missing Members

We would like to contact the following person: Stanley Davies

Please contact us if you know where he is. ❖

Changes to earning allocation

Monthly earnings were applied to member's accounts beginning January 1, 2010. The rate applied reflects the actual net fund earnings for the month. These rates are posted on saskpension.com and are available to members who call the toll-free line.

Markets remain volatile in 2010 and it is it important to remain focused on your retirement goals. SPP has remained strong since inception with a well diversified portfolio and will continue to provide updates for the membership on the website.

Please direct further questions to SPP. ❖

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