

Contributions

The Saskatchewan Pension Plan Newsletter

May 2002



Prescribed RRIFs are here

Recent changes to Saskatchewan's pension regulations provide people of retirement age with a new option—a prescribed Registered Retirement Income Fund (RRIF). The prescribed RRIF has replaced the Life Income Fund (LIF) and Locked-in Retirement Income Fund (LRIF). The Locked-in Retirement Account (LIRA) option is unchanged.

Unlike the LIF and LRIF, a prescribed RRIF has no limit on the amount of money that may be withdrawn each year. This option allows you to have complete control over the amount of income you receive each year from your RRIF.

Withdrawals from the prescribed RRIF are subject to tax. Your spouse must sign a consent form allowing the transfer to this new type of RRIF since it is possible to withdraw the entire balance and leave him or her with

no survivor benefit upon your death. We recommend that both you and your spouse seek advice of a qualified financial advisor before transferring funds to a prescribed RRIF.

When you retire from SPP, between the ages of 55 - 69, you now have the following options:

- Purchase one of SPP's annuities. This payment is deposited directly into your bank account on the first day of each month;
- Transfer your account balance into a LIRA or a prescribed RRIF at another financial institution; or
- Choose a combination of the annuity and transfer options.

For further information on these retirement options, please contact our office. We look forward to your call. ❖

Quarterly Investment Update

(to March 31, 2002)

Despite signs of a strengthening North American economy, major stock indices turned in mediocre first quarter performances. The TSE 300 rose 2.5%; the S&P 500 rose 0.33%; the MSCI EAFE index rose 0.5%; and the SCUBI fell 1.0% in the quarter.

The Plan's income allocation policy continues to smooth the Plan's market performance by blending this year's market gains and losses with a portion of those from preceding three years. The fund's market return at quarter end was 2.7%. The smoothed return at March 31, 2002 was 1.4%.

The TSE 300 Index (Canadian Equities) rose 2.5% in the quarter due to strong performance in March. Improving economic data, including growth in GDP in the fourth quarter of 2001, and increased consumer confidence stimulated the equity market.

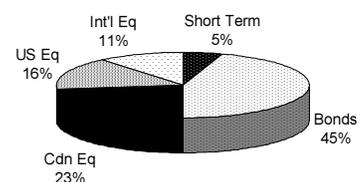
The S&P 500 (US Equities) gained 0.33% (C\$) over the quarter. While there were increasing signs of an US economic recovery in March, the financial markets felt the aftermath of Enron's bankruptcy and the use of questionable accounting practices.

MSCI EAFE (Non-North American Equities) Local Index returned 2.0% over the quarter, however the strength of the Canadian dollar against most foreign currencies over the quarter, reduced the MSCI EAFE (C\$) Index return to 0.5%.

The SCUBI (Canadian Bonds) fell 1.0% due to growing optimism of an economic turnaround and the expectation that interest rates will increase later this year. The US Federal Reserve Bank left interest rates unchanged over the quarter while the Bank of Canada cut interest rates by 0.25%.

The chart below shows the holdings in the Contribution Fund as at March 31, 2002. ❖

Contribution Fund Portfolio
at March 31, 2002



Missing People

We are trying to locate:

Kamolsri Hodgkinson

If you know this member or have an address that would help us locate Kamolsri, please contact our office on the toll-free or by e-mail. We appreciate your help. ❖

Proof of Age

Proof of age is now required when you join the Plan. Having your proof of age document on file helps ensure SPP has your correct date of birth in preparation for retirement. If we do not have a copy of your birth certificate or passport, please supply it to us as soon as possible.

If you are in your 69th year and have not been contacted by our office, please call as soon as possible. We may have incorrect information for your date of birth and this could cause a delay in your retirement. ❖

Stay in Touch

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

- your address changes;
- your SPP beneficiary dies;
- you change your name; or
- you change your banking information.

To contact SPP:

Toll-free 1-800-667-7153
TTY 1-888-213-1311
Fax 1-306-463-3500
Mail Box 5555
Kindersley SK S0L 1S0
Internet office@spp.gov.sk.ca
www.spp.gov.sk.ca

Survey

We are always looking for new and improved ways of providing products and services to our members. Your response to this brief survey will help us determine which areas of the Plan are a priority for future development.

The following is a list of service enhancements that may be considered in the future. Please indicate how important these changes are to you and feel free to add options that are important for you and your retirement planning. We thank you in advance for your input.

	Not important		Very Important		
	1	2	3	4	5
Access my account information on the web					
Submit changes to my account information from the web (i.e. address changes)	1	2	3	4	5
Contribute more than \$600 per year to SPP	1	2	3	4	5
Purchase a RRIF from SPP	1	2	3	4	5
Pension estimate on your Annual Statement	1	2	3	4	5
Other (please specify)					
_____	1	2	3	4	5

Please tell us your age: _____

Survey forms returned to SPP by June 30, 2002 will be eligible for a draw prize. Please provide your name on the survey form if you wish to enter.



Please complete and return this survey to us by mail of fax.

Mailing address
Box 5555
Kindersley SK S0L 1S0

Fax
306-463-3500

You may also complete your survey on our website: www.spp.gov.sk.ca.

Good Question

In the past we have asked for your input regarding topics or questions you would like to see in our newsletters. Here is the response to a recent question:

Q: Does Canada Customs and Revenue Agency (CCRA) require that I deduct my \$600 contribution or may I choose not to deduct it and maximize my RRSP?

A: SPP contributions are tax deductible within your RRSP limits. It is your choice whether to use it as a deduction or not. If you are making your contribution in the first 60 days of the year, the contribution can be used as a deduction in either the previous or current year or not at all. The SPP contribution deduction can not be carried forward to future years. At retirement, the funds withdrawn are fully taxable, regardless of whether or not they were used as a tax deduction.

If you have an SPP question you would like answered, please contact us. ❖