



CONTRIBUTIONS

February 2012

February “to-do” list

If you are like most of us, maximizing contributions to the Saskatchewan Pension Plan (SPP) and other retirement savings plans is at the top of your “to-do” list every February. It is important to remember that 2012 is a leap year. Contributions must be received by SPP on or before that day to qualify for 2011. ❖



Spousal contributions

If you make your contribution at a financial institution either in the branch or through online banking and designate it spousal, please contact SPP to advise us of this information. SPP receives these payment advices electronically and the spousal particulars are not part of the transmission.

Contributions are reported to Canada Revenue Agency (CRA) and it is very important to have your tax receipt issued correctly. In the past, all tax receipts were issued to the member. Starting this year receipts are issued to the contributor. ❖

Claiming your SPP contribution

Report your SPP contribution on lines 2 and 3 of Schedule 7 like a Registered Retirement Savings Plan (RRSP) contribution and claim the deduction on line 208 of your tax return. SPP contributions will be taken into account in determining RRSP over-contributions. ❖

Administration expenses

Administration expenses for the balanced fund were \$2.2 million in 2011, or 1.1 per cent of the average market value of assets held. The short term fund operates on a cost-recovery basis. ❖

SPP administration expenses		
	2011	2010
Personnel	\$641,013	\$592,512
Professional Services	830,742	689,780
Administration	716,259	611,427
Board	34,848	31,853
Total	\$2,222,862	\$1,925,572

Market performance

Volatility sums up market performance for the fourth quarter of 2011 and in fact for the entire year. The European debt crisis and continued concerns about the economic recovery in the U.S. top the list of investor concerns. The seemingly endless rollercoaster with respect to these issues has marred investor confidence. As one writer put it, “markets moved from optimistic to pessimistic in a heartbeat”.

Canada’s economic picture remains strong however our commodity-dependent economy will feel the effect of slowed growth in the U.S. and global economies. The high levels of personal debt are cause for future concern when borrowing rates rise.

SPP’s balanced fund returned -1.0 per cent after administration costs while the short-term fund return, after administration costs, was 0.6 per cent for the year.

The top ten holdings are listed in the accompanying table. More detailed information about investment results is available on our blog (savewithSPP.com) or website (saskpension.com). ❖

Top 10 balanced fund holdings

	Canadian Equities	% of Port folio	U.S. Equities	% of Port folio	Non-North American Equities	% of Port folio
1	Toronto Dominion Bank	7.0	Pfizer	3.6	Cash	2.6
2	Canadian Natural Resources	5.4	Markel	3.0	HSBC	2.4
3	Bank of Nova Scotia	5.3	Johnson & Johnson	2.8	Novartis Ag	2.4
4	Canadian National Railway	3.9	Intel	2.7	Adidas	2.2
5	Saputo	3.8	Apple	2.6	Canon	2.2
6	Transcanada	3.3	Proctor & Gamble	2.6	Samsung Electr.	2.1
7	National Bank of Canada	3.1	3M	2.4	Tesco	2.0
8	Teck Resources	2.7	Wells Fargo	2.3	Nestle	1.9
9	CAE	2.6	Chevron	2.2	BMW	1.7
10	Toromont Industries	2.6	Merck	2.1	Royal Dutch Shell	1.6

Transfers to SPP

You can transfer up to \$10,000 per calendar year into your SPP account from an RRSP, RRIF or unlocked RPP. The transfers are subject to all Plan rules including the lock-in provision. Since these are direct transfers there are no tax implications. The form to initiate a transfer to SPP is available by calling SPP or by downloading it from our website. ❖

SPP - a pension for every business

SPP is flexible and will work for every business –all businesses can offer a pension plan to their employees!

Tell your boss about SPP – a visit to our website is the first step. There is no cost to join or fees for changes. Administration fees for SPP are low and returns since inception of the Plan are 7.8 per cent.

Do you own your own company? Set up a Business Plan today and take advantage of potential tax breaks. And, help your employees save for their future with a pension plan of their own. Call us and we will be glad to help you through the details! But do it soon as tax deadline is February 29 and contributions made before that time are tax deductible – so you save even more! ❖

Investment managers

The SPP Board of Trustees is responsible for hiring investment managers who then invest member funds in a prudent manner. Over the past 26 years the fund has returned 7.8 per cent to members, which is a very competitive return.

The Board has given balanced fund mandates to two investment managers: Greystone Managed Investments of Regina and Leith Wheeler Investment Counsel of Vancouver. Both firms have a long history with institutional investing. Greystone was founded in 1988 and Leith Wheeler in 1982. Both managers are also ranked in the top 40 Canadian Money Managers as reported by [Benefits Canada](#) (November 2011)

Greystone is a growth manager with over \$30 Billion in assets under management for pension plans, endowment funds, non-profit organizations, universities, unions and corporations across Canada. As a growth manager, Greystone is looking to invest in companies that exhibit signs of above-average growth.

Leith Wheeler is a value manager with over \$11 Billion in assets under management for pension plans, endowment funds, First Nations Trusts and corporate accounts. The firm's goal is to preserve clients' capital while offering superior investment growth, regardless of economic factors.

Greystone and Leith Wheeler have been given the mandate to invest in Canadian bonds and equities, U.S. equities and Non-North American equities. Greystone also invests in Canadian Real Estate. The Board reviews the investment performance on a quarterly basis and reviews the investment policy at least annually. ❖

Reasons to notify SPP

Address update

Changes can be made using the website form, faxing or phoning SPP. Your email address is a useful tool for SPP as a means of contact.

Bank account change

Banking changes must be provided in writing. You can mail or fax a VOID cheque from your new account, contact SPP for a Direct Deposit Request form or download this form from our website.

Beneficiary change

It is extremely important to keep the beneficiary designation up-to-date to ensure that your account balance is paid to the person of one's choice. A Designation of Beneficiary form is available on the SPP website or a copy may be requested from the office. ❖

Year of celebrations

In recognition of our 25th year all members were entered in a random prize draw. Dan D., a retired member, received the digital picture frame and Rene G., a contributing member, received a Netbook. Congratulations.



Mary Ann Hogarth (left) is pictured here receiving her award for 25 years of service to the Government of Saskatchewan. The presentation was made by Bonnie Meier (right) at a ceremony in Regina on September 22, 2011. Mary Ann began her career in the public service with the Ministry of Social Services and

then moved to the Ministry of Agriculture. She has been part of the Saskatchewan Pension Plan team for the past 21 years. Congratulations Mary Ann. ❖

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The SPP Contributions Newsletter is issued three a 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.

P.O. Box 5555 608 Main Street Kindersley, SK CANADA S0L 1S0
PHONE (306) 463-5410 FAX (306) 463-3500
1-800-667-7153 TTY: 1-888-213-1311 info@saskpension.com
www.saskpension.com

