



finances
value
comfort
activities
holidays
Confidence
breathing room
growing
satisfaction
resources
balance
growth
SUCCESS
retirement
investor
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CONTRIBUTIONS

Trust
help
future
invest
years of saving
costs
reliability
savings
freedom
relax
save
security
Increase
Low fees

the SASKATCHEWAN PENSION PLAN NEWSLETTER

February 2013

2013 Deadline

March 1, 2013 is the contribution deadline for the 2012 tax year. If you choose to send your funds by mail, please be sure to allow enough time for postal delivery prior to the deadline. You can send a post-dated cheque early to ensure the contribution reaches Saskatchewan Pension Plan (SPP) in time. Other methods of contributing are:

Someday
Next Month
Next Week
NOW!

- at a financial institution or by telebanking,
- online at saskpension.com with VISA® or MasterCard®, or
- by calling toll-free 1-800-667-7153 and using VISA® or MasterCard®.

We want to be able to honour your wishes with regard to making your 2012 contribution. Beat the rush and contribute early. Contributions received after March 1, 2013 will be applied to the 2013 tax year. ❖

Boost your account in 2013

You can transfer up to \$10,000 per calendar year from existing RRSPs to SPP and boost your account balance this year. Call SPP today for details or go straight to our website (saskpension.com) to get the form.

Transfer Facts

- Transfer amounts range from \$152 to \$10,000.
- Members have transferred over \$3 million to their SPP accounts.

Why not start your 2013 transfer paperwork today? ❖

No need to fret – save regularly

A recent BMO study revealed that 60 per cent of Canadians feel anxious about trying to find money to contribute to their RRSPs and that almost half of Canadians who make an RRSP contribution do so in a lump sum just before the deadline. (BMO Study: RRSP Deadline Causing Canadians Stress, 2013).

SPP offers simple ways to reduce this stress – use one of our pre-authorized payment options to save regularly. As a member of SPP you are already part of a Plan that provides you with a smart, steady way to grow your retirement savings. By contributing on a pre-arranged schedule, you don't need to be concerned about coming up with a lump sum payment at RRSP time. SPP allows you to contribute on a pre-authorized schedule from your bank account or credit card. Alternatively, you could set up a scheduled payment using the online banking tools with your financial institution.

Forms to set up a payment plan are available on our website (www.saskpension.com) or by calling the toll-free line at 1-800-667-7153. ❖

Claiming your SPP tax deduction

Tax receipts for contributions to the 2012 tax year will be issued by March 6, 2013. When claiming your contribution report it on Schedule 7 and include the deduction on line 208 of your tax return. SPP contributions will be taken into account in determining RRSP over-contributions; therefore, the person claiming the deduction must have unused RRSP contribution room.

Important Spousal Considerations

Contributions will be deemed as made by the member unless you tell us, at the time the contribution is made, that it should be designated a spousal contribution. In that case the tax receipt will be issued in your spouse's name. SPP will no longer be able to change a contributor after the funds are deposited. ❖

YOUR RETIREMENT GROWS HERE

Why fees make a difference

By Sheryl Smolkin

If you save for retirement with the SPP, the Contribution Fund allows you to invest in a professionally managed, balanced portfolio or a short-term fund. On average, annual fees are targeted to be one percent.

A recent article in the Globe and Mail by columnist Rob Carrick reveals that the average management expense ratio (MER) — that's the ratio of fees to the total amount of money in the fund — is 2.37 per cent for six types of retail balanced funds he reviewed.

How much of a difference do fees make? Take a look on our blog for the full article and see the difference for yourself (<http://wp.me/p1YR2T-wU>). ❖

Thank you

So much has changed at SPP over the last few years and it is great to have members that believe in us and are helping us grow every day. There were 1,088 new people who joined the Plan last year and you played a huge part in that. Please keep your member referrals coming in 2013.

Cynthia O. was the lucky winner of the Olympian Sports Start-up Challenge that we ran during the last quarter of 2012. Thanks to everyone who entered the promotion.

We look forward to continued growth this year and to helping you plan for your future. ❖

Investment results

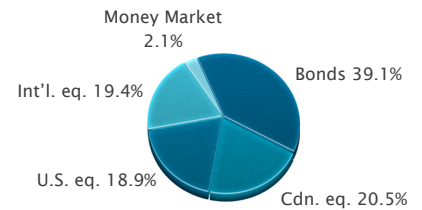
Looking back, the economic outlook for 2012 was very uncertain at the beginning of the year. Equity markets were expected to be volatile as events unfolded in Europe, the U.S. and China. Stories about the European debt crisis, a slowing Chinese economy and the U.S. fiscal cliff dominated headlines. In the end, 2012 was a strong year for stock returns in most markets.

Both the U.S and International equity markets had double digit returns (13.4 per cent and 14.7 per cent respectively) and the Canadian equity market had a more modest return of 7.2 per cent. The current low interest rates continue to have a positive impact on the economy and it is anticipated these low rates will continue into the foreseeable future.

SPP's balanced fund returned 8.5 per cent after administration costs while the short-term fund, after administration costs, returned .5 per cent.

The top 10 holdings in the balanced fund and the portfolio composition are shown in the accompanying chart and table. More detailed information about investment results is available on our blog (savewithspp.com) or website (saskpension.com). ❖

Balanced fund portfolio at December 31, 2012



Top 10 balanced fund holdings

| | Canadian Equities | % of Portfolio | U.S. Equities | % of Portfolio | Non-North American Equities | % of Portfolio |
|----|---------------------------|----------------|-------------------------|----------------|-----------------------------|----------------|
| 1 | Toronto Dominion Bank | 8.0 | Apple | 4.7 | Novartis | 4.1 |
| 2 | Bank of Nova Scotia | 6.2 | Chevron | 3.9 | HSBC Holdings | 2.8 |
| 3 | Saputo | 4.6 | JPMorgan Chase & Co | 3.2 | Royal Dutch Shell | 2.3 |
| 4 | Canadian National Railway | 4.6 | CVS Caremark | 3.1 | Samsung Electronics | 2.3 |
| 5 | TransCanada | 3.9 | Aflac | 3.1 | Nestle | 2.3 |
| 6 | Teck Resources | 3.3 | Praxair | 2.9 | Adidas | 2.3 |
| 7 | Royal Bank of Canada | 3.2 | Honeywell International | 2.9 | Total | 2.2 |
| 8 | Manulife Financial Corp | 2.8 | U.S. Bancorp | 2.8 | CRH | 1.9 |
| 9 | National Bank of Canada | 2.8 | Union Pacific Corp | 2.8 | BMW | 1.9 |
| 10 | Finning International Inc | 2.7 | Altria Group | 2.7 | Banco Santander SA | 1.8 |

Administration expenses

Administration expenses for the contribution fund were \$2.2 million in 2012, or 1.07 per cent of the average market value of assets held. The short-term fund operates on a cost-recovery basis. ❖

SPP administration expenses

| | 2012 | 2011 |
|-----------------------|--------------------|--------------------|
| Personnel | \$672,242 | \$641,013 |
| Professional Services | 829,445 | 830,742 |
| Administration | 691,247 | 716,259 |
| Board | 37,602 | 34,848 |
| Total | \$2,230,536 | \$2,222,862 |

The SPP Contributions Newsletter is issued three times 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.

Stay in the know

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