



finances
value
comfort

activities
holidays

Confidence
breathing room

growing
satisfaction
resources

balance
growth

SUCCESS
retirement

investor
working

CONTRIBUTIONS

Trust
stepping stone

help
future

invest
costs

years of saving
reliability

savings
relax
save

freedom
security

Increase
Low fees

the SASKATCHEWAN PENSION PLAN NEWSLETTER

February 2014

2013, what a year!

Thanks to you, Saskatchewan Pension Plan (SPP) has had another great year of growth! You are a huge part of what makes SPP so unique and we wanted to show you just how much our new and existing members helped grow the Plan.

| Facts as of December 31, 2013 | |
|--|----------------|
| New members in 2013 | 1,415 |
| Members transferring RRSPs to SPP in 2013 | 801 |
| Funds transferred in 2013 | \$6.0 million |
| Total value of 2013 contributions This value is a 16% increase over 2012. | \$17.3 million |
| 2013 average contribution | \$1,449 |
| Highest account balance | \$111,968 |

15.8% The SPP balanced fund continued to have strong growth through to the end of 2013 and returned 15.8 per cent after administration expenses. The short-term fund returned 0.7 per cent after administration expenses.

Looking back, 2013 started on a strong note and this theme was fairly consistent throughout the year. The monthly returns (after administration expenses) are listed on your annual statement and you will see that the fund had positive growth in every month but June.

Administration expenses for the contribution fund were \$2,435,713 or 1.0 per cent of the average market value of assets held. The short-term fund operates on a cost-recovery basis. Members continue to benefit from the pooling of assets to keep costs low.

More detailed information about investment results is available on our blog (savewithspp.com) or website (saskpension.com) including the top ten holdings. ❖



Contribution Deadline March 3, 2014

Don't miss your opportunity to contribute for the 2013 tax year. SPP **must** receive your 2013 contribution on or before March 3, 2014. If you choose to send your funds by mail, please be sure to allow enough time for postal delivery prior to the deadline. Methods of contributing are:

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

We want to be able to honour your wishes with regard to making your 2013 contribution. Contributions received after March 3, 2014 will be applied to the 2014 tax year. ❖

Claiming your SPP tax deduction



Tax receipts for 2013 contributions will be issued by March 07, 2014. Report your contribution on Schedule 7 and include the deduction on line 208 of your tax return. The person claiming

the deduction must have available RRSP room.

Important spousal considerations

A spousal contribution means the contribution is claimed on the spouse's tax return but the funds are in the member's account. If you intend for your spouse to claim the deduction, this **must** be declared when the contribution is made as SPP is unable to change a contribution after funds are deposited. ❖

YOUR RETIREMENT GROWS HERE

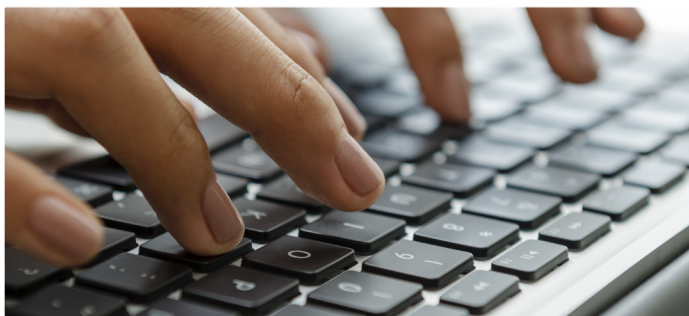
Why an annuity?

While it is important to accumulate funds for your retirement, it is also important to consider the best way to shift into how you will receive your funds in retirement. Keep in mind that “diversification” should not be overlooked or necessarily replaced with “consolidation”. Retirement planning can still include diversity and part of your strategy could include an annuity.

When you opt for an annuity, which pays a fixed monthly benefit, you are buying peace of mind. You know how much you will receive and you can budget accordingly. SPP provides members with an annuity option at retirement and when you purchase an annuity directly from SPP, there are no commissions or referral fees. Essentially, SPP assumes the risk associated with the investment and you receive pension payments for your lifetime.

With interest rates at historic lows, you may be reluctant to opt for an annuity. However, it is important to keep in mind that your benefit reflects an integrated blend of cash flows: interest on your money and a portion of your contributions with every payment.

If you are getting close to retiring and would like a personal estimate please call the SPP office and we will be happy to provide you with further information. You can also check out our blog and website for more information. ❖



Online services

Did you know you can change your address online at saskpension.com? You can also download forms, request information or make a credit card contribution.

Members often request the ability to view their account information or download tax receipts online. At this time we are unable to do this but are looking to provide more enhanced online services in the future. All administration expenses are paid from investment earnings and enhancements will be introduced as they can be afforded. ❖

Legislation update

As reported in earlier newsletters, there were several housekeeping amendments to *The Saskatchewan Pension Plan Act* which received Royal Assent in 2013 and were expected to be proclaimed into law January 2, 2014. Unfortunately this was not the case and we anticipate the amendments to be proclaimed later in 2014. We will keep members informed through future newsletters, the SPP blog and website.



The amendments will require a member to designate their spouse as beneficiary prior to retirement. This will affect members who join after the Act has been proclaimed and existing members who choose to transfer funds into SPP. The amendments will also require members to select a minimum joint and last survivor 60 per cent at retirement. These changes will bring SPP in line with rules governing registered pension plans (RPP) and will allow the Plan to accept locked-in money from RPPs and locked-in Retirement Accounts. Regulations will also have to be amended in order to accept these funds. We apologize for any problems this may have caused our members and we will keep you posted. ❖

Pooled registered pension plans (PRPP)

Members may also be aware of another amendment to the Act regarding PRPPs which received Royal Assent but has yet to be proclaimed. The Ministry of Justice is responsible for PRPP Legislation and they are currently working on Regulations for that Act. Once the provincial PRPP Legislation is proclaimed, the amendments to *The Saskatchewan Pension Plan Act* will also be proclaimed. We will keep members informed regarding the progress of PRPPs through future newsletters, the SPP blog and website. ❖

The trend is transferring in

Transferring funds from an existing RRSP to SPP was the “Trend” in 2013. Why? Because it’s so easy, our fees are low and our rates are solid. Just download the Transfer in form from our website; complete Area 1; and mail it back to SPP. We do the work for you and then let you know when the transfer is complete. What a nice and easy way to boost your SPP account. Start today for 2014! ❖

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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