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# CONTRIBUTIONS

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

the SASKATCHEWAN PENSION PLAN NEWSLETTER

July 2014

## Events

**Sept 10 - 13:**

Saskatchewan Veterinary Medical Association tradeshow

**Sept 20:**

Chiropractors Association of Saskatchewan AGM

**Oct 23:**

The Regina B2B Expo

**Oct 24-26:**

Battlefords' Best Business Showcase

## Upcoming blogs

**August 7:**

Book review: The Real Retirement

**August 14:**

Dan - Our big fat wallet

**August 21:**

CIBC survey: The younger you are, the bigger your retirement expectations

**August 28:**

How to grow your retirement savings (Part 3)

Follow our blog, [savewithspp.com](http://savewithspp.com), to see all of our money saving tips, and best of the blogosphere in your inbox.

June 2014 returns		
Fund	Monthly	YTD
Balanced	0.55%	5.78%
Short-term	0.060%	0.278%

Visit [saskpension.com](http://saskpension.com) for a complete list of returns and further information on investment performance.



Saskatchewan Pension Plan (SPP) was very excited to participate in the First Aid for Mental Health event held in Saskatoon on May 8th. Thanks to those who attended and to Jeff Richards

(Entertainer), Sandy Stotz (Labour Liaison, CMHA Saskatoon) and Sam Corbett (The Sheepdogs). Nearly \$5,000 was raised to help the Saskatoon branch of Canadian Mental Health. Remember, financial stress can cause mental stress and be a trigger for mental illness. Go to our Facebook page and click on the link to learn more about the event. ❖



## Over my dead body

Remember the Membership Application you filled out when you first signed up? The form where you designated your beneficiary? Beneficiary designation is a useful planning tool that you should ensure is supportive of your overall estate plan; it is important to keep it up-to-date.

**Why, you may ask?** Well, if something were to happen and you haven't updated your beneficiary after a change in your life situation, such as a divorce, we are legally bound to pay any benefits to the beneficiary we have on file. If you do not update your beneficiary, your former spouse would collect the death benefits. We recommend that you update beneficiary information when major changes happen in your life so your money gets to the people you want.

**Wondering who you have as a beneficiary at SPP?** Look for your beneficiary information in the center section of your member statement or give us a call at 1-800-667-7153. Beneficiary changes must be updated in writing and can be mailed, faxed or scanned and emailed to SPP. The Designation of Beneficiary form can be found on our website. ❖



YOUR RETIREMENT GROWS HERE



## Notice of Assessment (NOA)

Shortly after you file your tax return, Canada Revenue Agency (CRA) sends you an important document called a "Notice of Assessment" (NOA). Your RRSP Deduction Limit Statement is part of your NOA. It is a key document when it comes to your future RRSP and SPP contribution plans since it reports your RRSP deduction limit for the current year.

SPP contributions must be made within your RRSP deduction limit so it is important you know how much you can deduct on your income tax return and whether or not you are in an over contribution position.

When it comes to your RRSP deduction limit, there are two important areas to review on your RRSP Deduction Limit Statement:

- (A) indicates the amount CRA has calculated as your RRSP deduction limit for the current year.
- amount (B) shows the contributions already paid into an RRSP but not yet deducted. If amount (B) is greater than amount A, you may have to pay a tax of 1% per month on your excess contributions.

CRA provides the RRSP Deduction Limit Statement to you as a tool for the coming year and to help you avoid finding yourself in a penalty or over contribution situation. If the amount shown in A is \$0, you should consult your tax preparer before making a contribution to SPP. Similarly, if the amount in (B) is greater than \$2,000, you should also consult your tax preparer.

If you are unable to locate your NOA, contact CRA directly (1-800-959-8281), or visit the "My Account" page of the CRA web site to access your information. ❖

## Transfer in option keeps SPP busy!

Transfer in results are tremendous. Is it because of our low fees, our solid rates, and just how easy it really is? 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 an easy way to boost your SPP account with up to \$10,000 annually from existing RRSPs or unlocked RPP funds. Start today for 2014! ❖



## Planning for retirement

Accumulating funds for retirement is only one side of the story - making these funds last for the balance of your life completes the tale. Education will help you make a decision that fits your situation.



Revenue Canada requires that your retirement savings be cashed in or converted into some form of "income stream" by the end of the year you turn 71. Therefore, it is never too soon to look at what options are available.

Factors which can affect your choice(s) include the health of you and your spouse, your personal capacity to deal with risk and reward, i.e. flexibility versus security, financial obligations and the amount of time you are willing to spend managing your financial affairs.



Often we are told that consolidating funds at retirement is the preferred approach. However, it is very important to maintain both safety and growth so retirement funds last, and thus diversification should not be overlooked.

Speaking of diversity, when retiring from SPP three options are available:

1. SPP annuities;
2. Transfer to a LIRA or PRRIF with another institution; or
3. A combination of an SPP annuity and a transfer option.

You have choices to make as you approach retirement from SPP. A carefully considered decision now could benefit you for the rest of your life. If you would like more information on your options or have questions about this article, please contact our retirement officer. ❖

## Stay in the know

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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.

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Your retirement grows here