

CONTRIBUTIONS

OCTOBER 2021



Turning your account into income - by Martin Biefer

Members of the Saskatchewan Pension Plan (SPP), who are between the ages of 55 - 71, have some important decisions to make when it's time to retire.

The question you need to ask yourself is this – do you envision your retirement income as a fixed or flexible income?

Fixed income

SPP members who want a fixed retirement income can choose an SPP annuity, which provides a fixed income for the rest of your life.

If you choose one of SPP's annuities, your account balance is moved to the plan's Annuity Fund and is invested in high-quality fixed income investments.

Your annuity options include the Life Only Annuity (you receive income for life, but there are no survivor benefits); the Refund Life Annuity (again, lifetime income for you and a calculated death benefit ensuring full payout of your retirement balance), and the Joint & Last Survivor Annuity (monthly income continuing until the passing of the survivor). You can request an annuity estimate from SPP to help decide which of these options suits you best.

Flexible income

If, on the other hand, you aren't interested in converting your SPP account to an annuity – and want to keep investing it – there are several options available for you.

Saskatchewan residents who are between the ages of 55 - 71 and are willing to accept an income that may vary due to market ups and downs, can choose SPP's Variable Benefit (VB) option. With the VB, your account continues to be invested in SPP's Balanced Fund and/or Diversified Income Fund. Minimum annual withdrawals begin the year you reach age 72.

You also have the option, if you are age 55 to 71, to transfer your benefits out of SPP, and into:

- A prescribed registered retirement income fund (PRRIF)
- A locked-in retirement account (LIRA).

Questions? Call SPP. The staff would be happy to review your options.

ANNOUNCEMENTS

Deadlines

Transfer \$10,000 from an existing RRSP to your SPP account. Funds must be received by SPP on or before December 31, 2021. The form is included with this newsletter.

The deadline for contributing to 2021 is March 1, 2022. Your contribution must be received by SPP on or before March 1, 2022 to be eligible for the 2021 tax deadline.

Limit increase

Watch for the 2022 limit announcement. It will be posted on our website in December 2021.

Blogs

Check out savewithspp.com for interesting articles, book reviews, financial results and celebrity interviews.

As of August 31, 2021

Fund	Return
Balanced	8.38%
Short-term	-1.09%

Visit saskpension.com for a complete list of returns and further information on investment performance

Let SPP be your workplace pension - by Martin Biefer

SPP is a great resource for individual retirement savers. But did you know it's also available for employers to offer as a workplace pension plan?

Setting up a pension plan for one's employees sounds like a huge undertaking, but with SPP, the heavy lifting is done by us. There's no cost to the employer to join SPP, nor is there a charge for enrolling the employees as members. Pension contributions aren't set by SPP, but by you and the employer – so you can decide what your team will contribute.

No business is “too small” to join SPP – the plan is scalable, so even if there is only an employee or two, you are as welcome as an employer with hundreds of people on the payroll.



Brandon Smith is Controller at Percy H. Davis Ltd., a Saskatchewan-based Canadian customs broker, and an SPP participating employer. “The staff at SPP have been easy to deal with

on all aspects on our plan management,” he recently told us. He calls SPP a “great retirement plan for small and medium-size businesses,” and adds that “the returns are healthy” too!

Gail, Manager of Business Development, would be happy to present to your group and get you started. Call today 306-249-0047.



SET IT AND FORGET IT

With SPP, you can set up pre-authorized contributions so that money moves from your chequing account or credit card to your SPP account.

This way, you can make regular, small payments throughout the year, rather than saving up to make a large payment at the deadline. Your contributions start earning investment returns sooner.

And most importantly, if you coordinate your contributions with your paydays, you're making retirement savings automatic. You can set it and forget it, and your SPP account will quietly build up in the background while you focus on other things.

Make it automatic with SPP today!

MYSP

SPP offers an on-line portal that gives you access to view your contribution history, account information and view or print tax slips and statements. It is easy to enroll and use.

Give SPP a call if you would like help setting up your MySPP.



MISSING MEMBERS

If you know these members, please contact our office.

Lucienne Raymond	Phillip Ng
Barbara Smith	Lois Renner
Donald Campbell	Lesley Stuhr
Terrance Favell	Ella Sum
Kenneth Almer	Alba Paredes
Stanley Davies	Mary Bayda
Kuanren Yang	

Q2 market overview

There has been a lot of good news to come of 2021 so far. Vaccinations are on the rise and, as a result, we have seen stellar economic growth. While there is still a great deal of healing to do globally, with some countries having more ground to recover than others, there is greater confidence today that brighter days are on the horizon compared to twelve months ago.

In balanced portfolios, we maintain a modest overweight in equities but favor Canadian and International markets, as the US market has reached new highs and valuations have increased. North American markets were particularly strong in Q2, with both the S&P 500 and S&P/TSX Composite (TSX) up 8.5 percent, in local currency terms. Information Technology and Energy were among the top performing sectors in both markets.

From an absolute return perspective, the fixed income landscape has been challenging in 2021, but the rise in longer term yields should be viewed positively as it reflects expectations for stronger economic growth. Despite evidence of rising inflation, rates will likely remain historically low as the Fed and other global central banks continue to incorporate accommodative policies with respect to interest rates and their balance sheets. Most consensus forecasts do not anticipate a rate hike until 2023. The Fed has expressed a willingness to allow inflation to run hotter than normal, in order for the economy to fully recover, before increasing rates.

Hello Lana

Welcome Lana as the new Client Service Officer. She brings strong customer service experience to us from her time with municipal government.



Farewell

For 31 years it has been my pleasure to work with many members of SPP. I hope in some way I have helped you on your financial journey. The decision to retire was made easier knowing that you're in good hands. SPP staff are simply the best. Thank you for being a part of my 31 years. Some of you I will never forget. Mary Ann



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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.