

CONNECTIONS

FEBRUARY 2021



35th Anniversary Greetings from Tim Calibaba

It's been my pleasure to serve as a member of the Saskatchewan Pension Plan (SPP) Board of Trustees for 12 years and Chairperson for the last eight years.

During the time I've been on the board I can honestly say it's an extremely well run plan with diversified investments coupled with excellent returns.

The focus of the Board has always been on achieving above average returns with lower than average risk. We believe slow and steady wins the race.

Looking forward, we plan to continue monitoring our investment strategy — always striving for the best possible asset mix and investment managers to benefit our members.



This past year we were successful at receiving approval to offer a Variable Benefit (VB) option for our retiring Saskatchewan members; this is an excellent option for them to continue to be invested in our plan and receive pension income payments from SPP.

We're looking forward to continued success for our plan and members.

Message from Gail

A new year – a fresh start! It has been a very difficult time for so many and I hope this note finds you and your business doing well. We thank you for your trust in SPP. SPP is a plan that can help address your employees' financial stress now and for their future. The limit change for 2021 and the changes to the retirement options further enhance SPP's products for members.

Do you need help navigating the changes? I would be happy to come virtually or social distanced to your business to answer questions on the Plan. Sometimes that casual conversation really helps everyone to get on track and look to the future with hope.

Take care, stay safe and the very best to you and your staff in 2021.

ANNOUNCEMENTS

CONTRIBUTION DEADLINE

The deadline for 2020 is March 1, 2021. Contributions must be received by SPP on or before March 1 in order to receive a tax receipt for the 2020 income tax return. Contributions received March 2 or later will be applied to the 2021 tax year.

CONTRIBUTION LIMIT

The contribution limit has increased to \$6,600 as of January 1, 2021. You may contribute any amount up to the maximum per tax year within your unused RRSP contribution room.

CELEBRATING 35 YEARS

We have not let Covid stop us; we are continuing to provide you with excellent member service. Please share your SPP story to help us celebrate 35 years. Submit it in writing or by video and tell us how SPP has helped you in your life.

Send an email with your written reply or ask for instructions on how to send us your video.

New option for future retirees

In late 2020, SPP launched its VB product for Saskatchewan residents.

A VB is a retirement income option with no maximum withdrawal restriction and the option to withdraw part or all of the balance at any time. VB provides members with control over how much retirement income they wish to withdraw and when to withdraw throughout the year. Members have the choice of how the money is

invested within the Plan: the Balanced Fund (BF) and/or the Diversified Income Fund (DIF). In this way, recipients can continue to receive the low fees and service they are accustomed to while the investment continues to grow on a tax-sheltered basis. VB has many similarities to a Prescribed Registered Retirement Income Fund (PRRIF) offered at other financial institutions.

T4's

Employees must have unused RRSP room to contribute to SPP. It is a good practice to have evidence of RRSP room in the employee's file. SPP has developed the Payroll Authorization form for this purpose.

Contributions made by you, the employer, on behalf of an employee must be reported as income for the calendar year in which they were made. Employer contributions must be reported as total employment income in Box 14 on the employee T4. The employer portion is reported in Box 40.

The employee will receive a tax receipt from SPP for the total amount contributed.

RRSP INFORMATION

SPP contributions are claimed on line 20800 of the tax return. SPP contributions qualify as repayment under the Home Buyers Plan. These contributions are recorded in Part B of Schedule 7.

CRA References

canada.ca	5000-S7	line 20800
CRA login services	Schedule 7	RRSP/SPP

What's the DIF?

Previously, the short-term fund was solely invested in high quality short term (one year or less) Canadian debt securities and cash. To provide members with a low risk option, but enhanced yields, the diversified income fund (DIF) was created in January 2020. The DIF invests in Canadian short-term investments, bonds and mortgages with an equal split between money market holdings and bonds and mortgages.

2020 rate of return

Fund	Return
Balanced	8.72%
Short-term	4.57%

Visit saskpension.com

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

WELCOME TO THE WEALTHCARE REVOLUTION



WHO STARTS A PENSION PLAN IN A PANDEMIC?

the GLAM bar does!

In 2020 Harley Good started a pension plan for his team at Goodwen Mngt Inc. and suggested to his wife, Jade that her group at the Glam Bar should consider doing the same. "We want to support our team, want them to be financially successful and learn about their finances".

Jade and business partner, Lisa Evans found SPP to be easy, simple and flexible, working well for their diverse group of employees.

"Our average age is 25 – this is really going to help these girls have a better financially secure future" comments Jade.

What a gift Glam Bar gave to their employees in 2020!

Do you know a business that you can refer us to? We would be happy to help them and there is never any pressure!

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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.