



## MEDIA BACKGROUNDER

### KEY POINTS

- SPP is the only plan of its kind in Canada (i.e., it is the only retirement savings plan which does not require an employer-employee relationship. It is of benefit individuals with little or no access to a pension plan – see “History” below).
- More than 30,000 people participate in SPP either as contributors or pension recipients.
- The average return to members since the Plan started in 1986 is 8 per cent.
- The Plan is flexible and voluntary (you can contribute what you can, when you can, up to the limit). It is also portable; you can take your Plan with you regardless of your residency.
- Among defined contribution pension plans in Canada, SPP is the 26th largest, based on assets under management to December 31, 2009.
- The Plan follows an investment approach which focuses on steady growth over the long term. Contributions are pooled for investment, and participants have the option to choose either the Balanced Fund (BF), Short-term Fund (STF) or both to deposit their contributions. The BF includes a combination of bonds, equities, short-term and real estate investments while the STF is strictly invested in money market instruments. Detailed information on each of the funds is available at [saskpension.com](http://saskpension.com)

### HISTORY

- Saskatchewan created SPP in 1986 to provide a unique retirement income savings vehicle for individuals with little or no access to employer-sponsored pension plans or other retirement savings arrangements.
- The program goes beyond traditional pension plans because it is the only one in North America not requiring an employee-employer relationship.
- SPP headquarters has been in Kindersley since 1990.
- Until now, the maximum contribution had not changed since 1988.

### THE PROGRAM

- People who are between 18 and 71 years of age and have available RRSP contribution room can contribute to SPP.
- The maximum contribution per year is now \$2,500.
- Spousal contributions are permitted.
- Contributions are tax deductible within the RRSP contribution rules.
- Investments are professionally managed.
- SPP makes it easy for businesses to offer the benefit of a pension plan.
- Participants can continue to make contributions even when they change employers or residence.
- Earnings are applied monthly to participant accounts. The average return to members since the Plan started 25 years ago is 8 per cent.
- Participants can retire from SPP any time after the age of 55.
- SPP’s investment activities operate at arms length from the Government.
- The five-person board of trustees is responsible for administration of the plan.
- SPP specializes in handling a large number of small accounts efficiently; therefore it is an attractive pension alternative for small businesses and their employees.
- Members who joined the Plan 25 years ago and contributed each year could now have account balances exceeding \$48,000.
- SPP’s oldest member is 89 years of age.



Saskatchewan Pension Plan