

ANNUITY PROGRAM

The Saskatchewan Workers' Compensation Board (WCB) established the annuity program to help supplement retirement income for clients receiving long-term wage loss benefits.

How does the annuity program work?

The WCB sets aside funds on your behalf and holds them until you turn 65. During this time, the funds earn interest, compounded annually, based on the return of the WCB's investments. At age 65, you must use these funds to purchase a life annuity.

What is a life annuity?

A life annuity is a financial product that provides you with a monthly payment for the rest of your life. The amount of this monthly payment will be based on the amount invested and the interest rates at the time the annuity is purchased.

Who qualifies for the annuity program?

Clients who receive wage loss benefits for more than 24 consecutive months qualify for the program.

What does it cost?

There is no cost to you; your wage-loss benefits are not affected. The contributions the WCB makes to the annuity program on your behalf are in addition to your wage-loss benefits. These contributions are equal to 10% of your wage-loss benefits. In addition, the contributions earn interest compounded annually.

What happens if I die before age 65?

The amount set aside on your behalf will be paid to your estate, therefore we do not require you to name a beneficiary.

Can I access these funds before age 65?

No, WCB legislation requires that the annuity funds are locked in until age 65.

What if the amount the WCB is holding for me is not large when I reach age 65?

At age 65, if the funds are less than \$20,000, you have the option of taking a lump sum payment instead of purchasing an annuity. This option is not available before age 65.

How do I purchase an annuity at age 65?

You can buy an annuity from a life insurance company, trust company, or other eligible financial institution of your choice. We will send you more information about the annuity purchase requirements before your 65th birthday.

Will my annuity payments be taxable?

The funds you accumulate to age 65 are tax-free. After age 65, only interest earned on your purchased annuity will be taxable.

You will receive an annual statement showing the principal and the interest that has accumulated. To make sure you continue to receive your statements and information about the annuity program, please notify the WCB if you change your address.

For more information about the program or to change personal information, please contact our Financial Services Department by:

- Phone: 787-4370 or toll free 1-800-667-7590
- Fax: (306) 787-4234, or
- Email: internet_finance@wcbask.com

09/2007