

## Questions and Answers about the Termination of the Saskatchewan Telecommunications Pension Plan

*The Saskatchewan Telecommunications Pension Board has prepared this document to provide members of the Saskatchewan Telecommunications Pension Plan with information about the termination and windup of the Plan. If you have any questions, please contact the Plan administration team (contact information is on the last page).*

### General

#### **What does this mean for me?**

You will continue to receive your monthly pension payments exactly as you do now. The only change is that, once the wind-up process is completed, your pension will be paid by a licensed Canadian insurance company instead of directly from the Plan.

#### **What is happening?**

SaskTel has decided to terminate and wind up the Saskatchewan Telecommunications Pension Plan (the “Plan”), its legacy defined benefit (DB) pension plan that was closed to new members in 1977. As part of this process, the pension benefits of all Plan members will be settled in accordance with applicable pension legislation and the Plan’s governing documents. This will be accomplished by purchasing annuities from a licensed Canadian insurance company, ensuring that monthly pension payments continue without interruption. SaskTel and the Plan’s administrator, the Saskatchewan Telecommunications Pension Board (the “Pension Board”), are working together with their professional advisors to ensure the wind-up is completed smoothly and in compliance with all statutory requirements.

#### **When will this happen?**

The Plan will be terminated effective April 30, 2026. However, the full wind-up process, including the purchase of annuities, is expected to take until late 2027 to complete. The Plan will continue to pay monthly pensions until the insurance company assumes responsibility for paying pensions under the annuity contracts.

#### **Why is SaskTel winding up the Plan?**

The Plan has become a mature pension plan, with nearly all members in receipt of pensions and no active contributors. The Plan is fully funded and can secure its pension obligations through the purchase of annuities, reducing exposure to future investment and longevity risks for the corporation. Winding up the Plan allows all pension obligations to be settled in a secure manner, including transferring responsibility for paying pensions to a licensed insurance company that specializes in administering lifetime retirement income.

#### **Is this permitted?**

The Plan will be wound up in accordance with the requirements of the *Pension Benefits Act* (Saskatchewan), the *Income Tax Act* (Canada), and the Plan Text, all of which allow for the termination and wind-up of the Plan, including the transfer of

responsibility for pension payments to an insurance company. The wind-up will be subject to the supervision and approval of the Superintendent of Pensions, who is part of the Saskatchewan Financial and Consumer Affairs Authority. The Pension Board has already advised the Superintendent of the Plan's termination and will keep the Superintendent informed throughout the wind-up process.

**What happens next?**

The process of terminating the Plan formally starts on April 30, 2026. The first step is to prepare and file a termination actuarial report and other information with the Superintendent by the end of June 2026. Once that report is approved, the Board will move forward with purchasing annuities from an insurance company to provide members with their promised pension benefits.

You will receive further information from the Plan as the wind-up progresses. There is nothing for you to do at this time.

If a surplus remains after all members' pension benefits have been fully provided, the Board will notify members. Any surplus will be dealt with strictly in accordance with the *Pension Benefits Act* (Saskatchewan) and the Plan Text.

**Retired Plan Members**

**What happens to my pension when the Plan terminates?**

The amount, timing, and frequency of your pension payments will not be affected.

On April 30, 2026, you will not notice anything different. Your pension will continue to be paid from the Plan as normal. The Plan termination will not affect the amount, timing, or form of your pension payments. As part of the windup process, a Canadian insurance company will take over responsibility for paying your pension as part of the standard wind-up annuity purchase. You will then receive your exact monthly pension payments from the insurance company instead of the Plan.

**Will my pension payments stop?**

No. Your pension payments will continue without interruption. After the annuity purchase, the insurance company will assume responsibility for your monthly payments.

**Will the amount of my pension change?**

No. The amount of your pension will remain the same. The annuity provided by the insurance company will replicate the payment terms and features of your pension from the Plan, including any indexing or survivor benefits.

**Will my pension still be indexed?**

Your pension benefits will continue to be indexed under the annuity, which will exactly replicate the Plan's indexation promise.

**What happens to survivor benefits?**

The annuity will provide the same survivor benefits that are currently provided under the form of pension that you selected when you started your pension. If you

are in receipt of a survivor pension, you will continue to receive monthly payments under the annuity.

**What happens if I pass away before the annuity is purchased?**

If your form of pension includes survivor benefits, benefits will be paid to your survivor in accordance with the Plan's survivor provisions and your elections. Nothing changes as a result of your death before the annuity is purchased. The survivor benefits provided under the Plan will be honored and will be carried over into the annuity contract when it is issued.

**Who will pay my pension after the annuity is purchased?**

The insurance company will become responsible for your pension payments once the annuity is purchased. This transfer of responsibility is expected in late 2027. You will receive communications from the insurance company with contact information and payment details.

**Annuity Purchase**

**What is an annuity?**

An annuity is a guaranteed income arrangement provided by an insurance company. As part of the wind-up of the Plan, the Pension Board will purchase a group annuity policy from a licensed insurance company. Under this group policy, the insurance company will then issue individual annuity contracts to each eligible Plan member. Your individual annuity will replace your pension from the Plan and will provide the same monthly payment and survivor benefits you currently receive, including continued payments to your spouse of record, where applicable, after your death. This type of annuitization is a standard procedure for winding up pension plans in Canada.

**How will the insurance company be selected?**

The Pension Board will conduct a thorough and competitive selection process to choose an insurance company to provide annuities. This process will consider a range of factors, including each insurance company's financial strength, pricing, and ability to provide reliable pension administration and high-quality customer service, with the goal of ensuring a seamless transition and no disruption to members' pension payments.

**Is my pension still protected?**

Yes. Your pension will continue to be protected, and your monthly payments will continue without interruption or reduction. Insurance companies are strictly regulated and are required to maintain financial reserves to meet their long-term obligations to annuity holders. In addition, all insurance companies in Canada that are authorized to sell annuities must be members of Assuris. In the unlikely event that the insurance company were to fail, Assuris provides protection for annuity payments, subject to applicable limits.

**When will the annuity purchase happen?**

The Pension Board expects to purchase a group annuity policy in early 2027. However, the insurance company will likely not assume responsibility for pension

payments, meaning no change for you until late 2027, likely the last quarter of the calendar year. The Plan will continue to pay your monthly pension until that time.

**Can I choose the insurance company or annuity type?**

No. The Pension Board will select the insurance company through the process described above. Your annuity must reflect your current pension and be payable in the same form and on the same terms as your pension under the Plan. For example, if your pension is payable in a joint and survivor form, the annuity must be payable in the same form.

**Can I opt out of the annuity purchase and keep my pension in the Plan?**

No, members cannot opt out of the annuity purchase and remain in the Plan because the Plan will be wound up and closed once the annuity purchase is complete.

**If I don't want my pension transferred to an annuity, can I take a lump sum payment?**

No. The terms of the Plan do not allow for a lump sum payment of your pension benefit.

**Active Plan Members**

**What if I haven't started my pension?**

If you are still employed by SaskTel and have not started your pension from the Plan, your benefits will "crystallize" on the termination date. Practically, this means that your pension will be treated as starting immediately following the Plan's termination date, and will be calculated based on your maximum pensionable years of service and your highest three years of employment earnings as at April 30, 2026 (the termination date). You will remain entitled to the full pension benefits you earned up to the Plan's termination date, with no reduction because of the Plan's termination.

**What about my employment with SaskTel?**

The termination of the Plan does not affect your employment with SaskTel. ***You do not need to stop working for, or "retire" from, SaskTel as a result of the Plan termination or to begin receiving your pension.*** Your employment status is separate from the termination of the Plan.

**What does this mean for my pension entitlement?**

Although your pension is considered to start immediately following the Plan's termination date, your monthly payments will not begin right away. In due course, you will receive a statement from the Plan setting out the amount of your pension, the payment options available to you, and the forms you must complete and return. For example, you will need to choose the form of pension you wish to receive (such as whether payments continue to a spouse after your lifetime, if applicable). Once you return the required forms and your payments begin, you will receive a lump-sum payment covering all pension payments owed to you from May 1, 2026, up to the date your monthly payments start. You will not lose any payments because of this delay.

**Will my pension also be provided through an annuity?**

Yes, just like Plan members who are currently receiving a pension, an annuity will be purchased for you from a licensed Canadian insurance company. All of the information above in respect of annuities will apply to your pension.

**Additional Information**

**What if I move or change banks?**

As was the case previously, it is important to keep your contact and banking information up to date by contacting the Plan. After you start receiving payments from the insurance company, you will contact the insurance company with any updates.

**Will I receive communications from the insurance company?**

Yes. After the annuity purchase, the insurance company will send you a welcome package with contact information, payment details, and instructions for future inquiries.

**Will SaskTel continue to be my contact for pension information?**

Until the annuity purchase is complete SaskTel will continue to be your contact for pension information. After you start receiving payments from the insurance company, your contact will be the insurance company. The insurance company's contact details will be set out in the welcome package you will receive from them.

**Who will provide T4A tax reporting forms?**

For the 2026 tax year you will receive your tax information from the Plan as usual. For the 2027 tax year, you will receive two T4A slips: one from the Plan for the period the Plan is paying your pension and one for the period the insurance company makes your pension payments. Beginning with the 2028 tax year you will only receive T4A slips from the insurance company as long as the transition is complete within 2027.

**Can I get a copy of the termination report?**

Yes, if you would like a copy of the report once it is approved by the Superintendent, you may contact the Plan's administration team using the information set out below.

**Who do I contact if I have questions right now?**

You can contact the Plan's administration team using the information below until you receive the welcome package from the insurance company.

SaskTel Pension Plan  
2121 Saskatchewan Drive, 6th Floor  
Regina SK  
S4P 3Y2

Email: [sasktel.pensionplan@sasktel.com](mailto:sasktel.pensionplan@sasktel.com)

Phone: 306-777-4123

While the Pension Plan team strives to answer all inquiries in a timely manner, the volume of inquiries may result in some delayed responses. We appreciate your understanding and invite you to visit [www.sasktel.com/pensionplan](http://www.sasktel.com/pensionplan) for the latest information.