

## Features of Programmed Withdrawal and Annuity

Feature	Programmed Withdrawal (PW)	Retiree Life Annuity (RLA)
<b>Provider &amp; Regulation</b>	Managed directly by Pensions Fund Administrator (PFA) and regulated by PenCom, ensuring strong pension oversight.	Managed by Life Insurance Companies and regulated by NAICOM.
<b>Payment Structure</b>	Flexible monthly/quarterly pensions over expected life span, with direct link to RSA balance.	Fixed monthly/quarterly annuity for life, determined by insurance provider.
<b>Investment &amp; Growth</b>	RSA balance is continuously re-invested by PFA to generate returns, which are credited directly to the retiree's RSA.	Premium is transferred to a pooled insurance fund; investment returns accrue to the pool, not the individual retiree.
<b>Pension Enhancement</b>	Retirees may benefit from periodic pension enhancement because of positive investment returns in their RSA.	No pension enhancement. Payments remain largely fixed, regardless of investment performance.
<b>Account Transparency</b>	Retirees maintain their RSA account and receive quarterly statements, ensuring visibility and control.	No RSA account statements. Contributions are pooled; retirees have less transparency.
<b>Flexibility &amp; Options</b>	Retirees can migrate to Annuity after 1 year if desired, giving room for choice.	Once on Annuity, retiree cannot return to PW. Can only switch to another annuity provider after 2 years.
<b>Death Benefits</b>	On demise, entire RSA balance is paid to legal beneficiaries, ensuring full value transfer.	Annuity is guaranteed for 10 years. If death occurs within the period, beneficiaries receive the remaining guaranteed value en bloc. Anything after is not guaranteed.
<b>Risk Profile</b>	Shared risk between retiree and PFA, with the retiree benefitting directly from investment growth.	Risk fully transferred to insurer; retirees depend entirely on annuity contract terms.
<b>Pension Protection Fund</b>	There is provision of Special Reserves to forestall any shortfall in retiree funds (Minimum Pension Guarantee provides a safety net).	There is no provision for special reserve for annuity payment