

Interest on Overpayments

Starting February 1, 2013, interest charges will be applied to Saskatchewan Crop Insurance Corporation's (SCIC) AgriStability overpayments. SCIC is working to align its business practices, and this action ensures AgriStability overpayments are treated the same as Crop Insurance overpayments.

At the start of January, letters were sent to AgriStability participants who had an outstanding overpayment advising of the application of interest charges as of February 1. Payment on the outstanding balance can be made at any time, and an updated accounting statement will be issued in early March, detailing the activity on the account including any payments made or any interest accrued. The annual interest rate is Royal Bank Prime plus two per cent, adjusted quarterly.

Charging interest on AgriStability overpayments is not retroactive and begins after February 1, 2013. The interest is only applied to overpayments that have occurred since SCIC began administering the AgriStability Program. Producers who have overpayments from when Agriculture and Agri-Food Canada administered the program must still follow the federal government's guidelines for repayment.

Any new overpayment, occurring after February 1, 2013, will have interest charged; however, the participant has 30 days from notification of the overpayment to repay the balance before interest charges will be applied. Amounts not paid after the 30 days will continue to accrue interest at the beginning of each month until the account is paid in full.

Please note, one of the common causes of AgriStability overpayments is using an interim application. Because interim benefits are an estimate, there are situations when the interim payment is larger than the final benefit. If this occurs, the participant will be required to repay the overpayment. To reduce the risk of overpayment interims are issued at 50 per cent of the estimated final benefit.

SCIC is willing to work with participants in an overpayment situation in developing repayment plans. For help or clarification about an AgriStability overpayment, please contact the AgriStability Call Centre at 1-866-270-8450.