



{ OLD MUTUAL **SUPERFUND** }

RETIREMENT GUIDE }

DO GREAT THINGS



OLDMUTUAL
CORPORATE

AS AN OLD MUTUAL SUPERFUND MEMBER,
YOU NOW HAVE A NUMBER OF OPTIONS
IF YOU LEAVE YOUR EMPLOYER DUE TO
RETIREMENT.

This guide is intended to help you:

1. Understand your benefits and options
2. Make your investment decision
3. Complete the paperwork

NOTE:

1. The purpose of this Retirement Guide is to give information only.
2. This Retirement Guide has been prepared based on legislation and the rules of the Old Mutual SuperFund Pension and Old Mutual SuperFund Provident Funds (hereafter referred to as Old Mutual SuperFund).
3. Every effort has been made to ensure the information provided in your Retirement Guide is correct. However, should any error have been made, the rules of the Old Mutual SuperFund will apply.
4. You are encouraged to read the rules of the Old Mutual SuperFund. You can obtain these from your employer or by contacting the Old Mutual SuperFund Service Centre on 0860 20 30 40 or superfund@oldmutual.com.

Remember: Your rights as a member of the Fund are contained in the Fund's rules.

CONTENTS

1. UNDERSTAND YOUR BENEFITS AND OPTIONS	4
2. DEFER YOUR RETIREMENT FROM OLD MUTUAL SUPERFUND	6
3. RETIRE FROM OLD MUTUAL SUPERFUND AT RETIREMENT FROM EMPLOYER	10
4. OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT	13
5. COUNTDOWN TO RETIREMENT	15

1. UNDERSTAND YOUR BENEFITS AND OPTIONS

There are many considerations for someone approaching their retirement date. These include general issues like where you will live and what you will do, as well as more specific financial decisions that will affect your financial security during your golden years. One of the most important decisions you need to make is how best to invest your retirement capital to ensure that you will get the income you need once you stop working.

Your basic options **when you retire from your employer are** as follows:

1. **You can postpone your retirement from Old Mutual SuperFund** – This means that you continue your fund membership in Old Mutual SuperFund. This allows your retirement savings to remain invested and grow while you decide on a more appropriate time to access your retirement benefit.
2. **You can choose to retire from Old Mutual SuperFund right away.** This means that you will receive your retirement benefit and will have to make an annuitisation/pension decision.

Before making a decision, there are a number of important considerations that you need to bear in mind.

- Do you have enough saved for a comfortable retirement?
- Do you plan on taking up other employment after retiring from your current employer?
- Will you have other sources of income other than your accumulated retirement savings in Old Mutual SuperFund?

If you do not have enough saved and you will have alternative income sources after retiring from your employer, then you may want to consider postponing your retirement from Old Mutual SuperFund for a few more years. This will allow your retirement savings to grow and afford you better annuity rates when you decide to retire from the Fund.

The decision you make at this point should be well considered as it will determine the quality of life you will have after retirement.

If you need help making a decision, please speak to your financial adviser or contact Member Support Services on 0860 38 88 73.

For more information on what Old Mutual SuperFund has to offer, visit www.oldmutual.co.za/superfund or contact the Old Mutual SuperFund Service Centre on 0860 20 30 40.

{ REMEMBER, JUST BECAUSE YOU ARE RETIRING FROM YOUR EMPLOYER
DOES NOT MEAN THAT YOU HAVE TO RETIRE FROM OLD MUTUAL
SUPERFUND! }

2. DEFER YOUR RETIREMENT FROM OLD MUTUAL SUPERFUND

REMAIN AN OLD MUTUAL SUPERFUND MEMBER

Old Mutual SuperFund allows retired members to continue their membership even though they have retired from their employer. This means that you are no longer forced to retire from the Fund when you still have other sources of income and don't need your retirement benefit yet.

Old Mutual SuperFund Deferred Retirement provides you with the option to keep your retirement savings invested, protected and growing while you decide on a more appropriate time to access your retirement benefit. This is especially important if you are concerned that you may not have enough saved to retire comfortably, or if you want to give your accumulated savings an extra boost.

Below are some of the benefits that you could enjoy by deferring your retirement:

- **Get your retirement plan back on track.** Postponing your retirement from Old Mutual SuperFund will give your savings the extra boost needed for a more comfortable retirement.
- **You are not forced to take the payment of your retirement benefit.** You can postpone the payment of your retirement benefit to when you want to and have considered all your options.
- **You remain invested in a cost effective solution.** You benefit from low administration fees and institutional investment management fees.
- **You enjoy flexibility in investment choice.** You decide how you want your savings to be invested from a range of investment funds.
- **You can consolidate your retirement savings in Old Mutual Superfund Deferred Retirement.** You can transfer any other pension, provident or preservation fund savings that you may have to Old Mutual SuperFund Deferred Retirement if the source fund rules allow for it.
- **You can select your retirement age.** You can retire from Old Mutual SuperFund at any time.

All you need to do to join the Old Mutual SuperFund Deferred Retirement solution is to **ELECT** to postpone your retirement from Old Mutual SuperFund by notifying your payroll administrator or contacting the Old Mutual SuperFund Service Centre.

NOTE:

Important information about your Old Mutual SuperFund Deferred Retirement membership

1. Old Mutual SuperFund Deferred Retirement is a facility that allows your retirement savings to remain invested and grow in Old Mutual SuperFund after you retire from your employer.
2. There are no additional contributions allowed, only retirement saving transfers from registered retirement funds, excluding retirement annuities, will be allowed into the Old Mutual SuperFund Deferred Retirement account.
3. Old Mutual SuperFund Deferred Retirement Membership is available to all members of the Old Mutual SuperFund.
4. Old Mutual SuperFund Deferred Retirement Membership is not available if, on exit from employment, an employer lien deduction has to be made against your benefit in terms of section 37D(1)(b) of the Pension Funds Act.
5. Even though Old Mutual SuperFund Deferred Retirement Membership offers you lots of investment choice, it does not include all of the investment portfolios offered under the Old Mutual SuperFund Customised Option.
6. If you were invested in the Customised Option you will have 60 days from when you start your Old Mutual SuperFund Deferred Retirement Membership to give us your investment choice. If we don't get this information from you in that time, your retirement savings will be switched to the trustee elected default investment portfolio.
7. There is no minimum amount for investing in Old Mutual SuperFund Deferred Retirement.
8. We recommend that members with R30 000 or less in their Old Mutual SuperFund member account invest in the Trustee Choice investment package to keep fees to a minimum. This will protect you against the risk that fees reduce your investment growth over time.

ACTIVATING YOUR OLD MUTUAL SUPERFUND DEFERRED RETIREMENT MEMBERSHIP IS EASY – NO FORMS, NO FUSS!

Here's how:

Tell your payroll administrator that you are choosing to defer retirement from Old Mutual SuperFund and make sure that your current contact details are sent to Old Mutual SuperFund.

To find out more about Old Mutual SuperFund Deferred Retirement Membership visit www.oldmutual.co.za/SuperFund or contact the Old Mutual SuperFund Service Centre on 0860 20 30 40.

If you become a Old Mutual SuperFund Deferred Retirement Member, Old Mutual SuperFund will be able to give you updates on your retirement savings in the future and make sure you can easily claim your retirement benefit when you are ready to retire from the Fund.

What happens next?

When you become a Old Mutual SuperFund Deferred Retirement Member, you will receive a letter explaining how your membership works and what you need to do next.

If you do not receive your letter, please call the Old Mutual SuperFund Service Centre on 0860 20 30 40.

Who qualifies?

All Old Mutual SuperFund members except those with employer liens, as per Section 37D(1)(b) of the Pensions Fund Act, at the time of leaving employment due to retirement.

It is advised that members considering Old Mutual SuperFund Deferred Retirement have a steady income to rely on during the deferment term.

MORE DETAIL ON OLD MUTUAL SUPERFUND DEFERRED RETIREMENT

OLD MUTUAL SUPERFUND DEFERRED RETIREMENT	
Joining	
When available	Retirement from Employer (Early; Ill Health; Normal; Late)
Advice Fees	No.
Remain invested	Yes. Members in the Old Mutual SuperFund Customised Option have 60 days from the date they join the Old Mutual SuperFund Deferred Retirement facility to make a new investment election. If no instruction is received after this period, the retirement savings will be switched to the Trustee selected default investment portfolio.
Continue contributing	No. Only accumulated retirement savings from registered retirement funds, excluding retirement annuities, will be allowed into Old Mutual SuperFund Deferred Retirement.
Risk Benefits	No.
Membership	
Administration Fees (pm)	Charged according to investment package: Trustee Choice R29.50 per month Lifestage R29.50 per month Strategy R54.00 per month Extended R86.00 per month
Benefit Payments	
Transfer in (Consolidate)	Yes
Cash in/Transfer out	No
Death benefit	Your retirement savings are paid to your dependants and/or nominees.
Retirement benefit	Accessible at any time.

Getting financial advice is a good idea

Before you make a final decision about what to do with your retirement savings, it makes good sense to discuss your options with a financial adviser. An adviser will help you make suitable decisions, taking your future retirement needs into account. An adviser can also help you to make sure you have enough death, disability, funeral and medical cover going forward.

If you don't have a financial adviser or broker, you can call the Old Mutual Member Support Services on 0860 38 88 73 for help.

3. TAKE YOUR BENEFIT

RETIRE FROM OLD MUTUAL SUPERFUND AND BUY A PENSION

Annuity Options

Always remember that the original purpose of being part of a retirement fund is to save up enough capital to provide you with a good income after you retire. Before deciding whether to take any part of your retirement capital as a cash lump sum, carefully look at the annuity quotes you will receive from insurers.

These quotes will show you how much your monthly annuity will be and if it is too low for your needs, it may be a better idea to use more of your retirement capital towards your annuity rather than taking all of the cash you are allowed to.

1. Level Annuity

Your monthly pension will remain exactly the same from year to year. This annuity therefore does not offer any protection against inflation.

2. Fixed Escalation Annuity

Your monthly pension will increase at a pre-determined rate each year, offering some protection against inflation.

3. Inflation-linked Annuity

Your monthly pension will increase at an inflation-related rate. Your pension plus increases are guaranteed and paid until you die. This pension will keep up with inflation.

4. With-Profit Annuity

You share in the actual investment returns – even though the size of increases is not guaranteed, the actual pension plus past increases are guaranteed and paid until you die. This pension should keep up with inflation.

All of the above are also called “guaranteed annuities”, “conventional annuities” or “annuities for life”. The annuity is purchased with that part of your retirement capital that you did not or could not take in cash and provides for a guaranteed income for your full lifetime. When you die it will stop being paid immediately and nothing will remain payable to your estate or any beneficiary, unless you selected additional options such as “Joint and Survivorship” or “Term Certain and Thereafter” or a Capital Preservation option. Speak to a financial adviser if you are unsure about these options.

Living Annuity (also called investment-funded income) This option allows you to actively control how the retirement capital is invested and how you wish to access it. You can choose annually to draw between 2.5% and 17.5% of the capital as a monthly income. You are solely responsible for ensuring that the investment keeps up with inflation and that the money lasts until your death and if you don't manage this properly then there is the real risk of the money running out during your retirement. Under this annuity, your dependents or beneficiaries will receive the remaining capital when you die.

SUMMARY: ANNUITY PAYOUT PROFILES COMPARED

These annuities may be chosen on their own or in combination if you have a big enough retirement capital. Every individual's circumstances must be properly assessed by a financial adviser before a decision is made whether to choose a Guaranteed Annuity or a Living Annuity.

It is generally felt that the Living Annuity option is best suited to those who are wealthy and is not well-suited to those who have not saved sufficient for their retirement. However, it depends on the individual's circumstances and it may even be a good idea to first go into a Living Annuity when interest rates are low and then switch to a Guaranteed Annuity when interest rates are more favourable, since a Guaranteed Annuity is determined on the basis of the prevailing interest rates and once chosen cannot be changed at any stage.

	Guaranteed Annuity (annuity for life)	Living annuity (investment funded income)
Is income guaranteed for life	Yes	No, the income will cease if the capital is totally consumed by way of the drawdown rate being too high and/or the investment returns being poor.
Initial Income	Level: Highest Fixed escalation: Intermediate With-profits: Intermediate Inflation-linked: Lowest	Depends on drawdown rate. Annual income limited to 2.5% to 17.5% p.a.
Can the level of income be changed	No, determined on the basis of the interest rate environment and other factors as at inception and remains so.	Yes, annually.
Annual increases	Level: None Fixed escalation: Guaranteed increase With-profits: Targets inflation Inflation-linked: Guarantees inflation	If investment performance is consistently: <ul style="list-style-type: none"> • Greater than your drawdown rate – sustainable annual increases. • Equal to your drawdown rate – Increases not sustainable. • Less than your drawdown rate – Risks rapid depletion of funds and consequent reduction in income.
Is income dependant on investment returns	No	Yes
Can the type of annuity be changed	No	Yes, can convert to a Guaranteed Annuity.
Capital to beneficiaries on death	No*	Yes, provided funds have not been completely depleted.
Protection against living too long (longevity protection)	Yes (all types)	No, unless investment performance is consistently greater than your drawdown rate.

* Exceptions: Single life annuity with guaranteed term and capital preservation option

CASH OPTION

If you are a member of a pension fund, you may take up to one third of your retirement capital amount in cash and use it as you wish. Of course, if you don't need cash, it will be a good idea to rather apply the amount towards an annuity option and thereby secure a bigger monthly income.

If you are a member of a provident fund, there is currently no restriction on the portion of your retirement capital you can take in cash. However, bear in mind that this money is intended for your retirement so it is best to invest towards an annuity option.

Tax – how to avoid paying too much

The following tiered tax table is used at retirement:

Retirement lump sum benefit	Rate of tax
R0 - R500 000	0%
R500 001 - R700 000	18% of taxable income above R500 000
R700 001 - R1 050 000	R36 000 + 27% of taxable income above R700 000
R1 050 001 +	R130 500 + 36% of taxable income above R1 050 000

4. OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT

MAKING YOUR INVESTMENT DECISION SO MUCH EASIER

With so many options available to you when you retire, it can be difficult to make the right decision about what to do with your retirement fund savings. As your partner throughout your retirement journey, Old Mutual SuperFund not only makes it possible to save for your retirement, it also supports you in choosing and buying an annuity that will provide you with an income in retirement.

Old Mutual SuperFund Solutions At Retirement is comprised of two simple, but effective at-retirement annuity options that have been carefully selected by the Old Mutual SuperFund Management Board. These annuity options are Old Mutual Fund Select Annuity (Guaranteed Annuity) and Old Mutual Max Income Living Annuity (Living Annuity) and both offer you an easy and cost-effective way to seamlessly go from saving for retirement to earning the income you need in retirement (your pension).

FEATURES OF MAX INCOME LIVING ANNUITY

This living annuity allows you to choose where your retirement savings are invested (from a set of investment portfolios designated by the Old Mutual SuperFund Management Board).

BENEFITS OF MAX INCOME LIVING ANNUITY

- **Income Flexibility** - choose your own level and frequency of income.
- **Investment Choice** - tailor your underlying investments to suit your needs and preferences using the portfolios endorsed by the Management Board.
- **Legacy** - if there is capital left in your investments when you pass away, this can be left to your beneficiaries or added to your deceased estate.
- **The Option of Personal Advice** - get the guidance of a Personal Financial Adviser to help you make your annuity decision. You will need to negotiate the fee with the relevant adviser.
- **Free Access to a Member Retirement Counsellor (MRC)** - who will answer any questions you have about the solutions available to you and help you to reach a decision. This MRC will not, however, give you advice on what solution you should choose.

FEATURES OF FUND SELECT ANNUITY (GUARANTEED ANNUITY)

Old Mutual Fund Select Annuity provides a monthly pension that is guaranteed to be paid to you for the rest of your life. The annuity aims to offer you protection against inflation by exposing the underlying assets to the investment markets.

BENEFITS OF FUND SELECT ANNUITY (GUARANTEED ANNUITY)

- **Security** - your monthly income in retirement is guaranteed to be paid for your lifetime. All increases granted are also guaranteed for life.
- **Trusted Product** - chosen and endorsed by your Old Mutual SuperFund Management Board.
- **Simple yet effective** - an easy and seamless decision and purchase process.
- **The Option of Personal Advice** - get the guidance of a Personal Financial Adviser to help you make your annuity decision. You will need to pay any extra costs that such an adviser charges.
- **Free Access to a Member Retirement Counsellor (MRC)** - who will answer any questions you have about the solutions available to you and help you to reach a decision. This MRC will not, however, give you advice on what solution you should choose.

5. COUNTDOWN TO RETIREMENT FROM YOUR EMPLOYER

Now that you are well informed about your options at retirement from your employer, you can start counting down to the date you retire from your employer.

Six months to retirement	Three months to retirement	Six weeks to retirement
<p>You should:</p> <ul style="list-style-type: none"> • notify your Employer and Old Mutual SuperFund of your approaching retirement and request your latest retirement benefit value by calling 0860 20 30 40. Note that your retirement benefit value can also be accessed via the secure member website and on the mobile site. 	<p>You should:</p> <ul style="list-style-type: none"> • Find out more about Old Mutual SuperFund Deferred Retirement and Old Mutual Solutions At Retirement which are offered by Old Mutual SuperFund; • Speak to a qualified financial adviser about your options at retirement 	<p>You should ensure that:</p> <ul style="list-style-type: none"> • Your Employer has forwarded your exit documents, or your election to defer retirement to Old Mutual; • Old Mutual has your tax registration number • You select the type of annuity (or combination of annuities) that best suits your needs.
One month to retirement	Retirement! Your big day!	
<p>You should by now:</p> <ul style="list-style-type: none"> • Have made an election to defer retirement from Old Mutual SuperFund. <p>OR</p> <p>If you choose to annuitise;</p> <ul style="list-style-type: none"> • Have requested your final quotation; • Have arranged for the purchase of your annuity and; • Have completed and signed the application form for your preferred annuity product (or combination of annuities). 	<ul style="list-style-type: none"> • If you choose to defer your retirement, you will remain invested and your savings will keep growing. You will receive a welcome letter shortly after, confirming your membership in Old Mutual SuperFund Deferred Retirement, with further information on your investment and benefits. <p>OR</p> <p>If you chose to annuitise you should receive your:</p> <ul style="list-style-type: none"> • Cash lump sum, if you have selected one (subject to the required tax clearance being obtained from the Receiver of Revenue) and; • First pension payout from the annuity product you have selected, unless you took 100% of the benefit as a cash lump sum (Provident Fund only). 	

USE ANY OF THE CHANNELS BELOW TO GET THE HELP AND SUPPORT YOU NEED TO PLAN FOR A SUCCESSFUL RETIREMENT.

For advice on your options, contact either your Personal Financial Adviser or your HR department for your employer fund intermediary details.

For free guidance, speak to an Old Mutual SuperFund Member Retirement Counsellor (MRC) or call Old Mutual Member Support Services on 0860 388 873.

For more information, send an email to SuperFundAnnuity@oldmutual.com or visit our website at www.oldmutual.co.za/SuperFundAnnuity

For the current value of your retirement fund savings in Old Mutual SuperFund, register for Secure Services at: www.oldmutual.co.za/selfservice

Visit www.oldmutual.co.za/Superfund

Call 0860 20 30 40 or email superfund@oldmutual.com for service related queries.

REGULATORY INFORMATION:

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