

OLDMUTUAL



With more choice, it's easier to find
THE RIGHT SOLUTION FOR YOU

OLD MUTUAL ANNUITY STRATEGY FOR
RETIREMENT FUNDS



CORPORATE
RETIREMENT SOLUTIONS

DO GREAT THINGS EVERY DAY

OLD MUTUAL ANNUITY STRATEGY FOR RETIREMENT FUNDS

A TRUSTED PARTNER THROUGHOUT YOUR RETIREMENT JOURNEY

For those of you coming to the end of your working life, you need to make good decisions when you reach retirement age.

We understand that this period can be both exciting and daunting. There are so many decisions to be made about your retirement, so many considerations to keep in mind, and a vast range of options to choose from.

We also understand that people have different needs. That is why Old Mutual, in partnership with your Retirement Fund, is committed to being your trusted partner, offering you access to the guidance, support, and solutions you need to secure the retirement you deserve.



WE DO THIS BY PROVIDING YOU WITH:

- **MEMBER EDUCATION** through our Financial Wellbeing Programme (FWP), which you can access online at oldmutual.co.za/financial-wellbeing-programme. We believe that enriching your financial knowledge not only improves your finances, but also your quality of life.
- **FREE TELEPHONIC CONSULTATION WITH AN OLD MUTUAL RETIREMENT BENEFITS COUNSELLOR** who can answer any questions you have about the options available to you, through Old Mutual Annuity Strategy for Retirement Funds.
- **THE OPTION OF PROFESSIONAL FINANCIAL ADVICE** offered by a certified financial adviser. For a fee, the financial adviser will look at your financial situation and needs as a whole and help you make the best retirement decisions for you. A Retirement Benefits Counsellor can put you in touch with a trained and accredited professional financial adviser.

YOU CAN RELY ON OLD MUTUAL TO ALWAYS BE THERE FOR YOU

THROUGH ALL THESE SERVICES YOU HAVE ACCESS TO ALL THE INFORMATION AND SUPPORT YOU NEED TO MAKE WELL-CONSIDERED DECISIONS AS YOU APPROACH RETIREMENT.

GETTING READY TO RETIRE?

WHILE IT IS NEVER TOO LATE TO MAKE A DIFFERENCE TO YOUR RETIREMENT PLAN, IT IS ALWAYS BETTER NOT TO LEAVE IT FOR THE LAST MINUTE. HERE, IN GENERAL, ARE YOUR OPTIONS WHEN YOU REACH RETIREMENT AGE:

TRIGGER YOUR RETIREMENT BY:

- **TAKING PART OR ALL OF YOUR RETIREMENT SAVINGS IN CASH** - although the amount you can take in cash depends on whether you belong to a pension or provident fund. Taking any amount in cash will have an impact on your financial stability in retirement.
- **PURCHASING AN ANNUITY (RETIREMENT INCOME)** - it is advisable to use as much of your retirement savings as possible to secure an income. Old Mutual Annuity Strategy for Retirement Funds offers two annuity options that have been specially selected by the Management Board of your retirement fund to meet the different needs of members, and to provide support to members when choosing and buying an annuity that will provide them with an income at retirement.

The most suitable option will depend on how much you have saved in your retirement fund and your own circumstances and needs. That is, it is recommended that you get support and guidance if you need it. The Retirement Benefits Counsellor and your professional financial adviser are equipped to take you through the at-retirement guidance process to help you understand, and choose between, these options.

READY TO RETIRE? OLD MUTUAL ANNUITY STRATEGY FOR RETIREMENT FUNDS

If you are ready to use your retirement savings to secure an income in retirement, Old Mutual Annuity Strategy for Retirement Funds offers you two annuity options.

These annuities are supported by a helpful at-retirement guidance process that you can follow with the help of either an Old Mutual Retirement Benefits Counsellor or your personal financial adviser.

WHAT IS AN ANNUITY?

An annuity is an insurance policy that provides you with a retirement income and is purchased with your retirement savings.





THE TWO ANNUITY OPTIONS ARE:



OLD MUTUAL FUND SELECT ANNUITY (GUARANTEED LIFE ANNUITY)

This life annuity pays you a guaranteed retirement income for the rest of your life. Depending on various factors, including how well the investment market performs, you may receive a yearly retirement income increase, which will then also be guaranteed for life and will never be taken away. Importantly, the guarantees that are part of Old Mutual Fund Select Annuity mean that you will never stop receiving your retirement income for the rest of your life.



In exchange for this security throughout your retirement, Old Mutual Fund Select Annuity does not offer a lump sum benefit paid out to your loved ones when you pass away. You can, however, cover a second life and/or choose to add a minimum retirement income guarantee period of up to 25 years. These options will reduce the starting retirement income that you will receive.



OLD MUTUAL MAX INCOME INVESTMENT FUNDED INCOME ANNUITY (LIVING ANNUITY)

This living annuity allows you to invest your retirement savings into one of a set of designated investment portfolios. You also choose what percentage (also called a drawdown rate) of your total invested amount will get paid to you as a retirement income.

Should you pass away before your capital is used up, the remaining amount can be left to your loved ones, form part of your estate, or be used to support a living annuity in the name of your nominated beneficiary.



In exchange for this flexibility, Old Mutual Max Income Investment Funded Income Annuity does not guarantee that this income in retirement will continue for the rest of your life. You therefore need to make good decisions about how much retirement income you want to receive.

A QUICK COMPARISON OF THE TWO ANNUITIES

THE TABLE BELOW PROVIDES A GUIDE TO THE MAIN DIFFERENCES BETWEEN THE OLD MUTUAL FUND SELECT ANNUITY AND THE OLD MUTUAL MAX INCOME INVESTMENT FUNDED INCOME ANNUITY

|  OLD MUTUAL FUND SELECT ANNUITY (GUARANTEED LIFE ANNUITY) |  OLD MUTUAL MAX INCOME INVESTMENT FUNDED INCOME ANNUITY (LIVING ANNUITY) |
|--|---|
| CAN I SELECT THE INITIAL INCOME AMOUNT I GET? | |
| <p>No, because your starting retirement income depends on various factors, such as the amount of your retirement savings and your expected mortality. Therefore the Insurer (Old Mutual in this instance) will determine your starting retirement income.</p> | <p>Yes, you select the percentage, currently between 2.5% and 17.5% of your retirement savings, that must be paid to you as a retirement income. To help you with this decision, Old Mutual will recommend an income rate (also called a drawdown rate*).</p> |
| CAN I CHOOSE WHERE MY RETIREMENT SAVINGS ARE INVESTED? | |
| <p>No. Old Mutual selects the investment portfolios which support your annuity, as Old Mutual has taken on the risk of providing you with your retirement income for life and the potential annual increases into the future.</p> | <p>Yes. To help you, your retirement fund's Management Board will recommend a default investment portfolio with three other investment portfolio options available.</p> |
| DO I AUTOMATICALLY RECEIVE A RETIREMENT INCOME INCREASE EVERY YEAR? | |
| <p>While this is not guaranteed, once an increase is given, it is added to your retirement income and is thereafter also guaranteed for life and cannot be removed.</p> | <p>You can decide. Remember that if the amount you choose as an income (drawdown rate*) is more than the investment growth, you could run out of money before you pass away.</p> |
| CAN I CHANGE HOW MUCH RETIREMENT INCOME I WILL GET? | |
| <p>No. This is calculated when you buy your annuity based on the options you select.</p> | <p>Yes. Once a year, you can adjust how much retirement income you receive as a % of the remaining capital.</p> |
| AM I PROTECTED AGAINST RUNNING OUT OF MONEY? | |
| <p>Yes. You receive a guaranteed retirement income for the rest of your life.</p> | <p>No. The money used to pay your retirement income could run out before you pass away if the retirement income drawn is higher than the growth of the underlying investment.</p> |
| AM I ABLE TO SWITCH TO ANOTHER ANNUITY? | |
| <p>No. A life annuity, unfortunately, does not offer the option of transferring the annuity to another Insurer, nor does it provide you with the option of converting to a living annuity.</p> | <p>Yes. To Old Mutual Fund Select Annuity or any other guaranteed life or living annuity.</p> |
| WHAT IS PAYABLE TO MY BENEFICIARIES OR ESTATE WHEN I PASS AWAY? | |
| <p>You may elect that your retirement income be paid for a minimum guarantee period (e.g., 15 years). Should you pass away during this period, without having nominated any beneficiary(ies) the present value of the remaining retirement income instalments for the guaranteed period will be paid to your deceased estate. If you had nominated a beneficiary(ies), the present value of the remaining retirement income instalments for the guaranteed period will be paid to them in the proportion as indicated on your Beneficiary Nomination Form. Should you live longer than the guarantee period, your beneficiaries will not receive a retirement income when you pass away.</p> <p>You can also provide for a retirement income to be paid to a second life after you pass away. However, you may not change the second life once elected, and should such a person predecease you, your own retirement income will not increase.</p> | <p>Any remaining capital will be paid out. If there is any capital left when you pass away, your beneficiary can continue to receive your retirement income or opt to receive a lumpsum payment.</p> |
| AM I ABLE TO CHOOSE BOTH OF THE ANNUITIES? | |
| <p>Yes. Depending on your needs and the amount of your retirement fund savings, a combination of the two could suit you best, or you can speak to your personal financial adviser about other options available to you.</p> | |

*A drawdown rate or income rate is the percentage of the capital amount, invested in the living annuity, that you choose to take as a retirement income in any year.

DO NOT WAIT TOO LONG TO PLAN FOR YOUR INCOME IN RETIREMENT

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 your personal financial adviser or an Old Mutual Retirement Benefits Counsellor who will put one in touch with you.
- **FOR FREE GUIDANCE**, call an Old Mutual Retirement Benefits Counsellor (RBC) or Old Mutual Member Support Services on either **021 503 0069** or **0860 38 88 73**. [Click here](#) to arrange for a suitable time to be contacted by an RBC. RBCs are not financial advisers and therefore will not give you financial advice.
- **FOR MORE INFORMATION**, send an email to omannuitystrategy@oldmutual.com or visit our website at oldmutual.co.za/corporate/employers/annuity-solutions/annuity-strategy-for-retirement-funds/

