

OLD MUTUAL SUPERFUND EMPLOYER UPDATE

JULY 2017



MESSAGE FROM THE PRINCIPAL OFFICER



CHERYL MESTERN
Old Mutual SuperFund
Principal Officer

We are pleased to bring you the July edition of the **Employer Update**.

According to the 2017 Old Mutual Corporate Retirement Monitor, the percentage of people saying they would withdraw their benefits has increased from 19% in 2012 to 35% in 2016. The findings come amid a retirement crisis in South Africa, with only a small percentage of people in a position to maintain their standard of living in retirement.

Early withdrawals are one of the main reasons for the terrible situation. We believe that all employers can play a significant role in encouraging their staff to save more so they can reach the comfortable retirement they deserve.

In this edition, we introduce you to the new **Old Mutual SuperFund Solutions At Retirement**.

Happy reading!

Regards
Cheryl Mestern

DO GREAT THINGS



OLD MUTUAL
CORPORATE



OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT

Old Mutual SuperFund has the best interest of our members at heart. **Our aim is to educate and empower members to understand their financial position which will enable them to make sound decisions** that will transform their lives and enable them to achieve the future that they want.

Encouraging members to “save as much as they can for as long as possible” is only one leg in the journey towards a happy retirement. There are quite a number of decisions members will have to make once they reach retirement age. That’s why we’ve developed a member decision support framework that’s designed to make the road to retirement smoother, better signposted and more certain, specifically around the decision and implementation of a financial plan as one enters retirement.

NEW OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT

To assist our members during this particular decision making process, we’ve built mechanisms to help people understand what they need to do next, what questions they should be asking and how they should frame their decisions. This is supplemented by providing members with access to simple, well-defined options at retirement.

We are committed to offering our members the guidance, support and solutions they need to secure the retirement they deserve.

We do this by providing members with:

- **Member Education** – through our free Financial Wellbeing Programme (FWP) with the core objective of providing members with the tools, guidance and knowledge necessary to secure the future they deserve and desire.
- **Insightful and useful communication** – empowering members to understand the options available to them when making decisions about their retirement fund investments.
- **Free telephonic consultation with an Old Mutual SuperFund Member Retirement Counsellor (MRC)**, tasked by the Fund to provide retiring members with information on their options at retirement as well as the Board endorsed annuities. This conversation is focused on the offerings under the Fund. If the MRC detects that a member needs financial advice, the MRC will encourage the member to have a further conversation with his or her professional Financial Adviser, Scheme Adviser or Worksite Adviser.
- **Professional Financial Advice** – providing members with a holistic financial picture to optimise their retirement decisions. We fully support the role that the Financial Adviser plays in crafting a positive financial future for Old Mutual SuperFund members and anticipate that advisers, will play an integral partnership role in ensuring that Old Mutual SuperFund members are able to make optimal retirement decisions.

Our aim is to ultimately provide members with meaningful information throughout their retirement journey so that they are well informed and equipped to make the right choices at and well into retirement.

WHAT OPTIONS ARE AVAILABLE TO MEMBERS AT RETIREMENT?

Members will have the following options available to them when they reach retirement age:

1. **Defer their retirement** – If there are Old Mutual SuperFund members who will soon be retiring, but are not ready to buy an annuity with their retirement fund savings just yet, the **Deferred Retirement** option may be right for them. Old Mutual SuperFund Deferred Retirement provides members with the **option to keep their retirement savings invested, protected and growing** while they decide on a more appropriate time to access their retirement benefit. This is especially important if members are concerned that **they may not have enough saved to retire comfortably**, or if they want to give their **accumulated savings an extra boost**. For more information on the Deferred Retirement option [click here](#).

2. Trigger their Retirement by:

- **Taking part or all their retirement savings in cash** – The amount a member can take in cash depends on whether they belong to a pension or provident fund. Taking any amount in cash will have an impact on their financial stability in retirement. **Old Mutual SuperFund Solutions At Retirement** caters for this option for retiring members.
- **Purchasing an income** – it is advisable for members to use as much of their retirement savings as possible to secure the income they need. **Old Mutual SuperFund Solutions At Retirement** offers two annuity options that have been specially selected by the Old Mutual SuperFund Management Board (the Board) to meet the different needs of Old Mutual SuperFund members and provide support to members when choosing, and buying, an annuity that will provide them with an appropriate income at retirement.

The two Fund endorsed annuity options are:

Old Mutual Fund Select Annuity (Guaranteed Annuity)	Old Mutual Max Income Annuity (Living Annuity)
This life annuity pays the pensioner a guaranteed monthly income for the rest of their life. Depending on various factors, including how well the market performs, they may receive a yearly pension increase, which will then also be guaranteed for life and will never be taken away.	This living annuity allows the pensioner to choose which investment portfolio their retirement fund savings are invested into, and what percentage of their total invested amount will get paid to them as an income. Unlike Fund Select Annuity, there is no guarantee that this income in retirement will continue for the rest of their life.
Click here for the Guaranteed Annuity option Fact Sheet	Click here for the Living Annuity option Fact Sheet

For more detailed information on **Old Mutual SuperFund At Retirement Solutions** please [click here](#).

HOW WILL WE BE COMMUNICATING THIS TO OUR SUPERFUND MEMBERS ON AN ONGOING BASIS?

- **Members** will receive the following communication:
 - **All members** will receive educational communication on annuities on a regular basis during their savings lifetime, in order to prepare them for the important decisions that await them at retirement.
 - **Members 10 years to 1 year to retirement** will be sent annual targeted communication educating them about the annuity landscape. For an example of this member communication, [click here](#).
 - **Members 5 years to 1 year to retirement** will receive a “touch-base” call from Old Mutual Member Support Services, to assess if members have started thinking about retirement yet.
 - **Members with 1 year to retirement** will receive a targeted communication with two sample scenarios. This communication will be followed by an engagement the Member Retirement Counsellor. For an example of this member communication, [click here](#).

If you have any further questions, please contact your Old Mutual Corporate Consultant, who will be happy to take you through any detail as required.



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