

WITH MORE CHOICE, IT'S EASIER TO FIND  
THE RIGHT SOLUTION FOR YOU

FACT SHEET: OLD MUTUAL FUND SELECT ANNUITY

# OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT

## APPROACHING RETIREMENT AGE: WHAT NOW?

Approaching retirement can be a daunting time because you need to make critical financial decisions that will impact you for the rest of your life. One of the most important of these decisions is how best to use your retirement savings to ensure that you get the income in retirement that you need.

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** comprises two simple, but effective at-retirement annuity options that have been carefully selected by the SuperFund Management Board. One of which is **Old Mutual Fund Select Annuity (Guaranteed Life Annuity)**. This annuity offers you an easy and cost-effective way to seamlessly go from saving for retirement to earning the income you need in retirement.

## HOW DOES FUND SELECT ANNUITY WORK?



Old Mutual Fund Select Annuity provides a monthly income 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.



You benefit from the growth of the underlying assets through a yearly bonus that increases your monthly income. There is no guarantee that this bonus will happen every year or that it will be in line with inflation. The bonus that is declared depends on various factors, including how well the investment markets have performed for the year.



Once an increase is given, it is added to the monthly income you receive. This increase, once it is declared by Old Mutual, is guaranteed - so it will never be taken away from your income at a later stage.



**CORPORATE**

**DO GREAT THINGS EVERY DAY**

## FEATURES OF FUND SELECT ANNUITY



### GUARANTEE PERIOD

You may choose to ensure you guarantee your income for a period (between 1 and 25 years), from your date of retirement, for which your monthly income may continue to be paid if you pass away during this time\*.

### SECOND LIFE

You can include a second life (such as a spouse, partner or child over the age of 18) to receive a monthly income that will continue if you pass away. You are able to choose what percentage of your monthly income in retirement is paid towards this second life, should you die before them. Once a second life has been added, the person cannot be removed or changed. So, if a spouse is added and you later get divorced, that person will continue to receive the income payments. Please also note that should the second life die before you do, you cannot insert a new person to be insured as a second life.

\*If you have added a guarantee period and a second life, and you pass away during the guarantee period, the second life will continue to receive your full monthly income until the end of the guarantee period. Once the guarantee period is over, the second life will only get the percentage of your monthly income that you chose to pay to them when you bought the annuity. If the second life also passes away during the guarantee period, a lump sum payment will be paid to either your estate or to any beneficiaries you have nominated. Your beneficiaries will have the option of a lump sum payment or to continue receiving the monthly income for the remainder of the guaranteed period. Where no beneficiaries have been nominated, a lump sum will be paid to your estate.

**NOTE: SELECTING A GUARANTEE AND/OR SECOND LIFE WILL REDUCE THE AMOUNT OF STARTING INCOME YOU RECEIVE.**



### BUYING YOUR ANNUITY

You may choose what portion of your retirement savings you want to use to buy your Old Mutual Fund Select Annuity.



You may choose what **portion of your retirement savings you want to take in cash** (subject to Income Tax legislation) and use the balance to buy a monthly income. Remember that the less you take in cash, the higher your starting monthly income will be.



You may choose to **add retirement savings from other approved funds** (e.g. a preservation fund) to your Old Mutual SuperFund benefit, thereby increasing the amount you use to buy your annuity and ensuring you get a higher starting income.

## ” A WORD ABOUT ADVICE

As a member of Old Mutual Superfund, you have **free access** to a Retirement Benefits Counsellor who can answer any questions you have about your annuity options.

You may buy either of these annuities through your Retirement Benefits Counsellor without professional financial advice, in which case you **will not pay any commission**. Deciding further what to do with your retirement savings is a critical financial decision, so getting additional professional financial advice is recommended.

If you consult with a financial adviser, he or she will charge you commission, which can be negotiated between the two of you, to a **maximum of 1.5% (plus VAT) of the capital invested**.

If you would like to speak to an Old Mutual Financial Adviser, contact your Old Mutual **SuperFund Retirement Benefits Counsellor on 0860 388 873** and they will put one in touch with you. Remember that your Retirement Benefits Counsellor can answer any questions you have about your annuity options for free.



## BENEFITS OF FUND SELECT 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 by your Old Mutual SuperFund Management Board.



### SIMPLE YET EFFECTIVE

An easy, 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 commission that such an adviser charges.



### FREE ACCESS TO A RETIREMENT BENEFITS COUNSELLOR

They will answer any questions you have about the solutions available to you and help you to reach a decision. This Retirement Benefits Counsellor will not give you advice on what solution you should choose.

## FEES AND CHARGES

### INVESTMENT MANAGEMENT CHARGE

Currently the annual charge is approximately 0.75% to 0.85% of assets (including VAT & asset manager costs). The percentage may vary slightly depending on the asset allocation and asset manager performance relative to benchmark. Annual increases declared are net of this charge.

### ADMINISTRATION FEE

A once-off initial fee of R2 100 (deducted from the capital invested). To prevent the deduction of monthly administrator fees from your pension, R95 per month (which is accrued for the anticipated term of your annuity policy) is deducted upfront from the capital value invested.

Any quotes you receive already take these fee deductions into account and show the final estimated income you can expect to receive.

### CAPITAL CHARGE

Currently set at 1% per year of the value of the underlying portfolio.

This charge provides for the guarantee that your pension will be payable for your lifetime even if the capital amount you invested runs out. Annual increases declared are net of this charge.



# DON'T 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 either your personal financial adviser, your HR department for your employer fund intermediary details, or your Retirement Benefits Counsellor who will put you in touch with one.
- **FOR FREE GUIDANCE**, call your an Old Mutual SuperFund Retirement Benefits Counsellor or Old Mutual Member Support Services on **0860 388 873**.
- **FOR MORE INFORMATION**, send an email to [SuperFundAnnuity@oldmutual.com](mailto:SuperFundAnnuity@oldmutual.com) or visit our website at [oldmutual.co.za/SuperFundAnnuity](http://oldmutual.co.za/SuperFundAnnuity)
- **FOR THE CURRENT VALUE OF YOUR RETIREMENT FUND SAVINGS** in Old Mutual SuperFund, register for Secure Services at [oldmutual.co.za/selfservice](http://oldmutual.co.za/selfservice)

Old Mutual SuperFund is the brand of both the SuperFund Pension and Provident Funds

