



OLDMUTUAL

OLD MUTUAL SUPERFUND PRESERVER MEMBER GUIDE



CORPORATE

DO GREAT THINGS EVERY DAY

BEING A PRESERVER MEMBER SHOWS YOUR COMMITMENT TO YOUR FINANCIAL FUTURE!

Preserver allows you to continue your Old Mutual SuperFund membership, even though you have left your employer. This way your retirement savings will stay invested, and can keep on growing. What's more, you enjoy investment choice and excellent service at a good price.

This guide will help you understand how Preserver works and how you can get the most out of your membership. After all, you want to make sure that Preserver works as hard for you as you have worked to build up your retirement savings until now.

This Member Guide has been prepared based on legislation and the Rules of the Old Mutual SuperFund Pension and Provident Funds. It summarises what is provided for in the Rules of Old Mutual SuperFund and explains the tax consequences of the options available to you. Every effort has been made to ensure the information in this Member Guide is correct. However, should any error have been made, the Rules of the two Funds will apply. You are encouraged to read the Rules of the Old Mutual SuperFund. You can obtain a copy of the Old Mutual SuperFund Master Rules by phoning 0860 20 30 40. Remember: Your rights as a member of the Fund are contained in the Fund Rules.

CONTENTS

1. The advantages of your Preserver Membership	2
2. Getting the most out of your Preserver Membership	3
3. How Preserver works	4
• Membership	4
• Contributions	4
• Transferring other retirement savings to your Preserver Account	4
• Investment options	4
• Death, Disability and Funeral Cover	4
• Fees	5
• Service and Communication	5
4. Investing your retirement savings	6
• Managing your investment risk	6
• Your Old Mutual SuperFund Preserver investment package options	7
• Switching from Absolute Growth Portfolio	8
5. Benefits	9
• Retirement	9
• Disability	11
• Death	11
• Withdrawal	12
6. Financial planning	14
• The value of a financial planner	14
• Protection	14
• Wealth building	14
• Countdown to retirement	14
7. Useful information	15
• Keep your retirement planning on track	15
• Avoiding hardship for your loved ones if you die	15
• Divorce and your Preserver retirement savings	15
• Submitting a claim	15
• Access to information	16
• Resolving disputes	16
• Contact details	17

1. THE ADVANTAGES OF YOUR PRESERVER MEMBERSHIP

There are many advantages to being a Preserver Member, not least of which are:

- **You help keep your retirement plan on track.** Your retirement savings will stay invested, while you enjoy investment choice and flexibility
- **You keep your options open.** Although you should do everything you can to keep your retirement savings intact, we understand that sometimes you need access to cash. Should the need arise, you can withdraw your retirement savings in cash. Or you can transfer your retirement savings to another retirement fund¹
- **You have the time and flexibility to make good choices.** Since your retirement savings have the ability to continue growing, you can take your time deciding what to do with them. This also gives you the time to speak to a financial adviser if you need to
- **You can select your retirement age.** You can choose to retire at any age once you have reached your 55th birthday

¹ Subject to legislation and the rules of the receiving fund, at the time of transfer.

2. GETTING THE MOST OUT OF YOUR PRESERVER MEMBERSHIP

To make the most of your Preserver retirement savings, you need to make sure you do the following:

- **Read all about it**

Read through this Preserver Member Guide to get a full understanding of your benefits and investment options. It will also show you how to make Preserver a vital part of your financial planning for your future.

- **Regularly check that your personal details are valid**

Check all your personal details and beneficiary nominations, and keep these up to date by:

- Logging into your Old Mutual SuperFund member web account, or
- Contacting the Old Mutual SuperFund service centre at 0860 20 30 40

- **Keep track of your retirement savings and investment options**

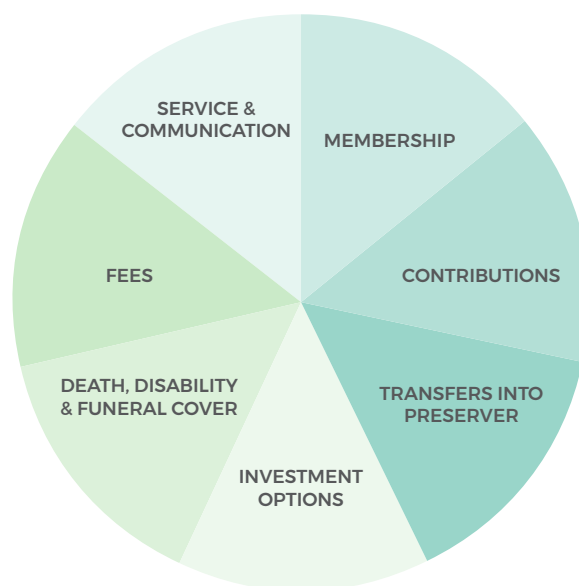
To do this:

- Logging into your Old Mutual SuperFund member web account.
- If you need to register for this service, contacting the Old Mutual SuperFund service centre at 0860 20 30 40

- **Make some decisions; do some planning!**

Consider your dreams and goals, as well as your fears and concerns, while you read this Guide. Start doing some serious thinking about a financial plan that will meet your needs. You may want to contact an authorised financial adviser to help you with this. We'll tell you how, later in this Guide.

3. HOW PRESERVER WORKS



MEMBERSHIP

- With Preserver you continue your Old Mutual SuperFund membership, even though you have left your employer.
- Preserver is subject to only the Master Rules of Old Mutual SuperFund. The Special Rules governing your previous employer's sub-fund no longer apply.
- There is no minimum investment amount for Preserver. However, for amounts of R30 000 or less, we recommend that you invest in the Trustee Choice investment package to keep fees to a minimum

CONTRIBUTIONS

While Preserver may keep on growing the retirement savings you have invested, you are no longer able to make additional contributions. If you'd like to invest more towards your retirement, you could consider making voluntary contributions to your current employer's retirement fund, or a retirement annuity fund.

TRANSFERRING OTHER RETIREMENT SAVINGS TO YOUR PRESERVER ACCOUNT

You may consolidate all your retirement savings in Preserver. You do this by transferring amounts into Preserver from other pension, provident or preservation funds that you are a member of. You can do this if these amounts are available for transfer.

INVESTMENT OPTIONS

- Your retirement savings will remain invested, subject to the investment options that are available to Preserver Members
- Even though Preserver membership offers you extensive investment choice, it does not include all of the investment funds offered under the Old Mutual SuperFund Customised Option
- If you were invested in the Old Mutual SuperFund Customised Option you will have 60 days from the date you start your Preserver membership to submit an Investment Change Form, informing us of your investment choice. If you don't do this, your retirement savings will be switched to the Trustee elected default investment fund. You can always switch out of this at a later stage. Download the Investment Change Form at oldmutual.co.za/SuperFundForms
- There is no minimum amount for investing in Old Mutual SuperFund Preserver
- Members with R30 000 or less in their Old Mutual SuperFund account: We recommend that you invest in the Trustee Choice investment package as this will keep fees to a minimum. This will protect you against the risk that administration fees reduce your investment growth over time
- Please see Section 4 for more information on the investment packages and funds available. It also has information on investment fees, and the rules for investment switching

DEATH, DISABILITY AND FUNERAL COVER

As a Preserver Member you do not have any group risk cover, such as death or disability cover. You are able to buy this cover through Old Mutual and tailor it to your needs. Call Member Support Services at 0860 38 88 73 for more information or to apply for additional risk cover. Or, if you are moving to a new employer, that company may offer you group risk cover.

FEES

- Certain fees are payable by Preserver Members
- A monthly administration fee is charged in line with your investment package. This fee comes off the balance in your Preserver Account. For the latest administration fees please [click here](#).
- If the Fund needs to trace you or your dependants and nominees, tracing costs will be charged. These will come off the balance in your Preserver Account
- No fee is payable when you switch between investment funds or between investment packages
- Depending on how the investment manager charges investment fees, these will either be deducted from the income of the investment fund, or from the balance in your Preserver Account
- Please note that these fees are subject to change

SERVICE AND COMMUNICATION

- As a Preserver Member, you have access to many helpful services designed to keep you in touch with your retirement savings
- You will receive regular reports via email. Make sure we have your correct email address by checking the personal details section on your Old Mutual SuperFund Member website account or phoning the Old Mutual SuperFund service centre at 0860 20 30 40.

The reports include:

- An Annual Member Benefit Statement
 - Quarterly Investment Reports (for members invested in the Lifestage, Strategy, Extended)
 - Quarterly Preserver newsletters
- You have access to the member website: If you are not already registered, then you need to do so.
This service gives you:
 - 24/7 secure access to your fund values and personal details
 - The ability to view current and previous reports and statements
 - The ability to switch between investment fund
 - A dedicated service centre is available at 0860 20 30 40. Trained consultants will answer all your service queries, including questions about:
 - Making a claim
 - Updating your personal details (via phone, sms, email, etc.)
 - Updating your beneficiary nomination
 - Switching between investment packages

4. INVESTING YOUR RETIREMENT SAVINGS

As a Preserver Member, you have a choice of how and where your retirement savings should be invested. Choosing the right investment package and funds for your retirement savings is very important in order to reach your retirement goals.

MANAGING YOUR INVESTMENT RISK

As with any investment, your Preserver retirement savings are exposed to some risk. It is, therefore, important that you understand the different types of risk to ensure that you make the right investment decision.

Please read this section carefully before making any investment decisions.

No matter how your money is invested, it will always be exposed to some risk. This means there is a chance you might not achieve your long-term goals.

There are many risks, but you need to know about three main ones.

These are:

- **Inflation risk** – This refers to the chance of your investment not growing enough to beat inflation. This is the main risk that all members face. Investment funds are designed to manage this risk
- **Volatility risk** – This refers to the chance that the market performs poorly just when you want to access your investment. Inflation and volatility risks can work against each other. By reducing volatility risk, you may increase inflation risk, and the other way around
- **Interest risk** – This refers to the possibility of long-term interest rates dropping before you buy your pension. This will result in a decrease in the monthly pension that you can buy with your retirement savings if you buy a level or fixed escalation pension that is guaranteed for life

Let's take a closer look at these risks and how they may affect you.

Inflation risk

Do you remember how much one rand could buy you ten years ago? Definitely much more than now! Inflation has made your one rand worth less over time. So the buying power of your money has decreased. This means you can buy less with that money now, than you could in the past.

If you want your money to grow, you have to make sure that the investment return you receive on your money is higher than the rate of inflation. When the rate of inflation is low, you won't notice its effect as much.

Many people believe that their money will grow adequately in an investment, such as an ordinary bank account. Although the rand value of this money may grow with some interest, inflation will still reduce the buying power of this money in the long term.

Volatility risk

This type of risk causes the value of investments to fluctuate in line with changing economic and market conditions. Volatility risk becomes very important when you withdraw from your Preserver Account.

If your money is invested in high volatility risk investment funds, and the market falls just before you withdraw from the Fund, the value of your investment could be greatly reduced. Generally this is the risk that is referred to when talking about a person's risk profile.

The amount of volatility risk you can take is up to you. Some people want total security, while others are prepared to take a risk if it means that they might get better growth.

Generally, a younger person, who has more time to recover from short-term losses, can afford to take more volatility risk than an older person who is close to retirement. However, as you grow older, you should reduce volatility risk so that your fund savings are not negatively affected by major market changes just before your retirement.

Interest risk

This risk only applies to someone who wants to buy a level or fixed escalation pension with his or her retirement savings. The risk is mainly that long-term interest rates may drop when you want to buy your pension. If the interest rates drop, investment returns are lower. As a result, the monthly pension that you can obtain will be less.

The impact of risk on your investment decision

Every member of Preserver is different. So, there are different investment packages to choose from, depending on how involved you want to be in the investment of your money.

The most important step you can take towards your future financial security is to develop a plan. Then you need to choose your investment package and investment funds in line with that plan. If you're not sure how to do this, call Member Support Services at 0860 38 88 73, and they'll help you contact a financial adviser.

Your main decision is which investment package suits you best. The next section explains the four investment packages – each of which differs in terms of cost, your level of involvement and your investment choices.

Your Old Mutual SuperFund Preserver investment package options

The four investment packages are:

- Trustee Choice
- Lifestage
- Strategy
- Extended

Even though Preserver offers you lots of investment choice, it might not include some of the investment funds you had before. If you were invested in the Old Mutual SuperFund Customised Option you will have 60 days from starting your Preserver membership to submit an Investment Change Form, choosing a new investment fund(s). If you don't, your retirement savings will be switched to the Trustee default investment package (Trustee Choice). Download the Investment Change Form at oldmutual.co.za/SuperFundForms.

Note:

Please speak to an authorised financial adviser before making investment decisions that may affect the value of your retirement savings.

Trustee Choice Package

- This package has the lowest administration fee
- Investment fees are deducted and reflected in the unit price of your fund
- It offers no investment choice – your savings are invested in the smooth bonus fund selected by the Trustees
- This package is suited to people who want security and peace of mind, without having to worry about which investment they must choose

Lifestage Package

- This package also has the lowest administration fee
- Depending on how the investment manager charges investment fees, these will either be deducted from the income generated by the investment fund or from the balance in your Preserver Account
- It offers a choice of four distinct Lifestage investment options for members who want an automated and seamless investment development solution that switches them into appropriate investment portfolios as they progress through life. Members are invested in a growth portfolio for most of their working lifetime, and automatically transitioned to a more conservative portfolio as they near retirement
- Lifestage members can specify their own Target Retirement Age, or the Normal Retirement Age value associated with the scheme will be used
- The member can choose to move from one Lifestage option to another, provided that 100% of all retirement savings and future contributions are directed to a single Lifestage option at any given time
- Members can choose to move in or out of the Lifestage package at any time

Strategy Package

- This package has the average administration fee
- Depending on how the investment manager charges investment fees, these will either be deducted from the income generated by the investment fund or from the balance in your Preserver Account
- The Strategy package offers you various investment funds, including lifestaging solutions. For more information, go to oldmutual.co.za/Preserver or telephone the Old Mutual SuperFund service centre at 0860 20 30 40
- You may switch between the different investment funds offered within the Strategy package
- There is no switching fee

NOTE:

It is recommended that you receive advice from an authorised financial adviser when choosing this package.

Extended Package

- This package has the highest administration fee
- Depending on how the investment manager charges investment fees, these will either be deducted from the income generated by the investment fund or the balance in your Preserver Account

- You can structure your own investment portfolio by choosing from a broad range of investment funds from Old Mutual and other investment managers. For more information, go to oldmutual.co.za/Preserver or telephone the Old Mutual SuperFund service centre at 0860 20 30 40
- You may switch between the different funds offered within the Extended package
- There is no switching fee
- This package is suited to people who want to have control over the investment of their retirement savings and are not afraid of the risk involved in managing their own portfolio

NOTE:

It is recommended that you receive advice from an authorised financial adviser when choosing this package.

SWITCHING FROM ABSOLUTE GROWTH INVESTMENT PORTFOLIOS AND COREGROWTH 100

Switching out of Absolute Growth Investment Portfolios and CoreGrowth 100 Fund will be subject to a market value adjustment, unless you switch on 31 March or 30 September and provide three months' notice. For more information on the market value adjustment, please read the Absolute Growth Investment Portfolios switches information on the Investment Change Form found at oldmutual.co.za/corporate/forms.

If you are unsure about your decision you should speak to your adviser, or contact Member Support Services at 0860 38 88 73, who will then put you in contact with an authorised financial adviser.

Ensure your future financial security by developing a plan before you make your investment decisions. If you're not sure how to do this, contact Member Support Services at 0860 38 88 73 and they will help you contact an authorised financial adviser.

5. BENEFITS

As a Preserver Member, the following benefits apply to you:

- Retirement
- Death
- Disability
- Withdrawal

In all cases, the benefit will be made up of the balance in your Preserver Account at the time that the benefit is paid. This means that your benefit is made up of your original Preserver amount, plus all further amounts you transferred into your Preserver Account. And even if your Preserver retirement savings arose due to a retrenchment benefit being due to you, you are not paid a retrenchment benefit when this amount is finally paid from your Preserver Account. Therefore the tax concession applicable to a retrenchment benefit is not available when your Preserver Account pays out your benefit.

Retirement

You can choose to retire from Preserver at any age after reaching your 55th birthday. This need not be linked to the date on which you retire from employment.

If your Preserver membership is in Old Mutual SuperFund **Pension Fund**, you must use at least two thirds of the balance to buy a pension in your name. The rest can be taken in cash. Alternatively, you can purchase a pension with your whole benefit. The only time when you can take your entire retirement benefit in cash, is when it is R247 500 or less.

If your Preserver membership is in Old Mutual SuperFund **Provident Fund**, you may use any portion of your retirement benefit to buy a pension in your name. The balance, if any, can be taken in cash.

What tax will you have to pay?

- The amount used to purchase a pension will not be taxed. Only the monthly pension that is then paid to you will be taxed.
- Any cash that you take, whether you're taking your one third from the pension fund or the full benefit in cash from the provident fund, will be subject to the following tax table:

Benefit Amount ¹	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

This tax table also applies to any cash amounts that are paid to your beneficiaries if a death benefit is paid from your Preserver Account.

¹**Benefit Amount** means:

- the cash amount that is currently being paid to you, **plus**
- the following amounts that have previously been paid to you:
 - all retirement and retrenchment benefits received by you as from 01/10/2007, **plus**
 - all other withdrawal benefits paid in cash to you as from 01/03/2009, **plus**
 - all retrenchment amounts paid to you by any employer as from 01/03/2011

Buying a pension

This is also known as buying an "annuity". When buying a pension, the balance in your Preserver Account is paid over to an insurer of your choice, who will provide you with a regular pension. The insurer will also issue you with a pension policy confirming the terms/conditions of paying you the pension.

You can choose between different kinds of pensions. Your choice should depend on your own needs and the amount of your retirement benefit that is used to purchase a pension.

But, what you choose will affect, for instance:

- the size of your pension
- whether your pension will increase in future
- the extent of the increase, if any
- whether your dependants will receive a benefit after your death, and
- whether you will be able to control your level of the pension after retirement

Most insurers offer four basic types of pension or annuities (even though they may give them different names):

- **Level annuity** – Your monthly pension will remain exactly the same from year to year. This annuity therefore does not offer any protection against inflation
- **Guaranteed escalating annuity** – Your monthly pension will increase at a pre-set rate every year, offering some protection against inflation
- **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
- **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

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.

This type of pension is subject to the requirements of the South African Revenue Services.

Combining different annuities gives you the advantage of more flexibility in providing for your needs and determining your income levels. You also have greater peace of mind by not having “all your eggs in one basket”.

OLD MUTUAL SUPERFUND SOLUTIONS AT RETIREMENT

Available to retiring members of the Old Mutual SuperFund

Approaching retirement can be a daunting time. You need to make a critical financial decision that will impact you for the rest of your life. The Old Mutual SuperFund Trustees strongly believe in the value of financial advice and realise that some members may find the complex range of options daunting.

To make things a little easier for Preserver Members who are not comfortable with making such an important decision alone, the Old Mutual SuperFund Solutions At Retirement offers two annuity options, Old Mutual Fund Select Annuity (Guaranteed Annuity) and Old Mutual Max Income (Living Annuity). It makes the process of transferring your retirement savings to a trusted pension option easy and affordable. What's more, these annuities are made available by your Old Mutual SuperFund Trustees. You may of course select any other pension type or use one of the Old Mutual Solutions At Retirement annuities in combination with any other pension type or pension provider.

The annuities offered by Old Mutual SuperFund Solutions At Retirement work just like any other pension. Your Preserver retirement savings are invested at retirement so that you receive regular income into the future. The Old Mutual SuperFund Solutions At Retirement has been structured by the Trustees to be a best fit for most retiring Preserver Members.

FEATURES OF FUND SELECT ANNUITY (GUARANTEED ANNUITY)

This annuity pays you a guaranteed monthly income for the rest of your life. Depending on various factors, including how well the market performs, you may receive a yearly pension increase, which will then also be guaranteed for life and will never be taken away. Importantly, the guarantees that are part of Fund Select Annuity mean that you will never stop receiving your income for as long as you are alive. In exchange for this security throughout your retirement, Fund Select Annuity does not offer a lump sum benefit that can be paid out to your loved ones when you die. You can however cover a second life or choose a minimum capital guarantee period (up to 25 years) during which time your beneficiaries will receive an income if you pass away. These options will reduce the amount of retirement income that you receive.

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.

FEATURES OF MAX INCOME LIVING ANNUITY

This living annuity allows you to choose which investment portfolio your retirement savings are invested into, and, what percentage of your total invested amount will get paid to you as an income. You can choose this income amount from the options made available by the Old Mutual SuperFund Management Board. Unlike Fund Select Annuity, there is no guarantee that this income in retirement will continue for the rest of your life - so you need to make good decisions about how much income you want to receive. However, unlike with Fund Select Annuity, should you pass away before your invested amount is used up, the remaining amount can be left to your loved ones or form part of your estate.

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

You can access these annuities directly. Alternatively you can speak to a financial adviser, and an advice fee may be payable to that adviser.

For advice on your options, contact either your Personal Financial Adviser or your HR department for contact details of the financial consultant that services your company.

- FOR FREE GUIDANCE, speak to an Old Mutual SuperFund Member Retirement Counsellor (MRC) on 0860 38 88 73 or email them on superfundannuity@oldmutual.com.
- FOR MORE INFORMATION, visit our website at oldmutual.co.za/SuperFundAnnuity.
- FOR THE CURRENT VALUE OF YOUR RETIREMENT FUND SAVINGS in Old Mutual SuperFund, register for Secure Services at secure.oldmutual.co.za/registration.

Disability

Should you become disabled during your Preserver Membership, you may become entitled to a disability benefit. This is also referred to as ill-health early retirement. You can receive this benefit at any age – you don't need to be over age 55 in order to qualify for it.

To apply for a disability/ill-health early retirement benefit you must provide medical evidence to the Trustees of Old Mutual SuperFund. This needs to show that your illness or injury is permanent. The Trustees will assess the medical evidence and, if you qualify, the disability/ill-health early retirement benefit will be paid to you. This works the same as your retirement benefit, and you have the same options as you would have if you were retiring.

Death

If you die while you are a Preserver Member, the balance in your Preserver Account will be used to provide a death benefit. The death benefit does not form part of your Estate and it is not paid out according to what you have said in your Will.

The beneficiaries will get the death benefit and they can choose to receive it in cash, invest it in a beneficiary fund or a trust, or use it to buy a pension. Any cash amount will be taxed as will an amount placed in a beneficiary fund or trust. The capital used to buy a pension will not be taxed, but the pension they receive as a result will be.

A beneficiary should speak to an authorised financial adviser before deciding to take the cash or buy a pension.

Who will receive the death benefit?

The people who will receive your death benefit are called beneficiaries. There are two kinds of beneficiaries – dependants and nominees. To make sure Old Mutual SuperFund pays your benefits to the right people, you must nominate your dependants or nominees. You can also nominate a trust or beneficiary fund to receive payment of a beneficiary's amount – especially if you're worried about their ability to ensure that the money lasts a long time. Your nominations and instructions to the Trustees of Old Mutual SuperFund can be changed at any time by calling the Old Mutual SuperFund service centre at 0860 20 30 40, or you can login to the member area of the Old Mutual SuperFund website. See Section 7 of this Guide, "Other Useful Information", for more detail about the payment of a death benefit.

When will the death benefit be paid?

The last thing anyone wants is to have financial concerns while trying to cope with the loss of a loved one. However, because of the lengthy legal process that the Trustees of Old Mutual SuperFund must follow, it may take quite a long time for your dependants to receive the benefit money.

What about tax?

Lump sum death benefits are taxed in the same way as retirement benefits. The tax rates that apply to such cash amounts are the same rates that apply to the cash portion of a retirement benefit - please see the tax table in the section on Retirement Benefits for these tax rates. To find out the exact amount of tax that will have to be paid, it's best to speak to an authorised financial adviser.

Withdrawal

With Preserver, you have access to your retirement savings at any time. If you decide to withdraw your Preserver retirement savings, then all of your savings must be withdrawn at the same time - no partial withdrawals are allowed. You can transfer this money to another fund and/or withdraw it in cash. You should consider issues such as tax, flexibility, opportunity for growth and your own needs before deciding what to do with your withdrawal benefit.

IMPORTANT NOTE:

For most people, their retirement fund is the biggest retirement savings they have. Taking your withdrawal benefit from your Preserver Account in cash and spending it may lead to financial hardship when you retire.

YOUR OPTIONS ON WITHDRAWAL FROM YOUR PRESERVER ACCOUNT ARE:

OPTION 1

Transfer your Preserver retirement savings to a retirement fund¹:

Keep your retirement savings invested by transferring the entire amount to another retirement fund, such as:

- a preservation fund
- a retirement annuity fund; or
- your new employer's fund

Remember that you need to know whether the transfer will be tax-free.

The table below shows your transfer options, and which of these are tax-free.

		I am transferring out of...	
		Old Mutual SuperFund Pension	Old Mutual SuperFund Provident
...and I want to transfer into a...	Pension Fund	Tax-free	Tax-free
	Provident Fund	Taxed	Tax-free
	Retirement Annuity Fund	Tax-free	Tax-free
	Pension Preservation Fund	Tax-free	Tax-free
	Provident Preservation Fund	Not permitted	Tax-free

If you want information about Old Mutual preservation and retirement annuity funds, phone Member Support Services at 0860 38 88 73.

What you must do to transfer to another retirement fund:

1. Complete the Preserver Claim Form. Download it under the Forms and Downloads page of the Old Mutual SuperFund website, oldmutual.co.za/corporate/forms or request it from the Old Mutual SuperFund service centre at 0860 20 30 40
2. Then complete the relevant application form for the new fund you have selected
3. Make certified copies of your identity document, tax reference number and proof of residence
4. Contact the Old Mutual SuperFund service centre at 0860 20 30 40

¹ Subject to legislation and the rules of the receiving fund, at the time of transfer.

OPTION 2

WITHDRAW SOME, OR ALL, OF YOUR RETIREMENT SAVINGS IN CASH (AND TRANSFER THE REST TO A RETIREMENT FUND)

Consider the impacts

You need to think carefully before taking cash, as it could have a serious impact on your chances of enjoying a good retirement one day. Old Mutual SuperFund recommends that you do your utmost to invest your retirement savings rather than taking it in cash. After all, this money was meant to be the capital that you can use to get an income so that you can enjoy your retirement. To make sure it can still do that, take as little cash as possible and transfer the balance of your retirement savings to a retirement fund of your choice.

What tax will you have to pay?

The tax you will pay depends on your reason for leaving your employer. The latest tax tables will apply to your retirement benefit if you take it in cash.

Remember:

Every time you withdraw cash from a retirement fund, it adds up. So the amount of tax you pay each time will probably increase. Withdrawals you make now will also reduce your total tax-free amount when you retire.

While you have access to your Preserver retirement savings at any time, you are not permitted to take a partial cash withdrawal. If you want to take part of your Preserver retirement savings in cash, you will need to transfer the balance to another pension, provident, preservation or retirement annuity fund.¹ Remember, that any cash withdrawal now could have a negative impact on your finances when you retire one day.

What to do if you want to take all, or some, of your retirement savings in cash:

1. Complete the Preservation Claim Form. You can download it from the Forms & Downloads page of the Old Mutual SuperFund website, oldmutual.co.za/corporate/forms
2. If you are preserving part of your retirement savings, complete the relevant application form for the new fund you are joining
3. Make certified copies of your identity document and bank statement
4. Contact Old Mutual SuperFund service centre at 0860 20 30 40

¹ Subject to legislation and the rules of the receiving fund, at the time of transfer.

6. FINANCIAL PLANNING

THE VALUE OF A FINANCIAL PLANNER

You should plan for your retirement and long-term financial needs during your working years. It's important to start planning as early as possible and then keep on checking your plan.

The best way to ensure the success of any financial plan is to get input from a qualified professional. When you're ready to put your financial plan in place, contact Member Support Services at 0860 38 88 73 and they will arrange a no-obligation, no-cost meeting with an authorised financial planner near you.

Whatever your plan eventually looks like, two of the most important things to think about are protection and wealth building:

Protection

Protection is insurance against unexpected illness, disability or death. An example of this would be policies providing income or a cash lump sum in the event of your death, disability or a severe illness (often called "risk cover"). As this type of cover is not included in Preserver, you need to make sure that you get the cover you need as part of your financial plan.

Often, employers offer risk cover benefits that may meet some or all of your needs. Even if your new employer does, it is still important that you speak to a financial adviser about exactly what death and disability cover you should have.

Wealth building

Wealth building is saving money for your future financial needs. An example of this would be saving in a pension/provident fund, retirement annuities, preservation funds and/or other investments.

While Preserver is a good way of growing the retirement savings you have achieved so far, you will not be adding to these savings. You should definitely not depend only on your Preserver retirement savings to meet all your retirement needs. Instead, speak to a financial adviser and work out how much you will need when you retire. Then make sure that you are saving enough to cover those needs - whether through a retirement annuity, another contribution-based retirement fund, or some other investment.

Note:

The amount of protection and wealth building you need depends on you. Speak to an authorised financial adviser about your needs.

COUNTDOWN TO RETIREMENT

<p>▶ 3 years or more to retirement, start thinking about:</p> <ul style="list-style-type: none"> • how much you have put aside so far, and • seeking advice from an authorised financial adviser about structuring your retirement benefit, so that you don't pay too much tax 	<p>▶ 6 months to retirement you should:</p> <ul style="list-style-type: none"> • notify the Old Mutual SuperFund service centre at 0860 20 30 40 of your approaching retirement, and • ask for a quote from Preserver so you know your total retirement savings 	<p>▶ 3 months to retirement you should:</p> <ul style="list-style-type: none"> • speak to an authorised financial adviser about quotes for buying a pension (annuity), and • discuss your options with an authorised financial adviser
<p>▶ 6 weeks to retirement you should ensure that:</p> <ul style="list-style-type: none"> • you have sent in your exit documents and that Old Mutual SuperFund has received these documents, • Old Mutual has your tax registration number, and • you select the type of pension (or combination of pensions) that best suits your needs 	<p>▶ 1 month to retirement. By now you should have:</p> <ul style="list-style-type: none"> • requested your final quote, • arranged to buy your pension, and • completed and signed the application form for the pension product (or combination of pensions) you want 	<p>▶ Retirement - your big day! At the end of this month, 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 SARS), and • first pension payment into your bank account

7. USEFUL INFORMATION

Keep your retirement planning on track

At least once a year you'll receive a Member Benefit Statement from Preserver. This has information about your Preserver retirement savings and the benefits you can expect to receive from Old Mutual SuperFund. The benefits are usually calculated up to the date of the Statement.

As a responsible person saving towards your retirement, you must continuously review your investment selections. But, at least do so when you receive your Annual Benefit Statement. Decide whether you want to switch to another investment package or change your investment funds. It's a good idea to work with an authorised financial adviser who will help you to do a regular review of your retirement plan.

Your retirement planning also affects your family. Discuss your plan with them, so that they know what to do, should you die or become ill or disabled.

Avoiding hardship for your loved ones if you die

If you die while you are a member of Preserver, your beneficiaries will receive a death benefit. This benefit is not paid out according to your Will. The Pension Funds Act lays down strict rules that the Trustees must follow. These include a ruling that the Trustees have to conduct a thorough investigation to find out who your dependants are, before they may pay out any benefit. They must be able to show that they have split the benefit fairly. This may take some time.

To help move this process along, you need to make sure that you have nominated your beneficiaries using the Nomination of Dependants and Beneficiaries form that is available at oldmutual.co.za/corporate/forms. This will be a useful guide to the Trustees because it shows them your dependants and how your benefit should be split up.

The people who will share your death benefit are called your beneficiaries. There are two kinds of beneficiaries, namely dependants and nominees.

According to legislation, a dependant is:

- a former spouse to whom you paid personal maintenance
- your spouse
- your children, whether over the age of 21 or not, and including an adopted child
- any other person to whom you provide financial support, e.g. your parents, a person living with you, a stepchild, a foster child or a friend
- any person to whom you would have provided financial support in the future, e.g. an unborn child

Divorce and your Preserver retirement savings

Any divorce order that was granted before you became a Preserver Member is still valid if your ex-spouse has not yet claimed his/her divorce award from the Fund. This will only be actioned on your Preserver retirement savings when the order is given to Old Mutual SuperFund. Your ex-spouse must take the divorce award in cash or transfer it to another fund. He/she cannot use this divorce award to become a Preserver Member.

If you get divorced after becoming a Preserver Member, you may include any portion of your Preserver Account in the amount allocated to your non-member spouse, but only if you were:

- married out of community of property before 1 November 1984
- married in community of property, or
- married with the accrual system

Submitting a claim

Before a benefit can be paid to you, or your family (in the event of your death), a Preserver Claim Form must be filled in and sent to the Old Mutual SuperFund service centre.

Depending on the type of claim, additional documents may be required. This is specified on the Claim Form. All our forms are available on our website at oldmutual.co.za/corporate/forms. Alternatively, phone the Old Mutual SuperFund service centre at 0860 20 30 40.

You will exit the Fund when a benefit is paid to you. If the payment of a benefit is delayed, your Preserver retirement savings will be held in an investment fund that preserves the capital.

Access to information

The Rules of the Fund, financial returns and most recent actuarial valuation report can be inspected at the registered office of the Fund. If you want any copies, you may need to pay the costs for these.

Resolving disputes

If you have a complaint about any of the following:

- the administration of the fund
- the investment of your money
- the interpretation and application of the Fund Rules

you can send your complaint, in writing, to the Old Mutual SuperFund Trustees. You need to include as much information as possible about the complaint. You have a right to receive a reply within 30 days after your complaint has been received.

Before deciding on a course of action you should consult with your attorney, as Old Mutual SuperFund does not provide advice in this regard.

CONTACT DETAILS

The postal address is:

The Principal Officer
Old Mutual SuperFund Preserver
PO Box 167
Cape Town 8000

Or you can send the written complaint to the Old Mutual SuperFund service centre and it will be forwarded to the Principal Officer. If you are not satisfied with the response you get, you can take your complaint to the Pension Funds Adjudicator.

SEND YOUR COMPLAINT IN WRITING, WITH YOUR PERSONAL DETAILS, ALL INFORMATION, AND ANY SUPPORTING DOCUMENTS TO:

The Pension Funds Adjudicator
PO Box 580
Menlyn 0063

Old Mutual SuperFund Preserver contact details

Tel 0860 20 30 40
Fax 0860 38 38 48
Email preserver@oldmutual.com
Website Register and login to the member area at oldmutual.co.za/Preserver

Physical address

Old Mutual SuperFund Preserver
Mutualpark
Jan Smuts Drive
Pinelands 7405

Postal address

Old Mutual SuperFund Preserver
PO Box 728
Cape Town 8000

Old Mutual SuperFund service centre hours

Monday - Friday, 08:00 - 17:00

