

OLDMUTUAL



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

OLD MUTUAL PROTEKTOR ANNUITY STRATEGY

BY THE OLD MUTUAL PROTEKTOR MANAGEMENT BOARD



CORPORATE
DO GREAT THINGS EVERY DAY

OLD MUTUAL PROTEKTOR

A TRUSTED PARTNER THROUGHOUT YOUR RETIREMENT JOURNEY

As an Old Mutual Protektor member, you can be confident that your retirement fund savings are being invested to help you secure the best retirement possible. But saving in Old Mutual Protektor is only one part of a successful retirement. You also need to make good decisions when you reach retirement age.

For those of you coming to the end of your working life, 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 different people have different needs. That is why Old Mutual Protektor 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 www.oldmutual.co.za/FWP. We believe that enriching your financial knowledge not only improves your finances, but also your quality of life.
- **USEFUL MEMBER COMMUNICATION** that gets you thinking about your retirement decision and your available options well before you reach the day you stop working. These communications include: your annual Member Benefit Statement; retirement-related information every year for the 10 years leading up to retirement age; and a personalised view of what retirement income you could expect to receive.
- **FREE TELEPHONIC CONSULTATION WITH AN OLD MUTUAL PROTEKTOR RETIREMENT BENEFITS COUNSELLOR** who can answer any questions you have about your financial choices and the options available to you through Old Mutual Protektor.
- **THE OPTION OF PROFESSIONAL FINANCIAL ADVICE** offered by a certified financial adviser. For an additional fee, the adviser will look at your financial situation and needs as a whole and help you make the best retirement decisions for you. Our Retirement Benefits Counsellors can put you in touch with a trained and accredited professional financial adviser.

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

THROUGH ALL THESE SERVICES YOU, AS A MEMBER OF OLD MUTUAL PROTEKTOR, HAVE ACCESS TO ALL THE INFORMATION AND SUPPORT YOU NEED TO MAKE WELL CONSIDERED DECISIONS AS YOU APPROACH RETIREMENT.

GETTING READY TO RETIRE?

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. Old Mutual Protektor caters for this option for retiring members.
- **PURCHASING AN INCOME** - it is advisable to use as much of your retirement savings as possible to secure the income you need. Old Mutual Protektor offers two annuity options that have been specially selected by the Old Mutual Protektor Management Board 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 appropriate income at retirement.

The most suitable option will depend on your own circumstances and needs. That is, it is advisable to 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 choose between these options.

READY TO RETIRE? OLD MUTUAL PROTEKTOR ANNUITY STRATEGY

If you are ready to use your retirement savings to secure an income in retirement, Old Mutual Protektor offers you two annuity options to meet the different needs of Old Mutual Protektor members.

These annuities are supported by a helpful at-retirement guidance process that you can follow with the help of either your Old Mutual Protektor Retirement Benefits Counsellor or your Personal Financial Adviser.

WHAT IS AN ANNUITY?

An annuity is the regular income you receive during your retirement years. The annuity is provided through products which then pay the regular income.





THE TWO ANNUITY OPTIONS ARE:



OLD MUTUAL FUND SELECT ANNUITY (GUARANTEED LIFE ANNUITY)

This life annuity pays you a guaranteed monthly income for the rest of your life. Depending on various factors, including how well the investment 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 Old Mutual Fund Select Annuity mean that you will never stop receiving your 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 die. You can however cover a second life or choose a minimum pension guarantee period (up to 25 years) during which time your beneficiaries will receive a payment if you pass away. These options will reduce the starting amount of income that you will receive.



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

This living annuity allows you to choose which investment portfolio your retirement savings are invested into from a set of designated investment portfolios, and what percentage of your total invested amount will get paid to you as an income (also called a drawdown rate).

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

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 LIVING 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?

No, based on various factors the Insurer (Old Mutual in this instance) will determine your starting income.

Yes, as a percentage of the amount you use to buy the annuity. To help you with this decision, the Old Mutual Protektor Management Board will recommend an income rate (also called a drawdown rate*).

CAN I CHOOSE WHERE MY RETIREMENT SAVINGS ARE INVESTED?

No. The investment portfolios which support your annuity have been selected so as to provide an income for life as well as provide for increases to your annuity.

Yes. To help you, the Old Mutual Protektor Management Board will recommend a default investment portfolio with two other options available.

DO I AUTOMATICALLY RECEIVE AN INCOME INCREASE EVERY YEAR?

While this is not guaranteed, once an increase is given, it is added to your income and is thereafter also guaranteed for life and cannot be removed.

You can decide. But remember that if the amount you choose as an income (drawdown rate*) is more than the investment growth, over the medium-term you could run out of money.

CAN I CHANGE HOW MUCH INCOME I WILL GET?

No. This is worked out when you buy your annuity.

Yes. Once a year, you can adjust how much income you receive (as a % of the capital which underpins the annuity).

AM I PROTECTED AGAINST LIVING LONGER THAN MY MONEY LASTS?

Yes. You receive a guaranteed income for the rest of your life.

No. The money used to pay your income could run out if the amount you receive is higher than the growth of the underlying investment over a period of time.

AM I ABLE TO SWITCH TO ANOTHER ANNUITY?

No.

Yes. To Old Mutual Fund Select Annuity or any other guaranteed or living annuity.

CAN ANY MONEY THAT IS LEFT IN MY ANNUITY BE PAID TO MY BENEFICIARIES OR ESTATE WHEN I DIE?

No. You may however choose a minimum pension guaranteed period or a second life to cover. These options will reduce your starting pension amount.

Yes. If there is still capital remaining.

AM I ONLY ABLE TO CHOOSE ONE OF THE ANNUITIES?

No. 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.

*A drawdown rate or income rate is the percentage of the capital amount, invested in the living annuity, that you choose to take as an 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 .
- **FOR FREE INFORMATION AND GUIDANCE**, speak to an Old Mutual Protektor Retirement Benefits Counsellor or call Old Mutual Member Support Services on **0860 388 873**.
- **FOR MORE INFORMATION**, send an email to ProtektorAnnuity@oldmutual.com or visit our website at www.oldmutual.co.za/protektorannuity
- **FOR THE CURRENT VALUE OF YOUR RETIREMENT FUND SAVINGS** in Old Mutual Protektor, register for Secure Services at : www.oldmutual.co.za/selfservice

