



OLDMUTUAL

# OLD MUTUAL SUPERFUND DEFERRED RETIREMENT MEMBER GUIDE



**CORPORATE**  
RETIREMENT SOLUTIONS

DO GREAT THINGS EVERY DAY



# DEFERRING YOUR RETIREMENT SHOWS YOUR COMMITMENT TO YOUR FINANCIAL FUTURE!

The Old Mutual SuperFund Deferred Retirement solution allows you to continue your Old Mutual SuperFund membership after you retire from your employer. You receive the benefit of compound growth on your retirement savings while you decide on a more appropriate time to access your retirement benefit. What's more, you enjoy investment choice and excellent service at a good price.

This guide will help you understand how the Old Mutual SuperFund Deferred Retirement solution works and how you can get the most out of your membership. After all, you want to make sure that Old Mutual SuperFund Deferred Retirement 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.

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# 1. THE ADVANTAGES OF YOUR OLD MUTUAL SUPERFUND DEFERRED RETIREMENT MEMBERSHIP

There are many advantages to being an Old Mutual SuperFund Deferred Retirement member, not least of which are:

## GET YOUR RETIREMENT PLAN BACK ON TRACK

Postponing your retirement from Old Mutual SuperFund will give your savings the extra boost needed for a more comfortable retirement.

## YOU ARE NOT FORCED TO TAKE YOUR RETIREMENT BENEFIT

You can postpone taking your retirement benefit to when you want to and have considered all your options.

## YOU REMAIN INVESTED IN A COST EFFECTIVE SOLUTION

You benefit from low administration fees and institutional investment management fees.

## YOU ENJOY FLEXIBILITY IN INVESTMENT CHOICE

You decide how you want your savings to be invested from a range of investment packages.

## YOU CAN CONSOLIDATE YOUR RETIREMENT SAVINGS

You can transfer your existing pension, provident or preservation fund savings with Old Mutual or third party providers to Old Mutual SuperFund Deferred Retirement if the source fund rules allow for it.

## YOU CAN SELECT YOUR RETIREMENT AGE

You can retire from Old Mutual SuperFund at any time.





## 2. GETTING THE MOST OUT OF YOUR OLD MUTUAL SUPERFUND DEFERRED RETIREMENT MEMBERSHIP

To make the most of your Old Mutual SuperFund Deferred Retirement savings, you need to make sure you do the following:

### **READ ALL ABOUT IT**

Read through this Old Mutual SuperFund Deferred Retirement Member Guide to get a full understanding of your benefits and investment options. It will also show you how to make your Old Mutual SuperFund Deferred Retirement membership 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**

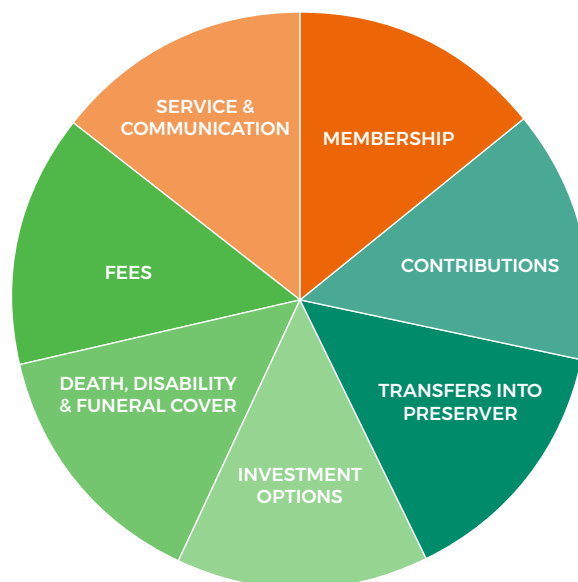
To do this:

- Login to your Old Mutual SuperFund secure member web or mobile account.
- If you need to register for this service, contact 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. Re-evaluate your financial plan to make sure it meets 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 OLD MUTUAL SUPERFUND DEFERRED RETIREMENT WORKS



#### MEMBERSHIP

With Old Mutual SuperFund Deferred Retirement you continue your Old Mutual SuperFund membership, even though you have left your employer.

To be eligible for Old Mutual SuperFund Deferred Retirement you need to be:

- An Old Mutual SuperFund member who is retiring from the participating employer due to early, normal, late or ill health retirement.
- You have other income sources and do not need a pension at point of retirement from employer.
- If you have an employer lien, you cannot join Old Mutual SuperFund Deferred Retirement.

Old Mutual SuperFund Deferred Retirement membership is governed by 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 Old Mutual SuperFund Deferred Retirement. However, for amounts of R30 000 or less, we recommend that you invest in the Trustee Choice investment package to keep administration fees to a minimum.

Please note that the investment portfolios as well as the investment and administration fees could be different from your current structure. For details regarding the investment portfolios and fee structures, please contact the service centre or access the Investment Portfolio and Fees list at [oldmutual.co.za/superfund/investment-funds](http://oldmutual.co.za/superfund/investment-funds).

#### CONTRIBUTIONS

While Old Mutual SuperFund Deferred Retirement 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 contributions to a retirement annuity fund.

#### TRANSFERRING OTHER RETIREMENT SAVINGS TO YOUR OLD MUTUAL SUPERFUND DEFERRED RETIREMENT ACCOUNT

You may consolidate other retirement savings in Old Mutual SuperFund Deferred Retirement. You do this by transferring amounts into Old Mutual SuperFund Deferred Retirement from other pension, provident or preservation funds that you are a member of. You can do this if these amounts are available for transfer. By doing this you save on the administration fees you are currently paying your other providers. Even after transferring other retirement savings to your Old Mutual SuperFund Deferred Retirement Member Account you still pay the same rand based administration fee.

## INVESTMENT OPTIONS

1. Your retirement savings will remain invested, subject to the investment options that are available to Old Mutual SuperFund Deferred Retirement members.
2. **If you were a Old Mutual SuperFund Customised or Old Mutual SuperFund Connect member before transfer into deferred retirement**
  - You will remain in the investment portfolio(s) that you were invested in at the date you left your employment. Should you elect to switch out, only the standard range of Deferred Retirement portfolios will be available to you. Once you have elected to switch out, you will not be able to switch back into the investment portfolio(s) that you were invested in as an active member (via your previous employer).
  - No future lifestage switching will take place in Deferred Retirement if you were invested in a bespoke Lifestage arrangement prior to the transfer. You may elect one of the standard Lifestage arrangements available in Deferred Retirement should you wish to remain in a Lifestage investment package.
3. **If you were a Old Mutual SuperFund Choice or Old Mutual SuperFund Easy member before transfer into deferred retirement**
  - You will remain in the investment portfolio(s) that you were invested in at the date you left your employment. If you want to make an investment switch, the standard range of Deferred Retirement investment portfolios is available to you.
  - If you are in a standard Lifestage arrangement, future Lifestage switches will continue to operate as per the Lifestage model.
4. There is no minimum amount for investing in Old Mutual SuperFund Deferred Retirement.
5. Members with R30 000 or less in their Old Mutual SuperFund Member Account: We recommend that you invest in the Trustee Choice investment package as this will keep administration fees to a minimum. This will protect you against the risk that administration fees reduce your investment growth over time.
6. Please see Section 4 for more information on the investment packages and investment portfolios available. It also has information on investment fees, and the rules for investment switching.

## DEATH, DISABILITY AND FUNERAL COVER

- As an Old Mutual SuperFund Deferred Retirement 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 Old Mutual SuperFund Deferred Retirement members.
- A monthly administration fee is charged in line with your investment package. This fee comes off the balance in your Old Mutual SuperFund Deferred Retirement 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 Old Mutual SuperFund Deferred Retirement Member Account.
- No fee is payable when you switch between investment portfolios or between investment packages.
- Depending on how the investment manager charges investment fees, these will either be deducted from the income of the investment portfolio, or from the balance in your Old Mutual SuperFund Deferred Retirement Member Account Please [click here](#) to access a list of all available investment portfolios and the fees thereof.

## SERVICE AND COMMUNICATION

- As an Old Mutual SuperFund Deferred Retirement member, you have access to many helpful services designed to keep you in touch with your retirement savings.
- You will receive regular communication 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 and
- Bi-annual Old Mutual SuperFund Deferred Retirement newsletters.

- You have access to the member secure 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 portfolios. In addition, you have access to the Old Mutual SuperFund mobile site which allows you to view your latest balance, investment unit holdings and latest unit price.
- 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, and
  - Switching between investment packages.





## 4. INVESTING YOUR RETIREMENT SAVINGS

As an Old Mutual SuperFund Deferred Retirement member, you have a choice of how and where your retirement savings should be invested. Choosing the right investment package and portfolios for your retirement savings is very important in order to reach your retirement goals.

### MANAGING YOUR INVESTMENT RISK

As with any investment, your Old Mutual SuperFund Deferred 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 portfolios 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 access your Old Mutual SuperFund Deferred Retirement Member Account.

If your money is invested in high volatility risk investment portfolios, and the market falls just before you access your Member Account, 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 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 Old Mutual SuperFund Deferred Retirement 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 portfolios 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 DEFERRED RETIREMENT INVESTMENT PACKAGE OPTIONS

The four investment packages are:

- Trustee Choice
- Lifestage
- Strategy
- Extended

Even though Old Mutual SuperFund Deferred Retirement offers you lots of investment choice, it might not include some of the investment portfolios you had before.

**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 has the lowest administration fee.
- Investment fees are deducted and reflected in the unit price of your portfolio.
- It offers no investment choice – your savings are invested in the smooth bonus portfolio 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 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 portfolio or from the balance in your Old Mutual SuperFund Deferred Retirement Member 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.
- The member can choose to move from one Lifestage option to another, provided that 100% of all retirement savings 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 is an average cost package.
- Depending on how the investment manager charges investment fees, these will either be deducted from the income generated by the investment portfolio or from the balance in your Old Mutual SuperFund Deferred Retirement Member Account.
- The Strategy package offers you various investment portfolios, including lifestaging solutions.
- You may switch between the different investment portfolios 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 cost.
- Depending on how the investment manager charges investment fees, these will either be deducted from the income generated by the investment portfolio or the balance in your Old Mutual SuperFund Deferred Retirement Member Account.
- You can structure your own investment portfolio by choosing from a broad range of investment portfolios from Old Mutual and other investment managers.
- You may switch between the different portfolios 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.**

For information on the investment packages, go to [oldmutual.co.za/SuperFund](http://oldmutual.co.za/SuperFund) or telephone the Old Mutual SuperFund Service Centre at 0860 20 30 40.

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.

### SWITCHING FROM ABSOLUTE GROWTH INVESTMENT PORTFOLIOS AND COREGROWTH 100 FUND

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/superfundforms](http://oldmutual.co.za/superfundforms).

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.

## 5. BENEFITS

As an Old Mutual SuperFund Deferred Retirement member, the following benefits apply to you:

- Retirement
- Death

In all cases, the benefit will be made up of the balance in your Old Mutual SuperFund Deferred Retirement Member Account at the time that the benefit is paid. This means that your benefit is made up of your original Old Mutual SuperFund Deferred Retirement amount, plus all further amounts you transferred into your Old Mutual SuperFund Deferred Retirement Member Account plus growth.

### RETIREMENT

You can choose to retire from Old Mutual SuperFund Deferred Retirement at any time. Please note that when you retire from Old Mutual SuperFund Deferred Retirement, you must also retire from your other SuperFund retirement savings accounts, including Preserver.

If your membership is in the Old Mutual SuperFund Pension Fund, you can:

1. Transfer your retirement savings to a pension preservation fund or retirement annuity fund, or
2. You can take a maximum of one-third of your full retirement savings in cash and use the rest to purchase a pension or monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash

If your membership is in the Old Mutual SuperFund Provident Fund, you can:

1. Transfer your retirement savings to a pension/provident preservation fund or retirement annuity fund, or
2. You can take as much as you want in cash and use the balance, if any, to purchase a pension or monthly income

### 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 <sup>1</sup> | 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 Old Mutual SuperFund Deferred Retirement Member Account.

<sup>1</sup>**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 Old Mutual SuperFund Deferred Retirement 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

Deciding on what pension to purchase when you retire from Old Mutual SuperFund can be a daunting decision. 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 Old Mutual SuperFund Deferred Retirement 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 Old Mutual Deferred 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 Old Mutual Deferred Retirement 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 Retirement Benefit Counsellor (RBC)** – who will answer any questions you have about the solutions available to you and help you to reach a decision. This RBC 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 Retirement Benefit Counsellor (RBC)** – who will answer any questions you have about the solutions available to you and help you to reach a decision. This RBC 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.

To find out more about the Old Mutual Fund Select Annuity and Old Mutual Max Income Living Annuity, go to [oldmutual.co.za/superfundannuity](http://oldmutual.co.za/superfundannuity) or contact Member Support Services at 0860 38 88 73.

## **DEATH**

If you die while you are an Old Mutual SuperFund Deferred Retirement member, the balance in your Old Mutual SuperFund Deferred Retirement Member 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 the 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 the 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 as applied 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.

## 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 Old Mutual SuperFund Deferred Retirement, 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 Old Mutual SuperFund Deferred Retirement is a good way of growing the retirement savings you have achieved so far, you are not able to make additional contributions. You should guard against depending only on your Old Mutual SuperFund Deferred Retirement 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. If your retirement needs are still not met then you need to make sure that you are saving enough to meet these 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.**

## 7. USEFUL INFORMATION

### MAKING THE RIGHT DECISION ABOUT WHEN TO RETIRE

Postponing your retirement from Old Mutual SuperFund allows you to benefit from additional growth on your savings; this means that you get better annuity rates when you retire. Old Mutual SuperFund Deferred Retirement should be considered by members that are concerned that they may not have sufficient savings for retirement.

This facility is as equally important for members that have enough saved but desire additional growth on their savings. It is important that members considering postponing retirement have a stable source of income during the deferment term to support themselves.

There are three key considerations for retiring members:

- Do I have enough saved to retire comfortably
- Will I have a steady income source, other than my Old Mutual SuperFund retirement benefit, after I retire from my employer
- How long can I afford to postpone my retirement

It is advised that you consult a financial adviser before making a decision to make sure that the decision you make is the right one for you and your family.

### AVOIDING HARDSHIP FOR YOUR LOVED ONES IF YOU DIE

If you die while you are a member of Old Mutual SuperFund Deferred Retirement, 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/superfundforms](http://oldmutual.co.za/superfundforms). This will be a useful guide to the Trustees because it shows them your dependants and how your benefit should be split up.

Send your completed form to Old Mutual SuperFund, PO Box 728, Cape Town 8000 or fax it to 0860 38 38 48.

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

According to the Pension Funds Act, a dependant is:

- a) a person in respect of whom the member is liable for maintenance;
- b) a person in respect of whom the member is not legally liable for maintenance, if such person –
  - i) was, in the opinion of the board, upon the death of the member in fact dependent on the member for maintenance;
  - ii) is the spouse of the member;
  - iii) is a child of the member, including a posthumous child, an adopted child and a child born out of wedlock.
- c) a person in respect of whom the member would have become legally liable for maintenance, had the member not died.

### DIVORCE AND YOUR OLD MUTUAL SUPERFUND DEFERRED RETIREMENT SAVINGS

Any divorce order that was granted before you became an Old Mutual SuperFund Deferred Retirement member is still valid if your ex-spouse has not yet claimed his/her divorce award from the Fund. Your ex-spouse may take the divorce award in cash or transfer it to another fund. He/she cannot use this divorce award to become an Old Mutual SuperFund Deferred Retirement member.

If you get divorced after becoming an Old Mutual SuperFund Deferred Retirement member, you may include any portion of your Old Mutual SuperFund Deferred Retirement Account in the amount of pension interest awarded to your non-member spouse, except that there is no concept of awarding pension interest if you were married out of community of property on or after 1 November 1984 in terms of an antenuptial contract by which community of property, community of profit and loss and the accrual system are excluded.

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

## SUBMITTING A CLAIM

Before a benefit can be paid to you, or your family (in the event of your death), an Old Mutual SuperFund Deferred Retirement 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/superfundforms](http://oldmutual.co.za/superfundforms). 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 Old Mutual SuperFund Deferred Retirement savings will be held in an investment portfolio that preserves the capital.

## ACCESS TO INFORMATION

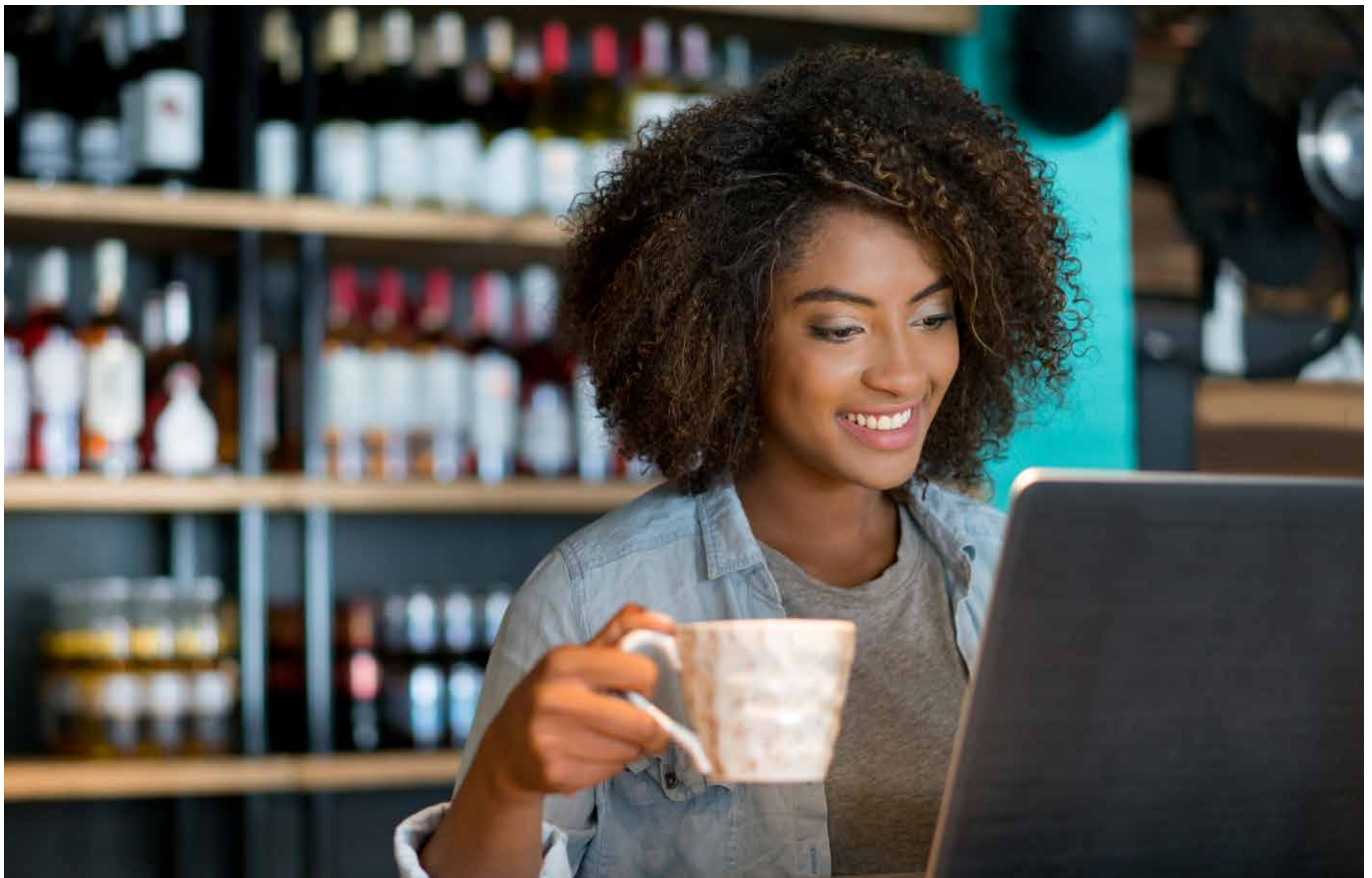
The Rules of the Fund, financial returns and most recent actuarial valuation report can be inspected at the registered office of the Fund. If you want any copies, you may need to pay the costs for these.

## RESOLVING DISPUTES

If you have a complaint about any of the following:

- the administration of the Fund;
- the investment of your money; and
- 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.



# CONTACT DETAILS

## The postal address is:

The Principal Officer  
Old Mutual SuperFund Deferred Retirement  
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 Deferred Retirement contact details

Tel 0860 20 30 40  
Fax 0860 38 38 48  
Email [superfund@oldmutual.com](mailto:superfund@oldmutual.com)  
Website [oldmutual.co.za/SuperFund](http://oldmutual.co.za/SuperFund)

## Physical address

Old Mutual SuperFund Deferred Retirement  
Mutualpark  
Jan Smuts Drive  
Pinelands 7405

## Postal address

Old Mutual SuperFund Deferred Retirement  
PO Box 167  
Cape Town 8000

## Old Mutual SuperFund Service Centre hours

Monday - Friday, 08:00 - 17:00

