ISASA RETIREMENT FUND
Caring about your financial future

Annuity options
available at retirement from the Fund

NEWSFLASH

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Are you ready to retire?

At retirement you MUST use your Retirement component to buy an income (pension), your Fund offers you a Default Annuity Strategy which consist of two annuity options, i.e. a Guaranteed (Life) Annuity or a Living Annuity.

You may also consider buying a Guaranteed (Life) Annuity or Living Annuity of your choice from any of the registered insurers in the market.

What is an Annuity?

An annuity is an insurance policy that provides you with an income (pension) in retirement and is purchased with your retirement savings in the Fund.

Remember that if you choose take a portion of your Vested or Savings components as a cash lump sum you will have less money available to purchase an annuity.

The two Annuity options available from the Fund are:

Old Mutual Fund Select Annuity with Profit Life Guaranteed Annuity
(Guaranteed Life Annuity)

This Life Annuity pays you a guaranteed retirement income for the rest of your life. Depending on various factors, including how well the investment market performs, you may receive a yearly retirement income increase, which will then also be guaranteed for life and will never be taken away. Importantly, the guarantees that are part of the Fund Select Annuity With Profit Life Guaranteed Annuity mean that you will never stop receiving your retirement income for the rest of your life.

In exchange for this security throughout your retirement, the Fund Select Annuity With Profit Life Guaranteed Annuity does not offer a lump sum benefit paid out to your loved ones when you pass away. You can, however, cover a second life and/or choose to add a minimum retirement income guarantee period of up to 25 years. These options will reduce the starting retirement income that you will receive.

Old Mutual Trustee Recommended Compulsory Living Annuity (with effect from 1 October 2026)
(Living Annuity)

This Living Annuity allows you to invest your retirement savings into one of a set of designated investment portfolios. You also choose what percentage (also called a drawdown rate) of your total invested amount will get paid to you as a retirement income. You may adjust the drawdown rate (monthly income) annually to suit your needs limited to the prescribed maximum. Should you pass away before your capital is used up, the remaining amount can be left to your loved ones, form part of your estate, or be used to support a living annuity in the name of your nominated beneficiary.

In exchange for this flexibility, Old Mutual Trustee Recommended Compulsory Living Annuity does not guarantee that this income in retirement will continue for the rest of your life. You therefore need to make good decisions about how much retirement income you want to receive.

The higher the drawdown rate the greater the chance that your money will run out before you do.

A quick comparison of the two annuities

Old Mutual Fund Select Annuity with Profit Life Guaranteed Annuity (Guaranteed Life Annuity)	**Old Mutual Trustee Recommended Compulsory Living Annuity (with effect from 1 October 2026)** (Living Annuity)
Can I select the initial income amount I get?	
No, because your starting retirement income depends on various factors, such as the amount of your retirement savings and your expected mortality. Therefore the Insurer (Old Mutual in this instance) will determine your starting retirement income.	Yes, you select the percentage, currently between 2.5% and 17.5% of your retirement savings that must be paid to you as a retirement income. To help you with this decision, Old Mutual will recommend an income rate (also called a drawdown rate*).
Can I choose where my Retirement Savings are invested?	
No. Old Mutual selects the investment portfolios which support your annuity, as Old Mutual has taken on the risk of providing you with your retirement income for life and the potential annual increases into the future.	Yes. To help you, your retirement fund's Management Board will recommend a default investment portfolio with three other investment portfolio 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 retirement income and is thereafter also guaranteed for life and cannot be removed.	You can decide. Remember that if the amount you choose as an income (drawdown rate*) is more than the investment growth, you could run out of money.
Can I change how much income I will get?	
No. This is calculated when you buy your annuity based on the options you select.	Yes. Once a year you can adjust how much income you receive between 2.5% and the Old Mutual prescribed maximum.
Am I protected against running out of money?	
Yes. You receive a guaranteed income for the rest of your life.	No. The money used to pay your retirement income could run out before you pass away if the retirement income drawn is higher than the growth of the underlying investment.
Am I able to switch to another Annuity?	
No. A life annuity, unfortunately, does not offer the option of transferring the annuity to another Insurer, nor does it provide you with the option of converting to a living annuity.	Yes. To Old Mutual Fund Select Annuity or any other guaranteed life or living annuity.
What is payable to my Beneficiaries or Estate when I pass away?	
You may elect that your retirement income be paid for a minimum guarantee period (e.g., 15 years). Should you pass away during this period, without having nominated any beneficiary(ies) the present value of the remaining retirement income instalments for the guaranteed period will be paid to your deceased estate. If you had nominated a beneficiary(ies), the present value of the remaining retirement income instalments for the guaranteed period will be paid to them in the proportion as indicated on your Beneficiary Nomination Form. Should you live longer than the guarantee period, your beneficiaries will not receive a retirement income when you pass away. You can also provide for a retirement income to be paid to a second life after you pass away. However, you may not change the second life once elected, and should such a person predecease you, your own retirement income will not increase.	Any remaining capital will be paid out. If there is any capital left when you pass away, your beneficiary can continue to receive your retirement income or opt to receive a lump sum payment.

Am I able to choose both of the Annuities?

Yes. Depending on your needs and the amount of your Accumulated Credit (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 a retirement income in any year.)*

Factors you should consider

The table below should help you discover which type of annuity (Life Guaranteed or Living) may be best suited to you. Remember that choosing an annuity is a very personal decision. So, while your responses can help you figure out which annuity might meet most of your needs, you should speak to a **financial adviser before making any decisions.** Fill in the table as follows:

1. Answer each of the questions by putting **a tick in the YES or NO column.**
2. Once you have answered all the questions **add up how many ticks you have in each of the colours.**
3. **Then read the explanation for the colour with the most ticks in it.**

	Yes	No
It is important to me that I receive my retirement income until I pass away, without having to do anything myself to make sure it does.		
It is important to me that my retirement income is protected against inflation.		
I need my retirement income to be protected against poor market performance without having to manage it myself.		
I want my retirement income to have a chance of increasing every year without me having to make any changes to my investment.		
I want control over where/how my retirement savings are invested.		
If I pass away, it is important to me that what is left of my retirement capital gets paid to my spouse or children.		
It is important to me that I have the option to change my annuity or retirement income in the future if I want to.		

Now add up the total number of ticks you put in each of the colours:

	I have this number of ticks in the blue boxes		***I have this number of ticks in the green boxes***

Here's what your answers suggest about the type of annuity that may best suit you:

If most of your ticks are in the blue blocks

A Guaranteed (Life) Annuity might be the most appropriate solution for your needs and preferences.

It offers:

- Guaranteed retirement income for your life
- The possibility of yearly retirement income increases
- Extra cover options for a spouse or partner
- A minimum guaranteed period effective from your date of retirement, for which your retirement income will continue to be paid for the remainder of the period even if you pass away within that period

It doesn't offer:

- A lump sum death benefit
- The option to transfer the annuity, once purchased, to another Insurer nor the option of converting the annuity to a Living Annuity
- A benefit to your dependant when you pass away after the guaranteed period has run out.

If most of your ticks are in the green blocks

A Living Annuity might be the most appropriate solution for your needs and preferences.

It offers:

- Control over where you invest
- A choice of retirement income (as a % of your capital) up to the Old Mutual prescribed maximum
- A death benefit should you pass away before your capital is used up
- The option to transfer the annuity, once purchased, to another Insurer and the option of converting the annuity to a Guaranteed (Life) Annuity

It doesn't offer:

- A guaranteed retirement income for life
- Automatic retirement income increases

It is important to note that in purchasing a Living Annuity you are responsible for making your capital last, this means ensuring your drawdown rates (% of your capital) are sustainable over time. Old Mutual with a prescribed maximum drawdown rate to ensure a sustainable drawdown rate.

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** or an **Old Mutual Retirement Benefits Counsellor** who will put one in touch with you.

For free guidance, call an Old Mutual Retirement Benefits Counsellor (RBC) on either

021 503 0069 or

0860 38 88 73 or

email at **omannuitystrategy@oldmutual.com**

Retirement Benefits Counselling is a free service provided to members of the **ISASA Retirement Fund**. RBCs are not financial advisers and therefore will not give you financial advice.

Remember to make sure your investment choices align with the Annuity you aim to select

When speaking to your investment adviser please ask them to assist you to ensure that the investment of your Accumulated Credit (retirement savings) in the Fund between now and your retirement is invested in line with your future financial needs.

For example, if your financial adviser recommends that you should consider a living annuity, then you may wish to exercise Member Investment Choice and remain invested in a portfolio with higher exposure to equities and not participate in the Fund's default LifeStage portfolios that transition from high risk to lower risk assets, such as bonds and money market investments. (In terms of this example, the Fund allows the option to elect to remain in the more aggressive LifeStage portfolio, Performer.

The Fund's default LifeStage Model moves your assets from a higher risk portfolio (with more exposure to equities) to a lower risk portfolio (with more exposure to cash and bonds) as you get closer to retirement. The LifeStage Model is therefore more suited for members who wish to purchase a guaranteed (Life) annuity.

How to claim your benefit from the Fund

- ✓ Go to your Bursar/HR
- ✓ Complete the Retirement Benefit Claim Form

Please ensure the following documents are attached to your Claim Form:

- ✓ A certified copy of your Identity Document (ID).
- ✓ A copy of your bank statement to confirm your banking details in the case of a cash withdrawal.
- ✓ Original certified copy of Divorce Order (if applicable).
- ✓ Annuity forms (including the financial adviser's/broker's name and contact details) or a letter stating your intention to transfer the full or part of the benefit containing the institution's contact details and policy details (if applicable).
- ✓ Latest statement of home loan if applicable.
- ✓ A copy of your latest utility bill (for FICA purposes).

If all the above requirements are met and your tax affairs are in order, your fund benefit should be paid within four weeks after receipt of all relevant documents.





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Remember that if you choose to take a portion of your Vested and/or Savings components as a cash lump sum you have less money available to purchase an annuity."