

Retirement Annuities

Retirement Annuities help you save towards your retirement. You may use the retirement annuity as your primary way of saving, or in conjunction with another retirement product.



CONTRIBUTION OPTIONS

You may invest a lump sum, with or without recurring payments; recurring amounts and ad hoc amounts.

You may suspend contributions for any period without penalties if a linked platform is used. Life Retirement annuities have penalties for termination of premium payments.

Current legislation stipulates that non-members can also transfer the portion of the pension interest allocated to them by a divorce order to a retirement annuity.

EMIGRATION

You may withdraw from the retirement annuity if you emigrate, subject to certain conditions. Tax may be deducted.

RETIREMENT DATE

There is no maximum retirement age for retirement annuities. However, the earliest age at which a person is allowed to retire from a retirement annuity, is age 55.

DEATH

Fund trustees will determine to whom benefits will be distributed and in which proportions, taking your nominations into account. If a beneficiary is nominated, the fund value will not form part of the estate. If a beneficiary is nominated, the fund value will not form part of the estate. Beneficiaries have the option to commute the investment or a portion thereof and to transfer the remainder of the underlying value (if any) to a compulsory annuity.

INVESTMENT OPTIONS

With the help of the financial advisor, a suitable fund selection, within a client's risk profile, will be structured and managed.

The client has a full selection of fund managers that range from collective investments to direct equity funds. Funds will have to comply with regulation 28*. Underlying funds can be switched during the term of the investment.

TAX

Contributions towards a retirement annuity are tax deductible. The level of deductions is revised once a year by SARS. At retirement, if you decide to commute a portion of the underlying investment as a lump sum, you might pay tax on a portion of the lump sum, according to the relevant provisions of the Income Tax Act.

WITHDRAWAL

No withdrawals are allowed before age 55. This will be the earliest retirement date.

FEES

Administration fees
Asset management fees for managing the investments
Financial intermediary fees (negotiable with your intermediary)

RETIREMENT OPTIONS

According to current legislation, you may take up to a third of your savings as a lump sum.

The tax-free portion of any lump sum is determined by the requirements of the Income Tax Act at that time.

The remainder of your savings must be used to purchase a compulsory annuity product such as an "investment linked"-living annuity or "guaranteed annuity" option.

For more information, refer to quotation, advice record and product contract

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This information must not be regarded as advice. Before any decision is taken, please discuss the product with your broker or financial advisor.

INDEMNITY: Adfinity Financial Services does not accept liability for any loss, damage or expense that may be incurred as a direct result or consequence of reliance upon the information in this document.

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