

LIVING ANNUITY

Who can invest & flexibility?

- Natural persons who are retiring from a pension fund, provident fund, pension preservation fund, provident preservation fund or retirement annuity fund (retirement funds).
- Beneficiaries on the death of members of retirement funds.
- Beneficiaries on the death of annuitants.
- Living Annuities does not fall under Regulation 28 of the Pension Fund Act. Investors are therefore not limited to any Offshore exposure and have full investment flexibility.

Income between 2.5% and 17.5% per annum

You may:

- Draw income from one or more specified funds, or alternatively proportionately across all funds. You may change this at any time.
- Switch your funds at any time.

Each year, on anniversary date you may:

- Select income as a percentage of the value of the investment at anniversary or as an amount (within the legislative limits currently between 2.5% to 17.5% per year).
- Change the frequency of income to monthly, quarterly, semi-annually or annually



A LIVING ANNUITY PROVIDES INVESTORS WITH FLEXIBLE INCOME OPTIONS AFTER RETIREMENT.

TAXATION

Tax on investment growth

- No income tax or dividend withholding tax is levied in the policy.
- Capital gains tax is not applicable in terms of current legislation.

Tax on income

- Income received is taxed at the investor's marginal rate.
- Disallowed contributions may be deducted in terms of section 10C of the Income Tax Act. Capital gains tax is not applicable in terms of current legislation.

Accessing the investment

- Other than for purposes of deriving an annual income, repurchases may not be made from the policy. The policy may be commuted in full if the value is below R125 000 (depending on whether or not a lumpsum was taken at retirement).

Negotiability

- May not be ceded, pledged or negotiated in any way.

Beneficiary benefits (on death)

- You may nominate a beneficiary or beneficiaries (natural persons or trusts) to receive the benefits on your death;
- Beneficiaries may choose to receive the benefit as an annuity, a lump sum (subject to tax) or a combination of the two;
- Both lump sum and annuity benefits are free from estate duty, however 'disallowed contributions' (contributions in excess of a maximum allowable deduction) may be subject to estate duty where such contributions were made after 1 March 2015.

ROOTED FOR PROSPERITY

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