

Momentum Wealth

Retirement Annuity Option

What will it be like not to have the certainty of a salary every month? And how much will you need every month to be financially prepared to maintain your standard of living once you stop earning a salary? Retirement and being financially independent is something to look forward to and you want to have enough one day, and not look your children or siblings in the eye to make ends meet.

Making sure you have enough money for your retirement is part of your journey to success. We know 'enough' is unique for everyone – whether you plan to relax on the stoep, travel, start a new venture or have time with your grandchildren.

Singular personalisation on your journey to success

Our investment platform helps you build and protect your financial dreams on your journey to success, whether immediate or over the longer term.

With singular personalisation, we reimagined the idea of an investment platform where technology makes personal objectives and goals the centre of all investment experiences. By offering a world of choice to suit each person's investing needs, your financial adviser can guide you with sound financial planning and advice for your different financial goals.

Each person's investing journey to success is unique and personal.

With us, you can shape that journey in the most singular way.

How can the Retirement Annuity Option help you?

A retirement annuity helps you grow your savings money for retirement so that you can draw a regular income once you retire. It can supplement your employer's retirement fund or be your main retirement savings method. It is a long-term product that helps you invest in a flexible, structured and tax-efficient way. The earlier you start saving and investing, the better.

Is it for you?

- Yes, if you want to enjoy tax-free growth potential and deduct the money you invest from tax.
- Yes, if you want to invest a lump sum or a regular amount.
- Yes, if you don't need access to the money before age 55.

Features

- You can deduct the amount that you invest from tax, within limits.
- You can get tax-free growth.
- You can make one full or partial withdrawal of at least R2 000 from your savings component every tax year.

- You can get tax allowances when you retire.
- Your money is safe from creditors.
- There could be estate duty benefits.

When is it not for you?

- If retirement annuity rules don't suit your investment goal, for example one of the rules is that you can only take one-third of your investment value in cash when you retire.
- If you want to have a more aggressive investment strategy. Legislation limits where retirement annuity investors can invest.

How does it work?

Who can invest?	South African citizens or persons with a valid South African work permit.
Minimum amounts	<ul style="list-style-type: none"> • A lump sum of R50 000. • A regular debit order investment of R1 000 per month (you can add this later). • Certain investment solutions have other minimums.
Retirement age	Any date from age 55, or if the law allows you access earlier.
Which investment solutions can you choose?	<ul style="list-style-type: none"> • Our flagship range of local and global unit trusts. • Unit trusts and investment solutions from other investment managers. <p>Your financial adviser will help you choose the most suitable investment solutions.</p>
Can you invest more?	<p>Yes. Limits apply to the amount you can deduct from tax. Additional lump sum and regular investments are split between your retirement component and your savings component.</p> <p>We will allocate two-thirds of the additional investment to the retirement component and one-third to the savings component.</p>
Can you make changes?	<ul style="list-style-type: none"> • Yes, you can choose other investment solutions if your needs change. • Yes, you can change your beneficiaries.
Can you withdraw money?	<p>You can make one full or partial withdrawal of at least R2 000 from your savings component every tax year before retirement, which will be taxed at your marginal tax rate.</p> <p>In addition, there are special circumstances where you can make a withdrawal before retirement, for example should you emigrate or become disabled.</p>
Can you borrow from your investment?	No.
Can you use it as security for a loan?	No.
Can you cancel?	Yes, subject to certain rules set out in the terms. You could get back less than what you have invested.
Can you transfer?	Yes, to another retirement annuity fund.

When you retire	<p>According to the rules of the Momentum Wealth Retirement Annuity Fund, you may have a retirement component, a savings component, a vested component: vested benefit and/or vested component: non-vested benefit.</p> <p>At retirement you can take up to:</p> <ul style="list-style-type: none">▪ 100% of your savings component as a lump sum.▪ 100% of your vested component: vested benefit as a lump sum.▪ one-third of your vested component: non vested benefit as a lump sum. <p>You must use the balance to purchase an annuity.</p> <p>If the combined value of two-thirds of your vested component: non-vested benefit and retirement components is less than the minimum prescribed amount at the time, you can take your vested component: non-vested benefit component as a lump sum at retirement.</p> <ul style="list-style-type: none">▪ You must use 100% of your retirement component to purchase an annuity at retirement. <p>If the combined value of two-thirds of your vested component: non-vested benefit and retirement components is less than the minimum prescribed amount at the time, you can take your full retirement component as a lump sum at retirement.</p>
When you die	<p>Your dependants or beneficiaries gets the money, according to what legislation prescribes (section 37C of the Pension Funds Act).</p>

What does it cost?

- Most investments typically have the following fees:
 - An investment management fee for the management of the funds you choose.
 - An administration fee to cover the cost of administering your investment.
 - An adviser fee for the advice and services you get from your financial adviser.
- Once you apply for a Retirement Annuity Option, your quote will set out the fees.
- Each minimum disclosure document (fund fact sheet) sets out the investment management fee for that fund. [Get](#) the latest ones.

More advice and how to invest

Speak to your financial adviser who will help you choose suitable investment options and start your personal investment. If you don't have one, go to momentum.co.za

Contact us

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The **Retirement Annuity Option** is a life insurance product, underwritten by Momentum Metropolitan Life Limited, a licensed life insurer under the Insurance Act and administered by Momentum Wealth (Pty) Ltd.

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