

Retirement income planning reimagined

The biggest financial decision that many people face when they retire is how best to use their accumulated retirement savings from approved retirement funds to provide them with a sustainable income in retirement.

Traditionally, the choice was between a life annuity and a living annuity, each with its own unique features and rules. Even if people decide to use some of their retirement savings to purchase a life annuity and some to invest in a living annuity, they may end up with two separate retirement income products that can make it difficult to manage their income during retirement. There is a better way for financial advisors to help their clients plan and structure their finances when they retire to solve the need for certainty and flexibility.

ENHANCED RETIREMENT INCOME OPTION

We have enhanced our living annuity product, the Retirement Income Option on the Momentum Wealth platform, to help clients structure their retirement income plan better. They no longer have to choose between the certainty of a life annuity and the flexibility of a living annuity – clients can have the best of both in one retirement income solution.

NUMEROUS BENEFITS

This hybrid structure introduces richer advice opportunities for financial advisors. With traditional solutions, the relationship between the advisor and client in many cases reaches the end phase once the client chooses the life annuity. There is therefore a single point in time where advice is required.

Contrast this with a world where clients' needs can be better met by blending a life annuity with a living annuity. In this structure the life annuity becomes one of many components that a client can choose from within a living annuity. Financial advisors can continue to be involved in advising clients during their retirement years – for example about how to manage expenses in the context of returns, when to protect income and how much to protect. By allocating a portion of their retirement savings to a life annuity component within their living annuity, financial advisors can help their clients personalise their income plan by helping them decide:

- How much of their retirement savings they want to use to cover their essential "life expenses".
- How much they want to use for flexible "living expenses".

This product enhancement will help financial advisors and their clients make more informed decisions about their retirement income planning.

Clients can choose to allocate a portion of their retirement savings to the new Guaranteed Annuity Portfolio that will pay a guaranteed income for as long as they live. At the same time, they have the investment flexibility to benefit from potential growth from investment markets and the possibility to leave a legacy, all in one living annuity.

The Guaranteed Annuity Portfolio is a life annuity, which is available as an optional investment component to clients starting a new Retirement Income Option or who already have a Retirement Income Option.

INVESTING IS PERSONAL

We understand that a client's investment is not just another investment – it's something personal – and it helps them to achieve their financial goals on their life journey. When something is personal, it really matters. That is why with us, investing is personal.

By blending the best of both worlds – the income certainty of a life annuity and the investment flexibility of a living annuity – we are partnering with financial advisors to help clients:

- Structure and implement suitable income solutions when they retire.
- Optimally manage their income during retirement to cater for changing income needs.

THE BEST OF TWO WORLDS

Our blended product solution gives people the best of two worlds: the flexibility of a living annuity that can give clients investment growth and the certainty of a life annuity that pays them a guaranteed income for life.

With our new Guaranteed Annuity Portfolio financial advisors can help their clients make the rest of their life, the best of their life.

It's retirement reimagined. ■



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