

A living annuity allows you to set your income level subject to constraints imposed by the authorities from time to time and allows you to select a wide range of investment strategies in respect of the capital that will generate the annuity.

The level of income you select is not guaranteed for the rest of your life. The level of income you select may be too high and may not be sustainable if:

- you live longer than expected with the result that the capital is significantly depleted before your death; or
- the return on the capital is lower than that required to provide a sustainable income for life.

It is your responsibility (in consultation with your financial advisor) to ensure that the income that you select is at a level that would be sustainable for the rest of your life. You need to carefully manage your income drawdown relative to the investment return on the capital in order to achieve this. The table below can be used as a guide.

Years before your income will start to reduce

		INVESTMENT RETURN PER ANNUM (BEFORE INFLATION & AFTER ALL FEES)				
		2.50%	5.00%	7.50%	10.00%	12.50%
ANNUAL INCOME RATE SELECTED AT INCEPTION	2.50%	21	30	50+	50+	50+
	5.00%	11	14	19	33	50+
	7.50%	6	8	10	13	22
	10.00%	4	5	6	7	9
	12.50%	2	3	3	4	5
	15.00%	1	1	2	2	2
	17.50%	1	1	1	1	1

It is important to note that the table above assumes that you will adjust your percentage income selected over time to maintain the same amount of real income (i.e. allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, your income will diminish rapidly in the subsequent years.

Please ensure that your financial advisor has explained both the advantages and the risks of the living annuity and compared these against conventional annuities (where the insurer carries the full investment risk and the risk of you living longer than expected).

The table is a general guideline and should be considered taking into account each annuitant's financial situation and all other sources of income. It is an indicative guideline only, to assist you in making informed decisions in respect of your annuity.

SOURCE: ASISA Standard on Living Annuities; 2009

ANNUITY PAYMENT OPTIONS

Please note: In terms of current regulatory requirements, the minimum annuity payment is 2.5% per annum and the maximum annuity payment is 17.5% per annum.

I have read and understand all my options including the default, and hereby authorise Acravest to allocate the benefit as follows:

Living annuity in the current fund
(DEFAULT)

Transfer money into a Living Annuity
(or purchase a pension from an
Insurance Company of your choice)
outside of current fund

Preservation

Take a portion of the benefit in cash

Limitations on cash portion:

Pension Fund Members: Maximum of one third of total fund value;

Provident Fund Members: Maximum of one third of total fund value accumulated from 1 March 2021, PLUS total fund value accumulated at 28 February 2021 including growth thereafter:'

(Refer to benefit statement for split in values)

Selected Rand value:

OR

Selected Percentage:

Selected percentage:

2.5%

5%

10%

17.5%

Other

%

OR Selected rand value:

RANDS

Selected rand value is gross of tax

Apply a special tax rate:

Yes

No

If yes, specify rate

%

MEMBER
SIGNATURE

EMPLOYER
SIGNATURE



CONFIRMATION AND AUTHORISATION

- We hereby certify that the above information is true and correct in every detail and Acravest is hereby authorised to make payment as stated above.
- The options in terms of the Rules of the Fund have been fully explained to the member and the member declares that he/she understands all options.
- We agree that payment above shall constitute good and effectual settlement and shall be full and final discharge to Acravest and the fund of its liability in terms of the Rules of the Fund.

Signed on behalf of the member

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Signed on behalf of the employer

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Designation

Company Stamp