

Live your best retirement possible



THINK WORLD CLASS

glacier  
by Sanlam

## It's time to start looking at your options

**You've worked hard to save towards your retirement but to continue building your wealth, you need to make a key decision:**

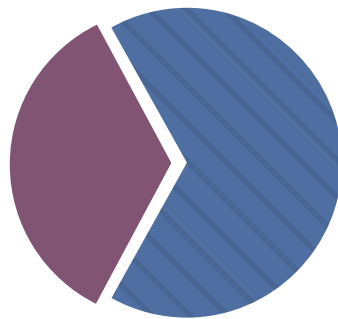
When your existing retirement annuity reaches maturity, one-third can be paid out as a lump sum. For the remaining two-thirds you are legally obliged to buy an income-generating annuity. You will need to choose a product or a combination of products that will help reduce the risk of outliving your money while taking inflation, tax, marital status and your retirement age into consideration.

**In short, you need to invest in an annuity that will help you make the most of what you have to live your best life possible.**

**POST-RETIREMENT:**



1/3 cash lump sum



2/3 to invest in a post-retirement annuity



**Living annuity**

[Click for more](#)

OR



**Guaranteed annuity**

[Click for more](#)



## Different products for different needs:

Your total accumulated retirement benefit value

Cash



Cash

Annuity



Sanlam Life Annuity

- Not investment-linked
- Guaranteed for life
- Option to transfer income to beneficiaries

Click for more >



Glacier Investment-Linked Living Annuity

- Investment-linked
- Not guaranteed for life
- Full asset transfer to beneficiaries, less tax

Click for more >



Glacier's Investment-Linked Lifetime Income Plan

- Investment-linked
- Part-guaranteed
- Option to transfer income to beneficiaries

Click for more >



The Sanlam Life Annuity will provide you with a regular income from your retirement savings so that you can maintain the lifestyle you have worked so hard for. You also have the option to select a specific period during which the income is guaranteed, irrespective of whether you are still alive, so that your family is taken care of.

## Benefits:



Your guaranteed income is not impacted by movements in the markets



Your income is guaranteed for life



You can guarantee your income for a specific term (5-10 years) to provide for your dependants after you die



You can choose to increase your income by a certain % each year to protect your money against inflation





## How it works:

You can choose from three different options:



### Single Life Annuity without a specific term

The income payments will stop immediately when you die.



### Joint Life Annuity

The income payments will be paid to your second life insured after your death, and will continue for the remainder of their life.



### Single Life Annuity with a specific term selected

The payments will be paid for the selected term (5-10 years). If you die during this term, the income will be paid to your dependants for the remainder of this term.



You receive a monthly income that is determined by the size of your investment and the option you have selected.



The Glacier ILLA will meet your retirement needs with a flexible and personalised investment product. You will have control over the underlying investments and the income you draw, and you can manage your savings to get a sustainable income to suit your needs.

## Minimum contribution

- R100 000 lump sum
- R15 000 per additional contribution from an approved retirement fund

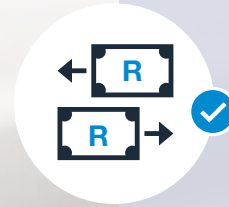
## How long to invest for

Invest for life, or until you transfer your investment to a guaranteed life annuity or a Living Annuity at a different financial services provider.

## Freedom to change your choice

You have total freedom to change your underlying investments. There is no charge to make a change, but depending on where you move your money to, initial investment charges may apply.

## Benefits



You can amend your income level (within legal limits) and frequency of payments once a year, so you can adapt your cash flow to your changing needs



You can choose the underlying investments to ensure they match the level of risk you feel comfortable with



When you die, the available money is transferred to your beneficiaries as a legacy. They can receive it in cash or continue with the annuity

## How it works



We invest the money in the underlying investments that you choose in collaboration with your financial planner.



The number of years that your ILLA will last depends on the investment returns of your portfolio and your level of income. To ensure that you sustain your standard of living, you should select an appropriate income level for your age.



You draw a regular income between 2.5% and 17.5% of your investment. You can change this percentage and the frequency of your withdrawal (monthly, quarterly, twice a year or yearly) once a year.



### Factors that impact your income

- The income level you select, taking into account current and future inflation.
- The performance of the underlying investments.
- How long you expect to live for – if you live longer than the initial estimate, you run the risk of outliving your capital.



This solution combines the advantages of an Investment-Linked Living Annuity and a Guaranteed Life Annuity into a single solution by providing the certainty of a lifelong income linked to the growth of an underlying investment portfolio.

## Minimum contribution

- R100 000 lump sum

## How long to invest for

For life.

## Freedom to change your choice

You have total freedom to change your underlying investments. There is no charge to make a change, but depending on where you move your money to, initial investment charges may apply.

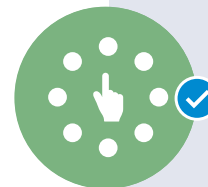
## Benefits



You have certainty that you will receive a regular income during retirement for the rest of your life



Your income has the potential to grow in line with the performance of the underlying investments, keeping pace with or beating inflation



You can choose the underlying investments to ensure they are tailored to your risk profile



If you select a second life insured, this person will receive an income for life. If you select a guaranteed income payment term (5/10/15 years), beneficiaries will receive an income for this term after your death





## How it works



Your retirement savings are used to purchase a guaranteed number of retirement income units per year that are payable for as long as you live.



The number of units is based on your initial investment, gender, age and other product options you choose, and is calculated and fixed when you buy the product.



The value of your units is linked to the performance of your underlying investments.



The initial value of each unit is R1.00, after which the value will depend on your underlying investment portfolio, the composition of which is selected by you and your financial adviser.



Each year, on plan anniversary, the rand value of your annual retirement income is recalculated by multiplying the guaranteed number of retirement income units with the latest unit price.



Your income is paid to you at the frequency of your choice.

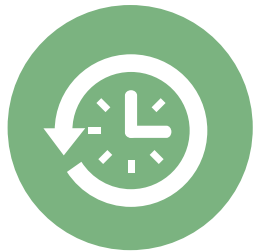


The amount is held in your Income Account (the Glacier Money Market Fund) and paid in equal amounts monthly, quarterly, half-yearly or yearly. Interest is added to your income the following year.



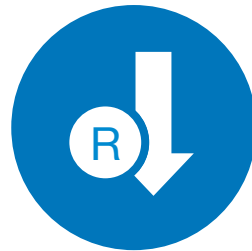
No matter who we are, we all need to make certain decisions when it comes to retirement planning. These include deciding **which type of retirement income product to purchase** to ensure that our income needs will continue to be met throughout retirement.

## It is important to consider the risks we face relating to retirement income



### Longevity risk

The risk that you may live longer than expected and run out of a post-retirement income, exacerbated by increasing life expectancies



### Investment risk

The risk that investment returns from your underlying investment portfolio are worse than expected and negatively affect income and capital (if the product allows for capital preservation)



### Inflation risk

The risk that the purchasing power of the income provided by your chosen product is eroded due to the level of income not keeping up with inflation

Let's investigate the income needs of three people

Click to see the income needs of Judy

Click to see the income needs of Thabo

Click to see the income needs of Sylvia



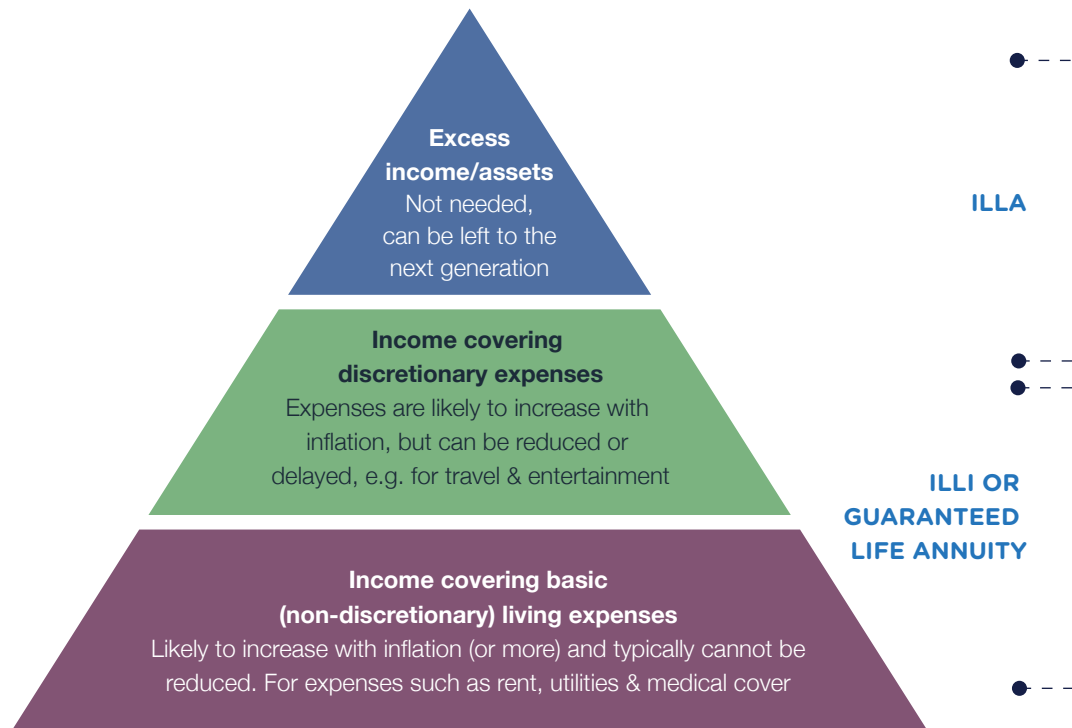
There are a number of retirement income products available, but choosing which product best suits your individual needs will depend on your expenses and your willingness to accept the above risks. Longevity risk will depend on the state of your health and your accumulated savings amount at the point of retirement.



# CONSIDERATIONS - EXPENSES

Your retirement income needs to cover a wide **range of expenses**. These can be categorised into basic living expenses, discretionary expenses and excess income, as shown in the retirement expense pyramid below.

## Retirement expense pyramid



### Investment-Linked Lifetime Income Plan (ILLI) & Guaranteed Life Annuity

For the income required to cover lower tier expenses, you should consider a product with some form of income guarantee. Income levels should also have the potential to grow long term with inflation.

**An ILLI and a Guaranteed Life Annuity guarantee an income for life, and the ILLI can also provide real income growth through an underlying portfolio of growth assets.** These products are therefore suitable for covering basic living and certain discretionary expenses.

[Click to see a comparison of ILLA and ILLI](#)

If you have excess retirement savings with which you aim to leave a legacy, **an ILLA may be the best match.**

## What is the true extent of longevity risk?

Lifespans can be longer than expected

Chance of survival	65-year-old man	65-year-old woman	65-year-old couple*
50% chance	85 years	89 years	94 years
30% chance	91 years	95 years	99 years
25% chance	93 years	97 years	100 years
20% chance	95 years	99 years	102 years
10% chance	100 years	104 years	106 years

Source: Sanlam Internal Mortality Tables

At least one surviving\*

The results in the table above show that people are living longer than you might expect. This longevity risk has two important implications:

- People living longer than expected are exposed to a greater risk that there will be **insufficient capital** in later years to provide the **required income**.
- The longer time horizon compounds the eroding effect of **expense inflation** on the purchasing power of the client's income.

Click to see  
ILLA and ILLI  
combined benefits

## Get advice

Choosing the retirement income option that best suits your needs takes diligence, care and attention to detail.

Should you require information about the options available to you, you can contact our Communication Centre on 021 917 9002 or visit [www.glacier.co.za](http://www.glacier.co.za). We can provide you with retirement benefit counselling to explain all the various retirement income options available, including the product features and associated risks and costs. We can, however, not provide any financial and tax advice, and we highly recommend that you discuss your options with your financial intermediary to help you make an informed decision.



[www.glacier.co.za](http://www.glacier.co.za)

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