Glacier Retirement Annuity

Save on tax while saving for retirement with our flexible retirement annuity. Get access to a wide range of well-researched and well-known underlying investment options.

View the brochure for more details

Minimum contribution

R100 000 lump sum and then R1 000 per month OR
No lump sum with compulsory minimum of R2 500
R15 000 for adhoc investments

How long to invest for

You must remain invested until you are at least 55 years old.

Freedom to move your money

You can move your retirement savings to another company's retirement annuity without any penalties.

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.

Your investment choices

Access to the widest choice of investments:

- a range of risk-profiled investment funds
- local or offshore funds
- actively managed or passive index-tracking funds
- single manager or multi-manager funds
- individual shares, exchange traded funds (ETFs) and other instruments via our stockbroking

service

Benefits

- You benefit from tax deductions based on your contributions
- You have the flexibility to stop and start contributions if your circumstances change
- If you are in a process of insolvency, your retirement annuity investment is protected from creditors – they won't be able to take from your savings

How it works

- You can make a lump sum contribution or regular contributions until you retire
- We invest the money in the underlying investments that you choose in collaboration with your financial planner
- Your money can grow over time based on your underlying investments

When you retire

When you retire, you will be allowed to take a portion of your savings as a lump sum. The remainder must be used to purchase an income-generating product (compulsory annuity) such as Investment-linked Living Annuity, our Investment-linked Lifetime Income Plan or a Life Annuity. These aim to provide you with an income for the duration of your retirement.

Access to your funds is determined by the Two-Pot System, which came into effect on 1 September 2024. Read more about the Two-Pot System here. In summary, your retirement savings are divided into 3 components, and each component gets treated differently at retirement:

- Vested component: Benefits in the *vested rights* portion* of this component will be available as a lump sum (subject to taxation), as an annuity, or as a combination.

  Benefits in the *non-vested rights* portion* are subject to the purchase of a compulsory annuity (to provide you with an income during retirement) with at least two-thirds of the value.

  *Only if you were previously a member of a provident fund, you might have both a *vested* and *non-vested rights portion* inside your vested component.
- Retirement component: All benefits must be used to purchase a compulsory annuity to provide you with an income during retirement.

- Savings component: You can take the full amount as a lump sum, or use it to purchase a compulsory annuity

If the full value of the retirement component + two-thirds of the *non-vested rights portion* in the vested component is equal to or less than R165 000, the full value of the retirement component and the *non-vested rights portion* of the vested component may be taken as a taxable cash lump sum.

[Read more about the Two-Pot System here.]

When you die

If you are permanently disabled before you retire, your benefit is paid out to you in the same way as if you had reached retirement (aged 55).

- Your dependants may benefit from the money after you are gone
- Trustees will take into account your wishes and all your dependants' needs when you die to decide who receives this benefit
- Benefits can be paid as a lump sum, or it can be transferred to a post-retirement product to provide a regular income.

Early retirement

If you are permanently disabled before you retire, your benefit is paid out to you in the same way as if you had reached retirement (aged 55).

Tax

- Tax benefits
  - A portion of your contributions are tax deductible
  - At retirement there is no tax on the amount that is transferred to the post-retirement product that provides you with an income during your retirement
  - You don't pay tax on any interest or dividends
  - No CGT is applicable
- What is taxable?
  - There is tax on any portion of your retirement savings that you withdraw in cash when you retire
  - There is tax on any withdrawal benefit.

Fees

Fees vary per product and underlying investments. Please speak to your financial planner to make sure you understand which fees you pay and why.

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