

LIFE ANNUITIES

Our guaranteed life annuities give your clients the certainty of a lifelong retirement income, and the opportunity to provide for their loved ones after their death.



THINK WORLD CLASS

glacier
by Sanlam



INTRODUCING THE SANLAM LIFE ANNUITIES

Help your clients secure a **lifelong retirement income** from a selection of guaranteed life annuities underwritten by Sanlam Life. Sanlam life annuities offer various means for your clients to **provide for their dependants after their death**, either by selecting to add a second life insured or by specifying a guaranteed income payment term. A life cover policy can also be added to provide a lump sum to loved ones after the client's death.

Clients have the option to let the income increase by a chosen percentage or in line with inflation every year.



Guaranteed
lifelong income



Provide for
dependants



Increase income
annually



HOW IT WORKS

The proceeds of a client's retirement savings in a registered retirement fund, or their own money is used to provide regular, guaranteed income payments for the rest of his/her life.

ABOUT THE INCOME

Income amount

The amount of income a client receives, depends on the following factors at the start of the life annuity:

- Prevailing interest rates when the capital amount is received;
- The age and gender of the lives insured;
- The product options chosen, such as a guaranteed income payment term, income growth, additional life cover, etc.

The income is paid monthly until the death of the last life insured, or the end of the guaranteed income payment term, whichever occurs last.

Growth of income payments

A client can choose to receive level income payments throughout the term, or income payments that grow annually at a fixed rate, from 1% to 7%. With the Guaranteed CPI Annuity (the inflation-linked income product) the income payments will be adjusted annually at the South African headline inflation rate.

PRODUCT FLEXIBILITY

Option to select a guaranteed income payment term

The client can select a guaranteed income payment term, which can be either five or ten years, during which the income is guaranteed to continue.

Option to add a second life insured

A second life insured can be selected to ensure that the income continues to be paid for the lifetime of a second life. On the death of one of the lives insured, the plan will continue in the name of the surviving life insured.

If a guaranteed income payment term was also selected, the income is payable until the end of that term, or the death of the last life insured, whichever occurs last. If the surviving life insured dies within the guaranteed income payment term, income will continue to be paid to the dependants and/or nominees. If there are no dependants or nominees, the income will continue to be paid to the deceased estate until the end of the term.

Option to reduce income on first death

If a second life insured was added, there is also the option of reducing the income payment on the first death. If a guaranteed income payment term was selected at inception, the income will only reduce by the selected percentage at the end of the guaranteed income payment term, and the income is payable until the death of the surviving life insured.





WHO SHOULD INVEST?

Guaranteed life annuities are suitable for investors who are risk averse, and who require stable, consistent income that will last for life.

THE CERTAINTY OF A LIFELONG RETIREMENT INCOME

The Sanlam Life Annuities offer:

- **The certainty of a regular income during retirement for the rest of the client's life**
Clients will have certainty about the income they receive every month, for as long as they live.
- **An option to provide for dependants after the client's death**
If a second life insured was selected, an income will continue to be paid to this person after the client's death. If a guaranteed income payment term was chosen, the income will continue to be paid to the beneficiary/ beneficiaries specified in the event of the client's death during this term. The income will then be paid until the end of the remainder of the guaranteed income payment term.
- **The ability to protect the purchasing power of the client's income**
There is an opportunity for the client to let their income keep pace with inflation in the Guaranteed CPI Annuity.

MAKING THE INVESTMENT

A MINIMUM CONTRIBUTION SUFFICIENT TO COVER AN INCOME OF

R100

PER MONTH IS REQUIRED FOR A SINGLE LIFE ANNUITY, A JOINT LIFE ANNUITY AND A GUARANTEED CPI ANNUITY





IMPORTANT CONSIDERATIONS

- **No payment is made on death**

If neither a second life insured nor a guaranteed income payment term was selected, the life annuity will terminate on the death of the plan holder and no further benefits are payable thereafter.

- **Access to funds is restricted**

The purpose of a post-retirement income product is to provide income during retirement, and therefore access to the funds is exclusively through regular income payments.

Other withdrawals cannot be made, and the capital cannot be taken in cash. The plan is protected against creditors, and therefore it cannot be pledged or offered as security. It can also not be cancelled.

- **Tax is payable on income**

The full income payment qualifies as an annuity and is therefore taxable in the hands of the annuitant as gross income.

At the end of each tax year, an IRP5 certificate will be provided to each life annuitant, indicating the gross income as well as the tax that has been paid over to the South African Revenue Service.



ADD LIFE COVER

Give your clients the opportunity to provide for their loved ones after their death by offering them the Capital Protection: Whole Life Option.

How it works

THE MINIMUM INVESTMENT AMOUNT IS

R20 000

Two policies will be issued: A Sanlam Life Annuity policy and a life cover policy underwritten by Sanlam Life. While the life annuity policy will provide monthly income payments until the death of the life insured, the life cover policy will provide a life cover amount – equal to the original capital amount – at the death of the life insured. Only one life insured is allowed.

Beneficiaries of the life cover amount

The life insured may appoint up to ten beneficiaries to receive the life cover amount after his/her death. A beneficiary can be a natural person, trust, tax-paying institution or tax-exempt institution. If there are no beneficiaries, the life cover amount will be paid to the estate of the life insured. The appointment of a beneficiary may be changed at any time.





ADD LIFE COVER AND LINK THE INCOME TO INFLATION

Protect your client's purchasing power by linking their monthly income to inflation, and give them the opportunity to provide for their loved ones after their death by means of a life cover policy.

How it works

THE MINIMUM INVESTMENT AMOUNT IS

R500 000

Three policies will be issued:

- **A life annuity policy (an Inflation-linked Income Policy)**

The income payments from this life annuity policy are adjusted each year, on policy anniversary date, at the South African headline inflation rate*. This policy will provide monthly income payments until the death of the life insured.

A second life insured can be added to ensure that the income continues to be paid for the lifetime of a second life. A guaranteed income payment term (five or ten years) can also be selected. Where both these options were selected, the income will be payable until the end of the guaranteed income payment term or the death of the last life insured, whichever occurs last.

- **A second life annuity policy (called the Capital Preserver Annuity)**

The income payments from this life annuity policy are used to fund the premiums of the life cover policy.

- **A life cover policy (called the Capital Preserver Policy).**

This life cover policy (underwritten by Sanlam Life) will provide an amount equal to the original capital amount at the death of the life insured. Its premiums will increase by 7% every year, on policy anniversary date.

Beneficiaries of the life cover amount

The life insured may appoint up to ten beneficiaries to receive the life cover amount after his/her death. A beneficiary can be a natural person, trust, tax-paying institution or tax-exempt institution. If there are no beneficiaries, the life cover amount will be paid to the estate of the life insured. The appointment of a beneficiary may be changed at any time.

**Headline inflation rate: The percentage change in the South African consumer price index for the historical metropolitan areas, for all expenditure groups, for the relevant period as calculated by Statistics South Africa.*

Contact us

This document is intended for use by financial intermediaries.

The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document.

Glacier Financial Solutions (Pty) Ltd. | A member of the Sanlam Group
Private Bag X5 | Tyger Valley 7536

Email client.services@glacier.co.za
Tel +27 21 917 9002 / 0860 452 364
Fax +27 21 947 9210
Web www.glacier.co.za
Twitter @GlacierBySanlam

Reg No 1999/025360/07 | Licensed Financial Services Provider

Sanlam Life Insurance Ltd.

Email life@sanlam.co.za
Tel + 27 21 916 5000 / 0860 726 526
Fax +27 21 947 9440

Reg No 1998/021121/06 | Licensed Financial Services Provider

glacier
by Sanlam