

# Cumulus Flexi Retirement Plan

A flexible way to save for a comfortable retirement

We believe there are no shortcuts that don't cut you short. There's no such thing as a quick buck and that a financially secure future isn't a function of luck. We've seen time and time again how diligence and determination pays off. This is especially true when you're saving for your retirement.

According to the Sanlam BENCHMARK™ Survey 2014, almost 60% of South Africa's pensioners are unable to cover their monthly living expenses. The only way to avoid this is to start saving as early as possible and to keep on saving.

The Sanlam Cumulus Flexi Retirement Plan is a retirement annuity policy that gives you the flexibility to start saving for the comfortable retirement you deserve after years of hard work even if you do not have a fixed monthly income.

## How does the Cumulus Flexi Retirement Plan work?

### 1. Make payments

You contribute a lump sum or make regular monthly or annual payments to the retirement annuity.

### 2. Choose an investment fund

Your payments are invested in an investment fund of your choice and are expected to grow over time based on the performance of that investment fund. Your Sanlam financial adviser or an accredited broker will help you to select the most appropriate investment fund for you.

### 3. Retire and receive benefits

You can retire at any time from age 55 and will receive the retirement savings.



#### 4. Get up to one-third in cash

When you retire, you can take up to one-third of the retirement savings in cash.

#### 5. Receive an income during retirement

Legislation requires that the balance must be invested to pay you a monthly income during retirement.

### **The Cumulus Flexi Retirement Plan offers you tailored investment options to choose from.**

The **Core** option offers three lifetime investment options as the underlying investment funds to choose from - ensuring simplicity and peace of mind.

The **Comprehensive** option offers more flexibility and a wide range of leading investment funds to choose from. The available investment funds were carefully selected by Sanlam.

The **Comprehensive R28** option offers Regulation 28 compliant funds only to choose from – removing the need for continuous Regulation 28 compliance.

You can change from the Core option to either the Comprehensive or Comprehensive R28 option. You can change from the Comprehensive to the Comprehensive R28 option (and vice versa).

### **Benefits of the Cumulus Flexi Retirement Plan**

#### Affordable payments

The minimum required payment is low enough for you to start saving for retirement today. Once you can afford to save more, you can increase your payment.



#### Investment funds to choose from

Sanlam has meticulously selected a range of investment funds making it easier for you to decide where to invest.





## Investment flexibility

You can switch between the investment funds as your needs change. The first four switches per plan year are free. You can change the allocation of your monthly payment between the different investment funds as often as you like, free of charge.

Core  Comprehensive  Comprehensive R28

## Payment flexibility

You can also request a payment holiday if you are unable to make payments for a period of time.

Core  Comprehensive  Comprehensive R28

## Lifetime Investment Options

These options aim to give you peace of mind. As you near retirement, Sanlam will gradually switch the investment into more stable investment funds.

Core  Comprehensive  Comprehensive R28

## Investment guarantees

You can choose investment funds that offer an investment guarantee – allowing you to take advantage of rising markets, while protecting your investment when markets are volatile.

Core  Comprehensive  Comprehensive R28

## Tax efficient

The contributions to the retirement annuity can be deducted from your income reducing your taxable income up to certain limits. You will also not pay any tax on interest, capital gains or dividends earned on the underlying investments of the retirement annuity.

Core  Comprehensive  Comprehensive R28

## Protection from creditors

The retirement savings are safe, irrespective of any personal financial loss you may suffer. With some exceptions, even the people to whom you owe money will not be able to touch the money you have saved for retirement.

Core  Comprehensive  Comprehensive R28

## Protected long-term savings

The money you are saving towards your retirement is only available from age 55. This means that you won't be tempted to use it for reasons other than your retirement.

Core  Comprehensive  Comprehensive R28



## **How much do you need to invest?**

An initial minimum monthly payment of R250, or a minimum lump sum of R25 000 is required. The minimum lump sum is R5 000 if you are already making monthly payments.

As your needs will change over time, it's important to review your investment from time to time. Depending on your retirement dreams and goals, your Sanlam financial adviser or accredited broker can help you to establish exactly how much you need to invest.

## **What happens to the investment in the event of your passing?**

The full value of the retirement savings will be available to the people you have chosen to receive the death benefit (referred to as nominees). No executor's fees are payable.

## **Start saving now so you can live your best possible life at retirement.**

For more information about the Cumulus Flexi Retirement Plan, speak to your Sanlam financial adviser or an accredited broker, or phone Sanlam on 086 072 6526. You can also visit our website at [www.sanlam.co.za/retirement](http://www.sanlam.co.za/retirement)

Kindly note: This article gives a general summary of the Cumulus Flexi Retirement Plan. Detailed terms and conditions are set out in the policy contract.