



cumulus echo retirement annuity

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**More
than**

half

**of South Africa's
pensioners are unable
to cover their monthly
living expenses.**

Sanlam BENCHMARK survey 2013

Cumulus Echo Retirement Annuity

A retirement policy from Sanlam

Retirement may feel years away, but it's important to put plans in place as early as possible to ensure that you can achieve your retirement goals.

Sadly, most South Africans only start thinking about saving for retirement 15 years before they retire, which is far too late to make up any savings shortfall. The reality is that the earlier you start to save - ideally from your first day of employment - the better your chances are of being financially secure when you retire.

With a Cumulus Echo Retirement Annuity, you will be inspired to start saving early, and motivated to keep up your payments to make sure you have saved enough and can retire in comfort. This will be done by Sanlam boosting your retirement savings by adding an additional amount.

Sanlam has the solution for you

Starting to save for retirement will put you one step closer to achieving your retirement dreams.

The key is to start saving early and to keep on saving so that your total savings at retirement is enough for you to realise your retirement dreams. With the Cumulus Echo Retirement Annuity, we will boost your retirement savings by adding an additional amount, called an Echo Bonus. Generally, the longer you save and the higher your payments, the larger your Echo Bonus will be.

Even if you need to retire earlier than you planned, we'll still add an Echo Bonus.

What is the Echo Bonus?

The Echo Bonus is an additional amount of money that Sanlam will add to your retirement savings when you retire. The longer you are invested with Sanlam, the higher the Echo Bonus will be.

How does the Cumulus Echo Retirement Annuity work?



MAKE PAYMENTS

01

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



CHOOSE AN INVESTMENT FUND

02

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



WATCH THE ECHO BONUS INCREASE

03

The longer you are invested with Sanlam and the more payments you make to your Cumulus Echo Retirement Annuity, the higher your Echo Bonus will be. Your Echo Bonus could even exceed the value of your policy.



**RETIRE AND
RECEIVE
BENEFITS**

04

You can retire any time from age 55 to receive your retirement savings boosted by your Echo Bonus.



**GET UP TO
ONE THIRD
IN CASH**

05

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



**RECEIVE
AN INCOME
DURING
RETIREMENT**

06

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

The Cumulus Echo Retirement Annuity offers the following options:

The **Core** option is a streamlined, cost-effective option with the Cumulus Echo Life Time Investment option as the only underlying investment fund.

The **Comprehensive** option offers greater flexibility and a wider range of investment funds.

The benefits of the Cumulus Echo Retirement Annuity

ECHO BONUS



The Echo Bonus is an additional amount which is added to the benefit payable on termination or at retirement. So, even if you terminate the policy you will still receive an Echo Bonus. This bonus makes the Cumulus Echo Retirement Annuity one of the most cost effective savings options in the market!

Core	Comprehensive
✓	✓

AFFORDABLE



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.

Core	Comprehensive
From R200 per month	From R250 per month

**QUALITY
INVESTMENT
FUNDS TO
CHOOSE FROM**



We have carefully selected a range of quality investment funds making it easier for you to decide where to invest.

Core	Comprehensive
	✓

**INVESTMENT
FLEXIBILITY**



You can switch between the investment funds as your needs change. The first four switches per 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
	✓

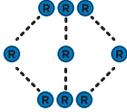
**PAYMENT
FLEXIBILITY**



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

Core	Comprehensive
✓	✓

**LIFETIME
INVESTMENT
OPTION**



This option aims to give you peace of mind. Your investment will be exposed to high performing asset classes to achieve maximum growth while you are younger. As you near retirement, Sanlam will gradually switch your investment into more stable investment funds.

Core	Comprehensive
✓	✓

**INVESTMENT
GUARANTEES**



You can choose investment funds that offer guarantees. These guarantees are unique as they increase over time as the value of your investment grows.

Core	Comprehensive
	✓

**PEACE OF
MIND**

**PROTECTION
IN CASE OF
DISABILITY**



The waiver of premium benefit is an optional benefit that pays your monthly payments on your behalf should you become disabled. It ensures that you are able to reach your retirement goals despite an unforeseen disability.

Core	Comprehensive
	✓

**TAX
EFFICIENT**



The payment to your Retirement Annuity can be deducted from your income so you will pay less tax every month. You will also not pay any tax on interest, capital gains and dividends earned on the underlying investments of your Retirement Annuity.

Core	Comprehensive
✓	✓

**PROTECTED
LONG-TERM
SAVINGS**



The money that 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
✓	✓

**PROTECTED
FROM
CREDITORS**



Your 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
✓	✓

How much do you need to invest?

An initial minimum monthly payment of **R200** 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 is the minimum monthly payment?

CORE OPTION

TERM OF INVESTMENT



R400 pm



R300 pm



R200 pm

COMPREHENSIVE OPTION

TERM OF INVESTMENT



R1 000 pm



R500 pm



R250 pm

How does the Echo Bonus work?

When you take out a Cumulus Echo Retirement Annuity, you choose the period for which you will make payments to the Retirement Annuity. This period is usually up to your desired retirement date.

Sanlam will calculate your Echo Bonus based on the length of time you are actually invested in the Cumulus Echo Retirement Annuity and the actual payments made over this period.

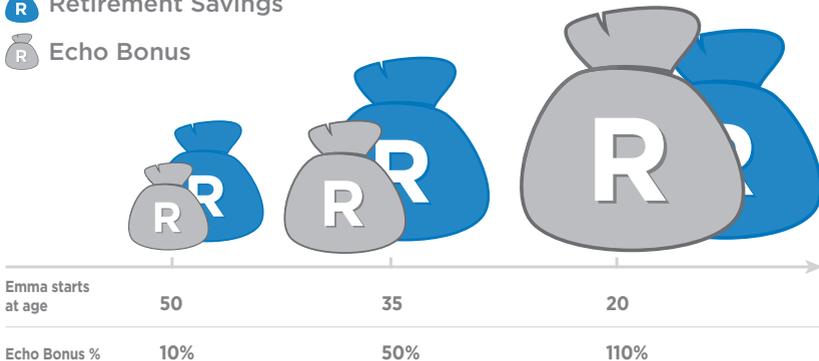
Whenever you retire, Sanlam will add the Echo Bonus to your retirement savings.

These examples are for illustration purposes only. It also assumes that Emma's payments remain level over the investment term, and do not fluctuate.

Emma retires at age 60 after having made all her contractual monthly payments.

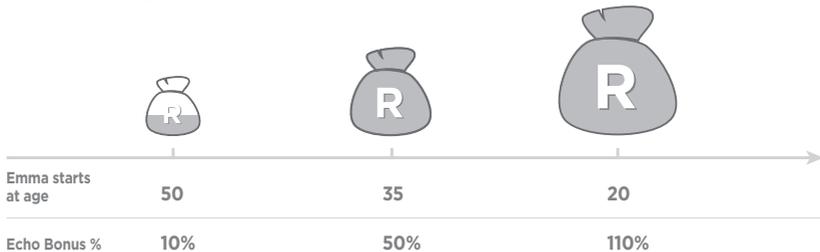
Retirement Savings

Echo Bonus



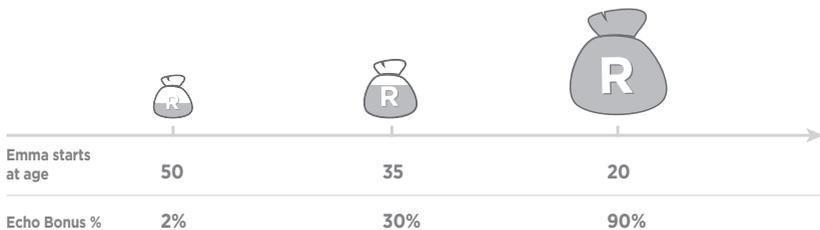
Emma will receive a bigger Echo Bonus if she starts her savings in the Cumulus Echo Retirement Annuity for Professionals at age 20. Starting to save at this young age means that her Echo Bonus will exceed her retirement savings.

Emma retires at age 60 but only makes half of her contractual monthly payments.



From this illustration it is clear that the Echo Bonus will be smaller, because Emma only paid half of her contractual payments.

Emma said she wants to retire at 60 but actually retires at age 55.



Great news! If Emma started at age 20 and although she retired earlier at age 55, she receives her full Echo Bonus because she contributed for at least 25 years.

What happens to your investment in the Fund should you die?



**GET THE
FULL VALUE
OF YOUR
INVESTMENT**

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

Make your retirement dreams a reality by starting to save for them today.

For more information on the Cumulus Echo Retirement Annuity, speak to your Sanlam financial adviser or accredited broker, or phone Sanlam on 0860 726 526. You can also visit our website at www.sanlam.co.za/retirement

This brochure gives a general summary of the Cumulus Echo Retirement Annuity. Detailed terms and conditions are set out in the policy contract.

