



REACHING RETIREMENT AGE

Our records show that you will shortly be reaching a very important life milestone in your working career; namely your retirement.

WHAT HAPPENS NEXT?

When you retire from employment, you will become entitled receive a Retirement Benefit payout from the Unicover Pension/Provident fund. As part of the process, you are going to have to make the very important decision of how to best make use of the benefit payout so as to ensure personal financial and income security for your future years.

The following aims assist you with making these decisions by providing basic information about some of the options that are available to you at this point in time.

1. YOU CAN DEFER YOUR RETIREMENT:

If you are in a financial position where you don't immediately need access to your retirement savings, you do have the option to defer your retirement. What this means, is that you don't immediately claim your retirement savings and the benefit stays within the Unicover Fund. You will not make any further contributions, and your savings will continue to grow until such time as you do wish to receive the benefit.

If you do require any additional information about deferred retirement, please log onto www.unicover.co.za go to PAID UP & DEFERRED'S

OR

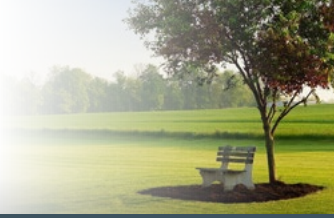
2. YOU CAN CHOOSE TO TAKE YOUR RETIREMENT BENEFITS

- **Taking part of your benefit in cash** – The amount of your benefit that you are allowed to take in cash will depend on whether you belong to a pension or provident fund. Remember that taking cash can impact negatively on your long-term financial position in retirement.

If you belong to a Provident Fund, you are allowed to take the full benefit in Cash.

- **Using your benefit to buy an Income / Pension** – it is always a good idea to use as much of your retirement savings as possible to buy an income. The more you use to buy an income, the higher the income will be.

Pension fund members must use a minimum of 2/3rds of their retirement savings (Share of Fund) to buy an income at retirement.



❖ THE RISKS WHEN TAKING CASH AT RETIREMENT

Whilst it may seem very tempting to take a portion of your benefits as a cash lump-sum when you reach retirement age, and you may have very good reasons for doing so, there are a number of considerations that we would like to bring to your attention:

1. If you do choose to take a portion of your benefit in cash, there is a good chance that you will have to pay tax on the lump-sum amount.
2. Once you have received the cash, you will need to decide how to best use and reinvest the money in order to provide a retirement income. This is not always an easy decision
3. When you receive a large amount of cash into your bank account, it may be tempting to take some of the money and use it for other things rather than retirement income. This can put you at risk of not having enough income later on during your retirement years.

❖ WHAT DOES IT MEAN TO BUY AN INCOME / PENSION?

When you buy an income or pension using retirement savings that you have received from the fund, the money gets paid over to an investment or insurance company and in return, they pay you a monthly income that should ideally last you for the rest of your life.

This regular income or pension that you receive during your retirement years is also called an Annuity.

❖ UNICOVER'S TRUSTEE PREFERRED ANNUITY OPTION

No two members who reach retirement age will have exactly the same needs and wishes insofar as their income in retirement is concerned, but there are a number of important things that most people are likely to agree on.

1. The income should be guaranteed to last for the rest of your life
2. If you are married and you pass away, you will want to be sure that the income is guaranteed to last for the rest of your spouse's life.
3. You are likely to want an income that aims to go up each year in order to keep pace with inflation.

Taking the above into account, the Unicover Trustees have decided to make the Just Retirement – Enhanced Annuity option available to all members at retirement.

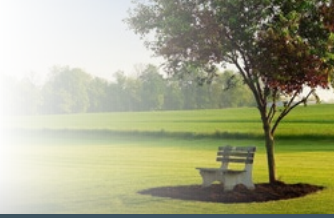
❖ The JUST RETIREMENT – ENHANCED ANNUITY

- The Just Retirement – Enhanced Annuity will pay you an income for the rest of your life.
- The annuity aims to provide protection against future inflation and depending on how the underlying investment performs, you will receive an increase as close to inflation as possible each year. Once an increase in income is given, it is also guaranteed and can never be taken away.
- If you have a spouse/partner at the time of retirement, the income is guaranteed to continue after you have passed away and will continue for as long as they live. **(please note that if both of you pass away, no further benefits will be payable.)**
- You can choose an additional guarantee on the payment period which means that even if both you and your spouse pass away, the income will continue paying for the length of the guarantee payment period (between 5 and 15 years from retirement)
- The amount of income you receive will be based on a number of personal factors including your age, your gender and your marital status and will also depend on how much you wish to invest.

You can also add retirement savings that you have available from other retirement annuities or preservation funds if you wish to give your income a further boost in retirement.



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If you require more information about your options at retirement, please contact one of our RETIREMENT BENEFIT COUNSELLORS.



❖ WHAT DO YOU NEED TO DO?

If you would like to get an indication of how much retirement income you are likely to receive from the Just Retirement – Enhanced Annuity, please complete a quote request form and submit it to the fund on (021) 551 2141 or email to myretirement@unicover.co.za.

The quote request form can be obtained on the Unicover website – www.unicover.co.za. (look under Standard Forms)

Please note that as part of the process, someone from Just Retirement will contact you to discuss your (and your spouse's) personal health conditions. Your personal health can impact on the amount of income that you receive in retirement.

❖ OTHER OPTIONS AVAILABLE

Please note that whilst the Just Retirement – Enhanced Annuity is the Trustees preferred choice for members retiring from the Unicover Funds, you may feel that you would like to make use of an alternative service provider and annuity option (there are many available).

If you wish to make use of an alternative please speak to your Personal Financial Adviser OR speak to one of the qualified Evolution Corporate Benefits Financial Advisers.

Please note that if you do make use of a financial adviser, you will most likely be required to pay a financial advice fee.

❖ MORE INFORMATION

If you want more information about the Just Life – Enhanced Annuity, please speak to one of our Retirement Benefit Counsellors. (021) 551 2140 or (011) 675 3000. (Please note that our retirement benefits counsellors may not give financial advice or make recommendations)