



UCTRF

OLDMUTUAL

UCT RETIREMENT FUND RETIREES WORKSHOP

21 September 2026



CORPORATE
CONSULTING

DO GREAT THINGS EVERY DAY



AGENDA

Introduction

Board Endorsed Annuity

Annuity Estimates

UCTRF Living Annuity

Financial Advice





INTRODUCTION - RECAP

When you retire from employment you have the following options.

Option 1: Remain invested in the UCTRF - “Phased Retiree”.

Option 2: Remain invested in UCTRF, but start drawing a Pension as a “Living Annuitant”

Option 3: Transfer the full benefit to an external preservation fund or retirement annuity fund.

In deciding which is best for you it is important that you obtain advice.



INTRODUCTION

Legislative Requirements

Regulation 39 of the Pension Funds Act requires all retirement funds

- to identify an Annuity Strategy that is suitable and appropriate for the members of the Fund
- to provide retirees with access to Retirement Benefit Counseling (“RBC”) at least 3 months before retirement age

UCTRF Response

- Board Endorsed Annuity Strategy
- Appointed GMI to provide financial advice at no cost to the retiree.
- Additional support:
 - Retirees’ Workshop
 - Retirement Options Guide
 - Annuity Estimate
 - UCTRF Office



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BOARD ENDORSED ANNUITY

- ✓ Identified by the Board as appropriate for members
- ✓ But not an automatic default annuity option – retiring member must ‘opt-in’ or choose an annuity that is most appropriate for your needs
- ✓ Annuity Illustrative Estimate and **Advisor** to assist in decision making





BOARD ENDORSED ANNUITY

Inflation Linked Life Annuity

Life = rest of your life / life of your spouse

Inflation linked = starting pension increases every year by inflation (not investment performance)

Provides certainty and stability

5 Year Guarantee

5 Year Guarantee = full pension paid for 5 years even if you pass away before.

75% Spouse's Pension

75% Spouse's Pension = If you pass away you spouse will continue to receive 75% of your pension for the rest of their life

Retirees may customise terms such as guarantee period and spouse's pension %, according to your needs





ANNUITY PROVIDERS

Conducted due diligence

- **Momentum**
- **Old Mutual**
- **Sanlam**

Above insurers remain well capitalised and no risks have been identified in their ability to continue paying pensions

Financial soundness and strength

- ✓ Experience
- ✓ Operational efficiency
- ✓ Fees and costing
- ✓ B-BBEE Contribution level

The UCTRF negotiated terms and obtained estimate quotes

- Board Endorsed Annuity (Inflation-linked)
- Used bulk buying power pricing with no commissions payable – very competitive
- Pre-determined parameters and assumptions – may not be suitable for you
- **Financial advisory facility to obtain alternative estimates allowing for your specific circumstances!**



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ANNUITY ESTIMATES

- Annuity Illustrative Estimate issued in **September 2026**
- Based on retirement benefit as at **30 June 2026**
- Estimates assumes a value taking the maximum tax free cash portion benefit into consideration is used to purchase an annuity. (1/3rd; R550k + AIPF)
- Actual retirement date is **31 December 2026** – final retirement benefit will include:
 - Contributions from July to December 2026
 - Investment returns (positive or negative)
 - Transfers in (if applicable)
- Final retirement benefit will be used for your actual pension





FACTORS THAT IMPACT ANNUITY

Amount available

- Any cash portion taken at retirement will reduce the pension.

Gender

- Females life expectancy is longer than males, resulting in a smaller starting pension

Age

- The younger you are, the longer you are expected to live and be paid a pension.

Guarantee period

- The duration for which the pension will be paid even if you pass away during this period. A shorter guarantee period = higher starting pension

Spouse's pension / Joint Life

- The % of your pension that will be paid to your spouse after the guarantee period should you pass away

Pension Increase

- Inflation-linked – 100%; CPI + etc
- Fixed escalation
- With profit





FACTORS THAT IMPACT ANNUITY

Important

- These are estimates and could be higher or lower at time of your retirement as annuity rates vary over time.
- New quotes will be requested at time of retirement – and confirmed when benefit received by elected insurer (January 2027)
- Parameters may be different – **taking account of your needs!**
- Best rate at time of retirement could be from one of other approved insurers included in due diligence
- **Final annuity (pension) depends on “final fund value + final annuity rate”**





OTHER TYPES OF LIFE ANNUITIES



With Profit Life Annuity

Pension increases are determined by insurer and linked to investment performance



Fixed Escalation Life Annuity

Pension increases are guaranteed at a fixed percentage



Level Life Annuity

There are no pension increases i.e. the pension never increases



Enhanced Life Annuities (also known as impaired life annuities)

Socio-economic, lifestyle and health conditions are considered when determining an annuity rate - may result in a higher pension

**Hybrid,
Blended or
Combined
Annuity!**





LIVING ANNUITY

Similar to an
Investment or
Bank Account



You control how much you put in

Based on the amount you saved up to retirement, less any cash lump sum taken



You control how it is invested

Determined by the investment portfolio choice you make



You control how much you take out

You choose the size of your pension you choose annually (Draw down)





UCTRF LIVING ANNUITY

While not the 'default', the UCTRF has an in-fund Living Annuity

- ✓ You remain a member of the UCTRF
- ✓ Have the same investment choices after retirement as before
- ✓ Very cost effective
- ✓ Recommended drawdown percentages are based on the regulators (FSCA) proposed recommendation

Important

Cannot withdraw as a cash lump sum later unless capital is less than R125 000

BUT can transfer to another annuity.

FSCA recommended drawdown rates

Age	Recommended	Maximum
60	4.5%	7.0%
65	5.0%	8.0%
70	5.0%	8.0%
75	5.5%	8.5%
80	6.0%	9.5%



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UCTRF LIVING ANNUITY - DRAWDOWNS

Fund Value - R 1 000 000
Member Age - 65 years

Legal Minimum	Legal Maximum	Recommended drawdown
2.5%	17.5%	5.0%
R2 083 p.m.	R14 583 p.m.	R4 166 p.m.
R25 000 p.a.	R175 000 p.a.	R50 000 p.a.

Things to be aware of:

- ✓ Taking too much as a pension
- ✓ Poor Investment Returns
- ✓ Living longer than you thought



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UCTRF INVESTMENT CHOICES

Portfolio Name	Feature / asset class	Objective	Risk Profile
Capital Preservation Portfolio	Money market instruments	Inflation + 1% to 3%	Low / Medium
Balanced Portfolio	Market-linked	Inflation + 5%	High
Shari-ah Compliant Balanced Portfolio	Complies with Islamic law	Inflation + 4%	Medium to High



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UCTRF LIVING ANNUITY - FEES

Fee structure (including VAT)	UCTRF Living Annuity	Retail Living Annuity
Initial fees:		
Annuity payment fee	R740.95 once-off	Included in the annuity administration
Advice fee	R0 if you use the UCTRF appointed advisor, GMI.	Generally negotiable up to 1.725%
Ongoing fees:		
Annuity payment fee	R18.58 per month (R222.96 per annum)	Included in administration and / or investment fee
Annuity administration fee	R92.00 per month (R1 104.00 per annum)	0.50% first 0 to R1.5 million 0.20% next R1.5mil to R5mil
Advice fee	R0 is charged by the UCTRF. However, if you have an advisor, they may wish to charge a fee for this service.	Generally negotiable up to 1.15%
Investment Fee (minimum - maximum)	0.4% p.a. Capital Preservation; 0.58p.a Balanced; 0.9% p.a. Shari'ah	Approx. 0.5% p.a.- 2% p.a.



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LIVING ANNUITY COMPARISON

The UCTRF Living Annuity	Commercial Living Annuity
UCTRF Investment portfolios	Bigger investment choice
Lower fees	Higher fees
Reg 28 – governance framework	Less restrictive governance framework
Death benefit allocated per S37C distribution (Trustee discretion)	Based on nomination form
Can transfer to an external living or life annuity later	Can transfer to a different living annuity or to a life annuity <u>but cannot transfer back to the UCTRF</u>



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TRANSFERRING OUT OF THE UCTRF LIVING ANNUITY

If you want to transfer to another living or life annuity at a later stage

S14 process requires approval from FSCA – can take up to 6 months

Process to be facilitated by the UCTRF administrator





PENSION PAYMENT DATES

Provider	Date
Momentum	25 th
Old Mutual	25 th
Sanlam	25 th or Last day of month (1 st payment always last day of the month)
UCTRF	25 th

Very Important:

- ✓ Check when your pension will be paid and when your debit orders are, as you might need to change the dates of these debit order!
- ✓ May not align with your current salary payment date.
- ✓ Potential delays with first retirement income payment
– MAKE A PLAN!





FINANCIAL ADVICE

The UCTRF has appointed Gradidge Mahura Investments (GMI) to provide financial advice to retiring members

Tips when appointing your own financial advisor

- ✓ Ask for references and investigate
- ✓ Check credentials and qualifications
- ✓ Validate on FSCA website if FAIS registered
- ✓ Validate on FPI website if Certified Financial Planner (CFP)
- ✓ Make sure all fees and costs are disclosed in full upfront
- ✓ Independent or affiliated
- ✓ Ask about conflicts of interest – you want impartial advice!

HR and UCTRF Office provide information – not advice





THANK YOU

Megan Houston and Marsha Bowers are benefit consultants employed at Old Mutual Corporate Consultants.

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The contents of this presentation are shared for information purposes and this presentation is not to be construed as advice.

