



# Welcome

**10 YEARS TO  
RETIREMENT**

**25 MAY 2026**

Presented by the Principal  
Officer's Office





## Agenda

- > UNDERSTANDING YOUR RETIREMENT OPTIONS
- > YOUR RETIREMENT PLAN
- > YOUR INVESTMENT STRATEGY / ADD CONTRIBUTIONS



## Agenda

- > OTHER THINGS TO CONSIDER
- > RETIREMENT BENEFIT COUNSELLORS
- > QUESTIONS



## OPTIONS AT RETIREMENT FROM EMPLOYMENT

- Defer accessing your retirement benefits, possibly by continuing to work?
- You can remain as a deferred retiree / paid up member, but can no longer contribute
- You could transfer to another Fund



## EXITING THE NTRF

- Benefit payment
  - Cash lump sum
  - Life Annuity
  - Living Annuity
- You CANNOT take the cash lump sum now, and defer the annuity.



## Cash lump sum

Cash available at retirement is determined by the different POTS or Components:

- Vested pot (savings prior to September 2024) : up to 1/3<sup>rd</sup> of the vested pot can be accessed as a cash lump sum.
- Savings pot: The full balance is available as a cash lump sum.
- Retirement pot: None of the retirement pot can be accessed as a cash lump sum.

Also cash lump sum if the retirement capital amount is below R247 000.



## TAX ON CASH AT RETIREMENT

R1 – R550 000	0% of taxable income
R550 001 – R770 000	18% of taxable income above R550 000
R770 001 – R1 155 000	R39 600 + 27% of taxable income above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000



## ANNUITIES

An annuity is a series of payments made at equal intervals.

For many people this is referring to a pension.

Be careful of pre-conceived ideas about a pension, and to what extent it is guaranteed or will increase. We will address that shortly.



## IN FUND vs OUT OF FUND SOLUTIONS

Life and Living Annuities can be purchased on an IN FUND or OUT OF FUND basis:

**IN FUND :** solutions provided by the Fund, and the member remains a member of the Fund. Legally the annuity is in the name of the Fund and the benefits are Fund benefits.

**OUT OF FUND:** solutions are provided by external service providers and the annuity is in the name of the member. The member ceases to be a member of the Fund and deals directly with the external service provider



## LIVING ANNUITIES

A Living annuity links the annuity to underlying investment portfolios.

The annuity is not guaranteed and is reviewed each year. The drawdown must be between 2.5% and 17.5% of the capital at the start of the year, and thus can reduce on the annual review

The annuitant assumes the investment risk and the longevity risk.

Dependent on the rate of “drawdown” and the investment return earned, the monthly payments could exhaust the capital and the annuity will cease at that point.

On the death of the member the beneficiaries receive the remaining asset value. The product structure does allow for considerable flexibility



## NTRF LIVING ANNUITY

### Investment of assets

At retirement, your money will be invested in your Living Annuity Capital Account that will comprise the investment return earned on the balance in your account after deducting investment management expenses (*this return could be negative from time to time*); **less** the monthly benefit paid to you; **less** the administration and other operational expenses.

You must decide how to invest your Living Annuity (see next slide). If you do not exercise a choice the Board's default selection will be applied.



## **NTRF LIVING ANNUITY**

### Member investment choice

You may invest your retirement capital in one or more of the existing **investment channels** offered to in-service members. The same conditions will apply to these portfolios as for in-service members. **You are permitted to change this selection only once per annum on your anniversary date – i.e. end of the month in which you retired.**

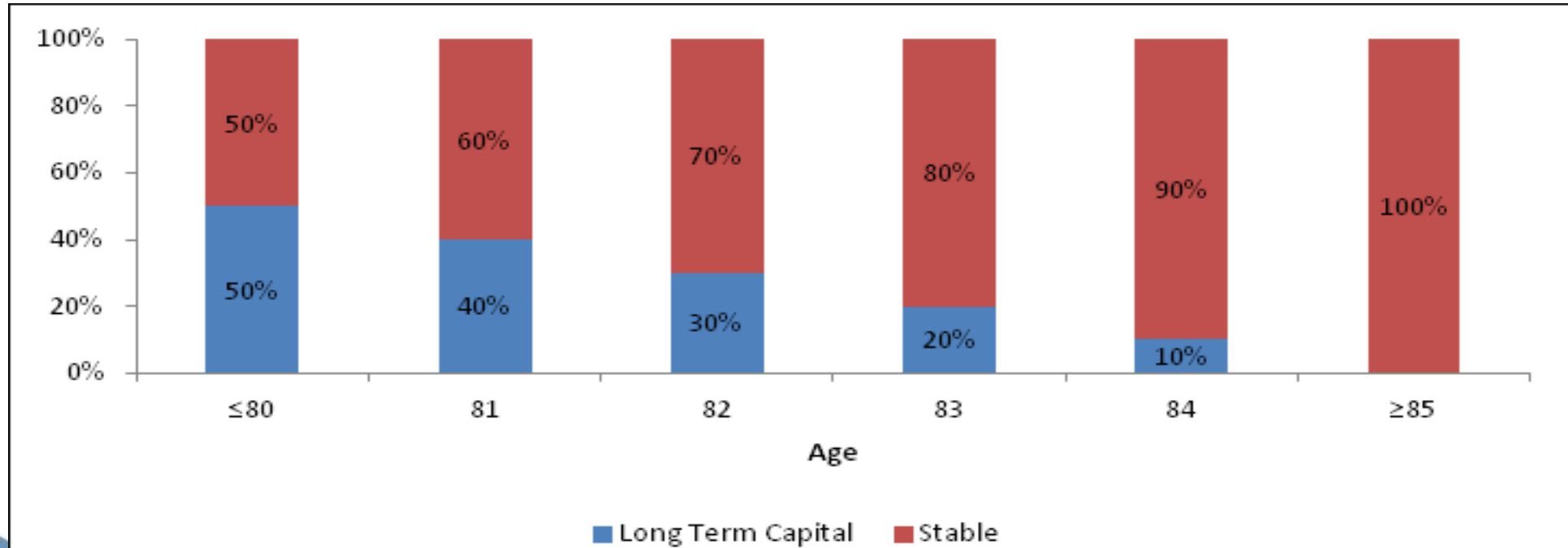
The investment portfolios are:

- Long term Capital portfolio
- Stable Portfolio
- Money Market portfolio
- Shari'ah portfolio



# NTRF LIVING ANNUITY

Trustee default:





## NTRF LIVING ANNUITY

### Death of the member

- After **you** have passed away, your surviving spouse will take over your account and continue to “draw down” on the account as per his/her choice, provided you have nominated your spouse to continue to receive this living annuity. If no spouse is nominated, the benefit will be allocated in terms of section 37C of the Pension Funds Act.
- Subject to provisions in the Income Tax Act, your spouse may commute the full benefit (not part of it) within six (6) months of your death.
- After your nominated spouse has passed away, the balance in his/her Living Annuity Capital Account will be distributed in accordance with the completed Expression of wishes form on file and not in terms of section 37C of the Pension Funds Act. If no nomination is made, the benefit will be paid to the estate.



## NTRF LIVING ANNUITY

You may select a draw-down lower than that stipulated in the table below:

Age at anniversary date	Maximum “draw-down”
Up to age 60	5%
61 - 65	6%
66 - 70	7%
71 - 75	8%
76 - 80	10%
81 - 85	12%
86 - 90	14%
91 and older	17.5%



## NTRF LIVING ANNUITY

### Member communication

- The Fund will issue statements annually to all In-Fund Living Annuity members, at least two (2) months prior to the annuity “anniversary” date which is 1 September each year.
- In-Fund Living Annuity members should inform the Fund annually at least one (1) month prior to their annuity “anniversary” date should they prefer to amend their “draw-down” percentage, otherwise it will be maintained at its existing level until the next annuity “anniversary” date. It is compulsory to review this percentage annually and it is the obligation of the annuitant as well as the Fund to complete the review in time ahead of the next anniversary date.



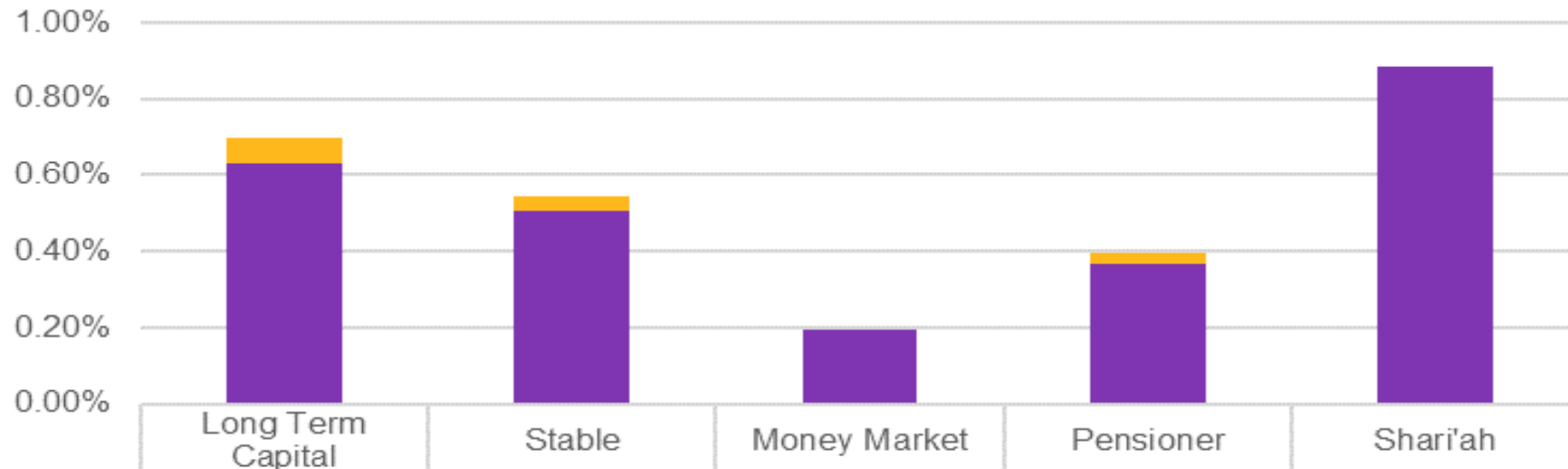
## LIVING ANNUITY OUTSIDE THE FUND

- Members can elect either a Living annuity from any registered insurer.
- The member will exit the Fund and the Fund has no further obligations to that member.
- Members will agree terms and conditions with the insurer and fees are likely to be those applicable to an individual investor.



## Investment portfolio fees

Total Investment Charge + Expected Performance Fees



	Long Term Capital	Stable	Money Market	Pensioner	Shari'ah
Expect PF	0.07%	0.04%	0.00%	0.03%	0.00%
TIC	0.63%	0.51%	0.19%	0.37%	0.89%
TIC + Expected PF	0.70%	0.55%	0.19%	0.39%	0.89%



## LIFE ANNUITY

- The annuity is defined in the contract and is guaranteed by the insurer. The insurer carries the investment risk and also the longevity risk.
- The annuity increases are defined in the contract , and may have no increases, fixed percentage increases, increases linked to inflation or increases linked to bonus declarations from the insurer.
- Any guarantees, spouses benefits or payments on your death would be defined in the contract.
- The initial pension will be determined by the contractual issues such as the rate of increase and any guarantees. For example, the higher the rate of increases, the lower the initial pension.
- On death of the member the benefit due to beneficiaries is generally limited to the balance of the guaranteed period defined in the contract.
- Generally, once a life annuity has been purchased there is limited flexibility to amend the contract.



## NTRF LIFE ANNUITY

The monthly annuity is **payable for the rest of your life and includes a provision for your surviving spouse.**

Upon your death, 100% of your annuity at date of death will be paid to your surviving spouse for the balance of the first five years from date of retirement, reducing at that point to 75% for the rest of his/her life, provided that your spouse was registered with the Fund as your spouse at your date of retirement.

**Any amount** remaining in your member share account (after deduction of the pension payments and lump sum payments made at your retirement) passes to your spouse on your death. When he or she dies, the balance left in the account will be paid to your **beneficiaries.**

**IMPORTANT** Beneficiaries can be traced only if your Expression of wishes form is kept up to date throughout your retirement.



## NTRF LIFE ANNUITY

Monthly pensions payable may be increased from time to time, based on affordability and at a rate determined by the Fund's actuary and approved by the Board. Once a pension increase is granted, the new higher level of pension becomes payable for the life of the pensioner/spouse.

The monthly In-Fund Life Annuity pension already budgets for an investment return. It can therefore afford pension increases only to the extent that the Fund can earn an investment return in excess of that budgeted return.

The NTRF aims to target pension increases of 65% of inflation – this is not guaranteed though. Historically the level of pension increases exceeded the target to inflation because investment returns have been very good, making such increases affordable.



## NTRF LIFE ANNUITY

Additional options:

- Guaranteed period of 20 years (and not 5)
- Targeted increases of 100% of CPI



## OUT OF FUND LIFE ANNUITIES

Offer a wider range of options in terms of guaranteed periods, escalation rates and second life variations.

But will generally incur higher cost structures



## YOUR RETIREMENT PLAN

You need to have a Retirement Plan that is not limited to your NTRF assets.

You need to include all investments, all assets and all liabilities.

You need to project to retirement using reasonable assumptions.



## CAPITAL AT RETIREMENT

You need to identify the different sources of capital at retirement.

These may include:

- The retirement savings in the NTRF

- Capital accumulated in any other savings vehicle such as a Retirement Annuity or endowment policies

- Sale of a property (primary residence / second home) or similar investment.



## IMAGINE YOUR RETIREMENT

This should be a quantitative and a qualitative exercise.

How do you envisage your lifestyle in retirement?

Can you produce a financial budget for your retirement years?



## OTHER ISSUES TO CONSIDER

- Do you plan to keep working and receiving an income in some form?
- Do you plan to stay in your current home?
- What is your current state of health?
- What are your current debts and how do you plan to address them?
- What are your partners plans in terms of retirement?
- Who are financially dependent on you, and would they need support in the event of your death?
- Have you compared your current monthly budget with your post retirement budget? And have you projected this forward into retirement?
- Do you have an estate plan?



## LIFE IN RETIREMENT

Amongst the things to remember in your post retirement budget:

- Medical aid costs
- Accommodation (do you own or rent)
- Transportation
- Children who still need support



## NTRF LIVING ANNUITY

You may select a draw-down lower than that stipulated in the table below:

Age at anniversary date	Maximum "draw-down"
Up to age 60	5%
61 - 65	6%
66 - 70	7%
71 - 75	8%
76 - 80	10%
81 - 85	12%
86 - 90	14%
91 and older	17.5%



## Living Annuity income

- If you draw down at 6%, and require an income of R80 000 per month, the capital required would be R16 million.
- The income would be taxable.
- If Inflation is 4%pa, you would thus need a 10% investment return to retain the “real” income in retirement.



## Understanding the levers that you control

Before you determine the current status of your retirement savings, identify the levers that you can control to improve the outcome.

This could include:

- Making further contributions to your retirement savings (whether an AVC or independent of the Fund).
- Amend the investment strategy to improve your return on investment (but appreciate the related risks).
- Can you amend your retirement age? Retiring later means more time to accumulate capital and you need to provide for a shorter period post retirement.
- Take steps now to reduce your post retirement expenses (pay of the bond, establish a trust for children etc)



## INVESTMENT STRATEGY

- You need to consider how to “match” you current investment strategy to you intended annuity arrangement.
- Any Life annuity purchase involves a disinvestment and the proceeds is the annuity purchase price.
- Equity markets and currency exchange rates are extremely volatile, which impacts the unit price of Long Term Capital portfolio the most!



## INVESTMENT STRATEGY

- 2% per annum for 10 years (on a lump sum) is an increase of 22% in the value.
- If a capital value of  $R_x$  provides an annuity of  $R_y$  per month.
- If you increase  $x$  by 20%, then  $y$  increases by 20%.



## IN FUND LIVING ANNUITY

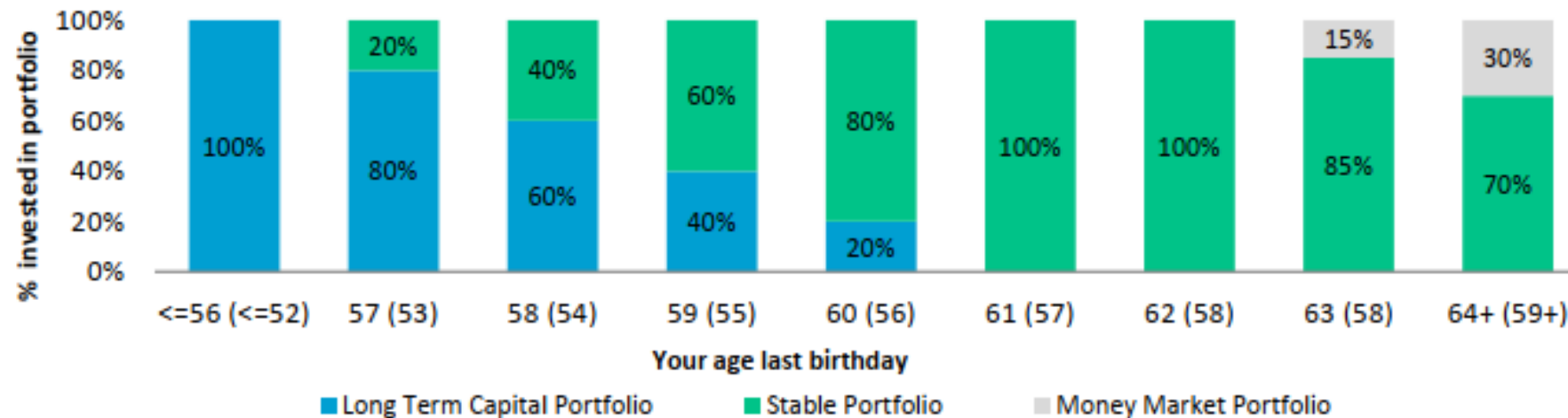
- The default life stage investment model prior to retirement does not “match” the default In Fund Living Annuity model.





## Life stage model

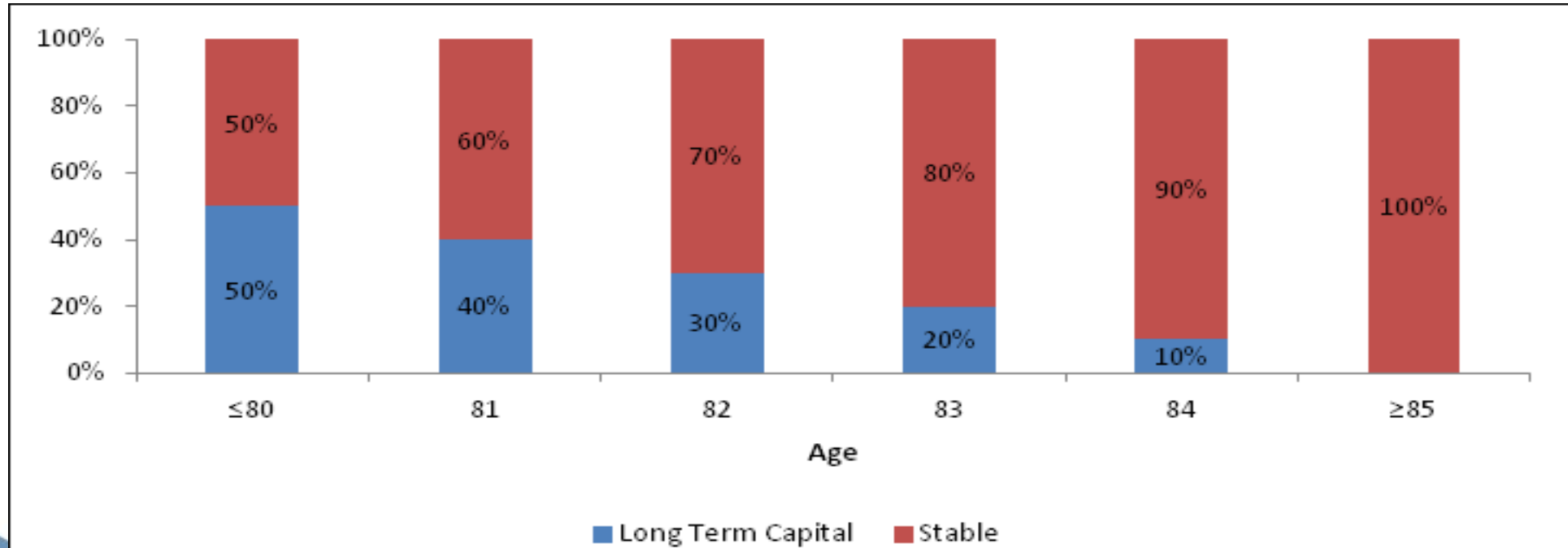
- This reduces the risk to “protect” members buying life annuities.





# NTRF LIVING ANNUITY

Trustee default:





## IN FUND LIVING ANNUITY STRATEGY

- If this is your preferred solution you need to identify your proposed strategy.
- Possibly do not follow the lifestage model prior to retirement (may be too late!)
- Seek professional financial advice.



## OUT OF FUND LIVING ANNUITY

- The same issues apply, but in addition there will be a disinvestment and reinvestment process.
- You need to aim to “out of the market” for as short a time as possible to reduce the timing risk.



## **COST OF LIFE COVER**

- Remember that each October NTRF members review their risk benefits.
- You can reduce from the 4% to the 2% flex category and have an additional 2% of pensionable salary allocated to retirement savings each month.



## PROFESSIONAL FINANCIAL ADVICE

- The Board does not recommend / endorse specific financial planners and members must appoint their own advisor
- Financial Planning Institute of Southern Africa (<https://fpi.co.za>) under the General tab, helps you find an advisor.
- NTRF does provide both access to tools and benefit counsellors at no charge to the members.



## RETIREMENT BENEFIT COUNSELLING

- The Benefit Counsellor Email : [info@benefitcounsellor.com](mailto:info@benefitcounsellor.com) or you can log onto the [www.ntrf.co.za](http://www.ntrf.co.za) and request for virtual counselling with The Benefit Counsellor



## Access to information

- Fund website: [www.ntrf.co.za](http://www.ntrf.co.za)
- Monthly Investment Fund Fact sheets – published on Fund website
- Online Member Portal (secure website): <https://mra.momentum.co.za/>
- Newsletters and articles – published on Fund website
- Online Member Retirement Planning Tool – coming soon
- Annual Member Benefit Statements & monthly member values (available on Member Portal)
- Online Retirement Seminars



# Fund Contact Information

Member Website: [www.ntrf.co.za](http://www.ntrf.co.za)

## OFFICE OF THE PRINCIPAL OFFICER (Management of the Fund)

Contact the Principal Officer for all escalations of queries

Physical address	Telephone	Email
Building 2 Country Club Estate Woodlands Drive Woodmead	011 258 8825	<a href="mailto:info@gobenefits.co.za">info@gobenefits.co.za</a>

## ADMINISTRATOR (Administrative matters)

Contact the Fund Administrator for all investment and claim queries and other admin-related queries

Physical address	Telephone	Email
Fund Retirement Administrators The Marc 129 Rivonia Rd Sandown Sandton	0860 000 071	<a href="mailto:NTRF@momentum.co.za">NTRF@momentum.co.za</a>



# Questions

