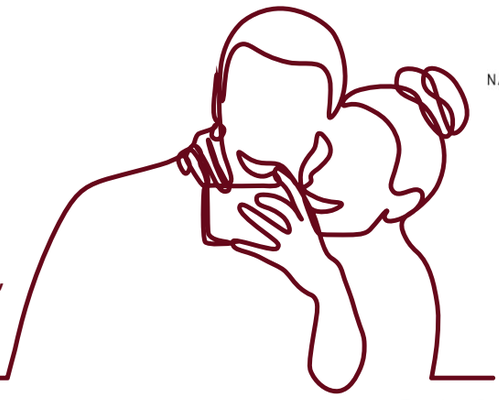
NATIONAL TERTIARY RETIREMENT FUND

# What to do when you RETIRE as an NTRF member



When retiring as an **NTRF member**, you may choose to either:

**1** Retire **Outside** the NTRF (using an external insurer)*

**2** Retire **Inside** the NTRF

When retiring INSIDE the fund, **NTRF members** have the following options available to them:

## In-Fund Living Annuity

### R1.5m accumulated

To qualify for and secure the In-Fund Living Annuity retirement plan, a minimum of R1.5m accumulated pension savings (after commutation) will apply.

### Investing your retirement capital

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; less the monthly benefit paid to you; less the administration cost and other operational expenses. The Board's default investment option will be applied, or you can apply your own choice. If you opt for your own choice, investment experience is required, and you should seek expert advice in this regard.

### Monthly deductions

Administration and other operational costs will be deducted from your account on a monthly basis.

### Drawing-down from your investment

The Board defaults limit your draw-down of money on an age-related basis but you may elect to draw-down less than those limits. It should be noted that your Investment Account can run out of money and you may be left with a very low pension income for retirement. This can happen if the investment return you earn on your Investment Account is lower than anticipated, if your monthly draw-downs are too high (which the Board limits seek to mitigate) or if you and your spouse live longer than expected.

### When you pass away

After you have passed away, the spouse you nominated in your expression of wish form will take over your account and continue to draw-down on the account as per his/her choice. After your spouse has passed away, the balance in his/her Living Annuity Capital Account will be paid to his/her estate.

### Annual review

An annual review of your Living Annuity Capital Account must take place. The Administrator will advise you of your upcoming review timeously and will provide a statement of your investment value, fact sheets, fee structure, and option form to change drown-down amounts, etc.

## In-Fund Life Annuity

### Pension payout fixed and stable

You will know at the outset what pension will be paid; however, you do not have the flexibility to change these terms once your pension payment starts.

### Monthly pension paid lifelong

Monthly pension payable for the rest of your life and includes a provision for your surviving spouse. Monthly pensions payable may be increased from time to time. The value of the monthly pension is determined by budgeting for a pension increase on 1 March every year equivalent to at least 65% of the increase in the Consumer Price Index (CPI) subject to affordability. This increase however, is not guaranteed.

### When you pass away

Upon your death, 75% of your pension at date of death will be paid to your surviving spouse for the rest of her/his life, provided that your spouse was registered with the Fund as your qualifying 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 on retirement) at the time of death of the longer living of you or your spouse, will be paid to your beneficiaries. Beneficiaries can be traced only if your expression of wish form is kept up to date throughout your retired life.

### No investment experience required

You require no investment expertise in managing your in-Fund Life Annuity pension as the Board takes full responsibility for the investment strategy.

### Low-cost structure

This option has a low-cost structure because the Fund does not charge any commissions and it focuses on keeping administration costs and investment fees low.

* Should you rather wish to retire outside of the NTRF, you will need to consult with your personal financial advisor to identify, contact and negotiate with an external service provider of your choice.