

# WHAT IS A LIFE ANNUITY?

In general, an annuity pays you a regular income or pension during your retirement to cover your expenses. Typically a choice between a living or a life annuity, or a blend of the two.



## A LIVING ANNUITY

is an investment product. Your savings are invested in a range of funds to continue growing and you choose to draw an income for as long as there is money in the living annuity.



## A LIFE ANNUITY

is a contract with a life insurance company that can provide you with monthly income (like a salary) for the rest of your life, guaranteed.



Here we cover how a life annuity works...

## WHO IS INVOLVED?



Annuities create an agreement between parties



**01 THE ANNUITANT**  
is the one who pays the lumpsum and gets the income payments.

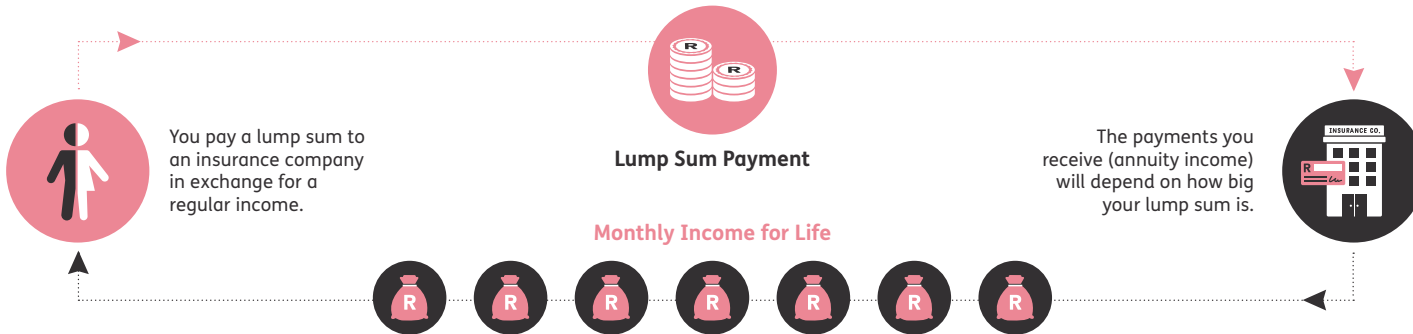
**02 LIFE INSURANCE COMPANY**  
issues the policy and pays the income.



**03 ANY BENEFICIARIES**  
who may receive death benefits, if applicable.

## HOW DOES IT WORK?

Besides your initial investment amount, age and sex, the annuity income also depends on the type of annuity contract you're entering, whether or not it is linked to an investment portfolio or it is a fixed increase annuity and whether or not you want additional insurance (death benefits) that the money will go to your beneficiaries if you die.



Taking your **age** and **sex** into account, the insurance company calculates your starting income based on your **estimated lifespan** (and your spouse's if it's a joint annuity).

## WHAT DO I NEED?

Minimum information is required to get an initial quote:



Purchase amount



Birthday



Sex

(If you want a joint annuity then your spouse's birthday and sex is also required)

## WHO DO I CONTACT?

# JUST.

RETHINK RETIREMENT

Call **087 238 2690** or visit [justsa.co.za](https://justsa.co.za)

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## 1<sup>ST</sup> GET A QUOTE

Like with regular insurance, a life annuity starts out **with a quote.**