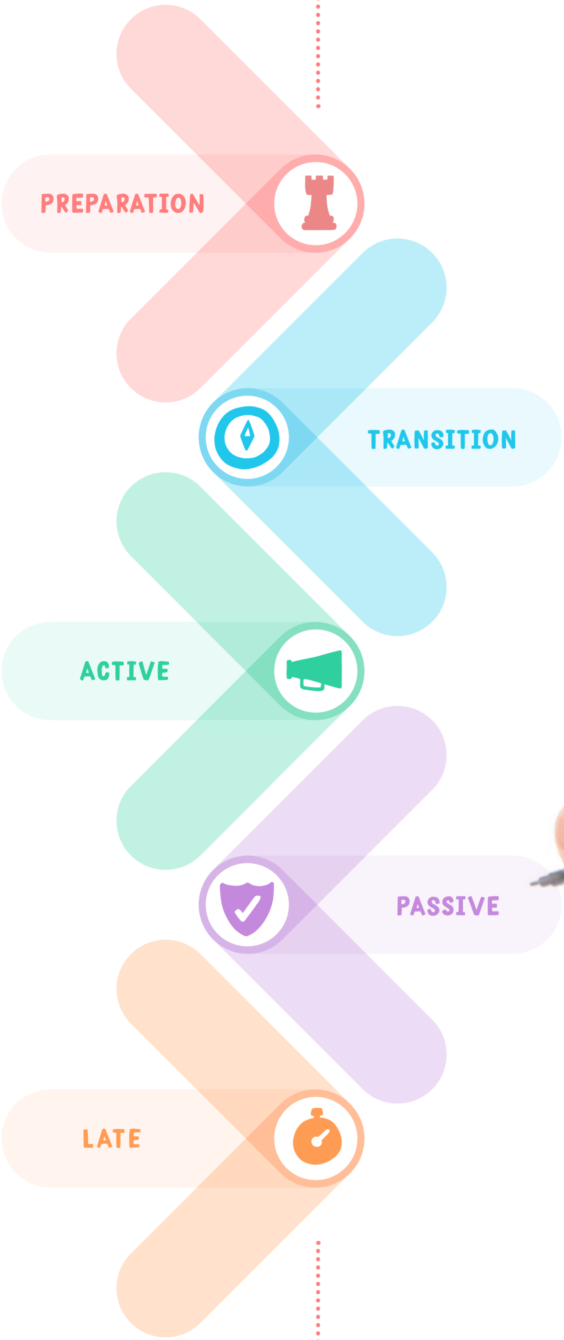
JUST.

RETHINK RETIREMENT

JUSTIFYING THE FIVE PHASES OF RETIREMENT

Retirement phases



RETHINK RETIREMENT

Justifying the Five Phases of Retirement

This article series aims to provide a holistic review of the five phases of the retirement journey and the financial considerations that accompany each one.

The first article looks at ***pre-retirement planning considerations***, the second is about ***navigating the transition phase of retirement***, and the third explores the ***active or 'go-go' phase***. In the fourth article, we look at ***the passive phase of retirement***, and the fifth article covers ***the late retirement phase***, and the often opposing goals of having a lasting income and leaving a legacy.

Contents

Special thanks!

BUSINESS REPORT

Our article series was published in Business Report from May to October 2023. Business Report is South Africa's largest daily financial publication, providing the best and latest business news across South Africa and the world.

Securing your future: pre-retirement planning considerations

***Bonolo Mosoane**, Business Development Manager at Just SA*

Retirement is a significant milestone that requires careful planning and preparation. If you're one of the many South Africans who will retire in the next 5 -10 years, it is crucial to start thinking about your goals for your golden years and taking proactive steps to ensure a financially secure future.

Assess your financial situation

The first step in preparing for retirement is to evaluate your current financial situation – taking your spouse or partner and any dependants into consideration. Take a comprehensive look at your savings, investments, and assets, and consider consulting a financial adviser. An adviser will help you evaluate your financial health and choose a suitable solution that will provide an income in retirement to support your desired lifestyle.

Develop a retirement budget

Your needs and wants in retirement may differ from your current needs and wants – and this will affect your budget. Creating a budget that is tailored to your retirement needs is a good way to get an idea of how much income you will need. Identify your anticipated retirement expenses, categorising them into essentials and discretionary expenses. Essentials typically include housing, healthcare, food, transportation and utilities, while discretionary expenses are generally more flexible and may include holidays, entertainment, socialising, hobbies and other leisure activities.

Once you have identified your expenses, estimate their costs and factor in inflation over time. Remember that people generally underestimate their life expectancy. Retirement can span several decades, so it is crucial to plan for long-term financial stability.

Get to know retirement income sources

The South African Old Age Grant is currently at R2 080 per month for 60+ aged individuals and for those over 75 years old, it is R2 100 per month, which is not nearly enough for the average South African retiree.

Retirement can span several decades, so it is crucial to plan for long-term financial stability.

These figures show why it's important to have your own savings – either through your employer's pension or provident fund or through a private retirement annuity that you contribute to during your working years. When you retire from any of these funds, you are legally required to purchase either a living annuity or a life annuity with at least two thirds of the capital you accumulated in your working years. The greater the sum you have accumulated, the higher the post-retirement income you will be able to enjoy.

Choosing the right post-retirement product will also make a difference to your outcome in retirement. A living annuity is an option that allows you to choose the annual income amount within certain limits, usually as a percentage of the total investment value. There is risk here as the income will fluctuate based on the markets. A life annuity is another option. It provides a guaranteed stream of income for your lifetime, no matter what, and a blended annuity is a combination of both. A blended annuity provides some guaranteed income and some flexible income, or the 'best of both worlds.'

Picture the future

It's a good exercise to think about what you want to achieve in retirement, and how you can make your money work for you in the most sustainable way so that you can enjoy peace of mind. Where might you like to live, which hobbies would you like to pursue, or which meaningful experiences would you like to have? These are all questions to consider.

Understand what is most important to you - certainty or flexibility? The right answer depends on your preferences. Thinking about these two apparent opposites will help you decide which product option is best suited to your future and the income needed to support your wants and needs.

A guaranteed income from a life annuity may be the best option for you, or you may prefer to take more investment risk through a living annuity. A financial adviser will be able to help you choose the right annuity product that gives you the best possible retirement income based on your individual circumstances.

Achieving a comfortable retirement requires careful consideration, financial planning, and informed decision making. And the earlier you prepare, the better.

About Bonolo Mosoane

Bonolo works closely with financial advisers to assist with access to appropriate retirement solutions for their clients. Bonolo's experience with technical product information and processes ensures she understands and can relate to advisers' requirements for their clients. She is key in Just SA's distribution of innovative retirement solutions in a competitive market.

Bonolo holds a BCom degree in economics and financial management, a PGDip in Financial Planning and is a Certified Financial Planner®.

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Navigating the transition phase of retirement in South Africa

***Paul Truscott**, Business Development Manager at Just SA*

Transitioning from working into retirement can be both exciting and overwhelming. During this period, which typically starts anywhere from five years before you retire up to a year or two afterwards, you will face crucial decisions with a lasting impact on your financial well-being.

One of the key decisions you'll need to make is how you will invest your life savings to ensure you have a sustainable income in retirement. Who do you partner with to ensure you make good decisions? And what factors should you consider? In this article, the second in our series on retirement considerations, we go into more detail about your options and highlight the importance of partnering with a financial adviser you can trust.

Once you enter the transition phase, you start to become aware of the complex landscape of financial options. Retirement legislation requires that you invest at least two thirds of your retirements savings into an annuity – either a life annuity, a living annuity, or a blend of both.

One of the key decisions you'll need to make is how you will invest your life savings to ensure you have a sustainable income in retirement.

This applies whether your retirement savings are in a pension fund, a provident fund (accumulated after March 2021) or a retirement annuity (RA). It is easy to get lost in the details and intricacies of the products that are available.

If you choose a living annuity you then have a further layer of decisions to make, including how the money in your living annuity will be invested. This means you take on the risk of making decisions that might jeopardise your retirement income. With a life annuity, which is a guaranteed income for life, the risks are borne by the life insurance company that offers it. A blended annuity is a product that combines a life and a living annuity. As such, you will have control over how part, but not all, of the funds are invested but with the added security that your money will never run out.

When it comes to annuities, each provider has unique nuances to their offerings. This can make it challenging to compare different options and identify the most suitable one for your circumstances. A financial adviser can assist by clarifying the complexities, explaining the fine print, and ensuring you have a clear understanding of what each provider brings to the table. They can help you compare the pros and cons of each, thereby enabling you to make informed decisions.

Factors you should consider before finalising your annuity and investment decisions for retirement include:

Longevity

While nobody knows exactly how long they will live, statistics can help you estimate your life expectancy depending on your age and gender. For example, if you are a 65 year old male, there is a 10% chance you will live to 95 and if you're a 65 year old female, the same probability that you will live to 100. Longevity has a big impact on your retirement planning. If you're choosing a living or blended annuity, life expectancy helps you and your adviser calculate how much monthly income you should be able to sustain, so you don't run out of money too early.

Your risk appetite

Your financial adviser will help you to assess your tolerance for risk to help determine how much of your investment portfolio should be allocated to growth assets (such as equities and listed property) versus more conservative investments. Your risk tolerance is essentially how well you could tolerate periods where your investments underperform. Your risk tolerance could also impact your preference for certainty over flexibility, namely the choice between a guaranteed income from a life annuity or an income that fluctuates with market movements from a living annuity.

Your income needs

What income will you need to meet your day-to-day expenses and maintain your desired lifestyle throughout retirement? A good way to calculate this is to start by listing your essential expenses, such as rent, food, and medical expenses, and then listing your nice-to-haves. This will help you to ascertain where you can cut down, if you must.

Inflation protection

Consider investment options that offer inflation-linked returns to ensure your income keeps pace with the rising cost of living over the long term. Or opt for an inflation-linked life annuity that offers protection against annual inflation as measured by the Consumer Price Index.

Tax efficiency

Understand the tax implications of various investment options and annuity products and choose wisely to minimise your tax liability in order to maximise your monthly income.

The transition phase of retirement in South Africa requires careful consideration and decision making as you settle into your new lifestyle and routines. With the right guidance, you can optimise your life savings and lay a solid foundation for a financially secure and fulfilling retirement, with a retirement income product to match.

About Paul Truscott

Paul works closely with financial advisers and investment professionals to assist them with access to appropriate retirement solutions for their clients. Paul joined Just SA in 2020 from Cadiz Asset Management. Paul also previously worked for Momentum and Sanlam as an investment specialist. His experience generating new revenue streams and identifying opportunities within existing and potential target markets supports Just SA's innovative offering and growth objectives. Paul holds a BCom degree in business management and economics.

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The active phase of retirement: allow for a little more income

***Jacques Theron**, Business Development Manager at Just SA*

Retirement is no longer only seen as a time of sitting back and relaxing. Today, more and more retirees are embracing an active lifestyle that involves staying physically fit, mentally stimulated, and socially connected. In the third, or active phase of retirement, it's likely that ageing hasn't yet taken its toll on your body and mind. In fact, your cognitive, physical, and social resources could be at their highest level than at any other time in your golden years.

Today, more and more retirees are embracing an active lifestyle that involves staying physically fit, mentally stimulated, and socially connected.

In this phase you still want to learn and grow and you're starting to enjoy some of the activities you've planned for, such as travel and taking up new hobbies and interests. You've bought your pension (in the form of a life annuity, a living annuity, or a blend of both) and you're testing out your new financial reality.

While the standard wisdom is that you'll only need around 75% of your pre-retirement income once you retire, this might not hold true during the active phase. It can be expensive to fund your travel dreams and new hobbies, and you might need to allow yourself a bit more leeway in this phase, which can last anywhere up to (and maybe beyond) the first ten years of your retirement. For those who have not saved enough or have not budgeted accordingly, this might mean finding a way to increase your income, such as a part-time job or consulting in the field of your pre-retirement career. Whatever the case, active retirement should be about living your retirement dream.

To support your chosen lifestyle, we believe managing your investment portfolio with the help of a qualified financial adviser is crucial. And the decisions you make at the beginning of retirement can impact your financial future. When you retire, you are legally required to use the bulk of your retirement savings to secure an income. You have the choice of investing in a guaranteed life annuity or an investment-linked living annuity, or a combination of both. A living annuity allows you to choose and manage the underlying investments, but you should ensure that you are not withdrawing too much, otherwise you could run out of funds, especially when investments are underperforming. However, if you've chosen a life or guaranteed annuity, your risks are greatly reduced as it is an insurance policy that ensures your income is paid over your lifetime.

An often-overlooked consideration in retirement finances is inflation. Over time, the cost of goods and services tends to increase, eroding the purchasing power of your savings. Inflation is typically measured by the Consumer Price Index (CPI), which relates to a basket of goods that an average person will buy. But in retirement, you might also experience medical inflation, which can be higher than the CPI.

Planning for retirement can be challenging, but it's also an opportunity to build a retirement plan that can ensure you're comfortable at each phase of retirement, your income is secure, and you are able to have fun.

Planning for retirement can be challenging, but it's also an opportunity to build a retirement plan that can ensure you're comfortable at each phase of retirement, your income is secure, and you are able to have fun.

It is vital to understand the different options available to you when you retire to protect yourself from rising inflation and ensure your income is able to at least cover your essential expenses. For many, some of these products can seem complex and difficult to understand. This is understandable, given that over the years, regulations have changed, and an increasing number of products and services have been added to the mix. This is why the role of a financial adviser is paramount. Especially at retirement where clients are suddenly expected to make fairly quick decisions about how best to ensure their savings are invested optimally in order to deliver a sustainable income for the rest of their lives.

In the next article in this series, we will look at the role of luck in a retirement portfolio and how you can eliminate it – both good and bad – and ensure your finances are in good shape for the future.

About Jacques Theron

Jacques works closely with financial advisers and investment professionals to assist them with access to appropriate retirement solutions for their clients. He manages key accounts for the business, and maintains long-term relationships with Just SA's partners and independent financial advisers.

Prior to joining Just SA in 2016, Jacques held roles with several high-profile companies in South Africa, focusing on finding relevant solutions to meet the needs of various client bases. His expertise lies in operations management and specialist consulting.

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Minimising the 'luck' factor in the passive phase of retirement

***Jaco Pienaar**, Business Development Manager at Just SA*

We sometimes hear people say their retirement savings will last for as long as they live – if they're lucky. While it's true you can't predict how long you'll live for, and you can't predict how investment markets will perform, there are ways to minimise the role of luck in your retirement planning.

One of the reasons luck plays a role in whether your retirement savings will go the distance is the fact that investment markets are essentially random. In other words, they often go up and down for random reasons and there's not much anyone can do to predict or control this. Fortunately, short-term market movements play a relatively small role in how long your retirement investments will last.

On the other hand, long-term market trends can either set you up for a happy retirement with enough money to last a lifetime, or a potentially unhappy retirement where you run out of money prematurely. This is because the returns your portfolio makes early in retirement have a disproportionate impact on the overall outcome.

If you're lucky, you retire at the beginning of a long-term bull run, where markets go up in value overall. But if you aren't lucky and you retire in a bear market where markets go down, you're more likely to run out of money. If you aren't lucky enough to retire into a bull market, you can still minimise the role of luck in your retirement finances.

Even if you have saved a substantial sum of money that should be more than sufficient to fund a comfortable retirement, if you invested your retirement savings in a living annuity and your withdrawal rate rises above a sustainable level, then luck plays an increasingly important role. Minimising the role of luck, then, is strongly related to keeping a tight rein on your withdrawals.

One of the reasons luck plays a role in whether your retirement savings will go the distance is the fact that investment markets are essentially random.

What is the right level of withdrawals? If you're a 65-year-old male when you retire, the most you should draw from your capital is 5.5% a year. So, for example, if you've saved R1 million, the most you should take as an income a year is R55,000 a year, or R4 583 a month. As women tend to live longer than men, the figure for a 65-year-old female is 5% (R50 000 in this example). This is based on the average lifespan of a male who retires at 65, which is 82 years. For females retiring at 65 the average lifespan is 87.

Cutting your spending is a good way to help your retirement savings last. In the fourth, or passive phase of retirement you will probably start to slow down a little, take fewer trips and maybe even downsize your primary residence. It makes sense that if you're doing less, you're also spending less money.

However, this is also the phase where health concerns such as an illness or the need to take expensive medications may arise. This should be taken into account as some expenses during the passive phase may be higher than you've planned for. A rule of thumb is to budget for medical costs to increase by 2-3% a year more than general inflation. So, if inflation is running at 7% per year, make sure you budget for your medical expenses to increase by 9 or 10% a year.

Also, what happens if you live beyond the averages? If you are budgeting to meet your living and medical expenses from your own savings in a living annuity, you need to allow for the fact that you may live to age 95 as a male or 100 as a female. This is used as a rule as there is a 10% chance of that happening – planning for anything shorter is thus risky.

A further way to help minimise the role of luck in this phase of retirement is to take another look at how you've invested your capital. If you invested all your savings solely in a living annuity, perhaps it's time to consider switching some of it into a life or guaranteed annuity. Remember, investing solely in a living annuity for the duration of your retirement is only appropriate if you've saved enough capital to give you a sustainable income for life. If you haven't saved enough, don't rely on luck to grow your capital once you retire. Luck isn't a strategy.

If you haven't saved enough, don't rely on luck to grow your capital once you retire. Luck isn't a strategy.

With a life or guaranteed annuity, on the other hand, the monthly income cannot go down and it is guaranteed for as long as you live, which eliminates the luck factor.

In summary, here are a few ways to minimise the role of luck and ensure your retirement savings go the distance:

- Realise that even if you're less active, your monthly expenses won't necessarily go down because your medical expenses are likely to increase.
- Consider securing some of your income by investing in a life or guaranteed annuity. Ask your financial adviser to look at your options.
- Make sure to regularly review your retirement planning and investment strategy. The older you live, the longer you're likely to live. Now is a good time to re-evaluate where you are and how long your savings will need to last for.

About Jaco Pienaar

Jaco manages high-profile client and stakeholder relationships. He also focuses on generating new revenue streams and identifying opportunities within existing and potential target markets.

Prior to joining Just SA in 2017, he spent 11 years at PPS with a focus on risk and investment products. He is passionate about ensuring that retirees have the right tools for a sound retirement plan as well as the right cover based on specific financial needs. Jaco holds a Masters degree in business leadership and is currently pursuing another Masters degree in philosophy and marketing management.

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The late phase of retirement: you can't pour from an empty cup

__Clive Lazar__, Business Development Manager at Just SA

Having an income that lasts and leaving a legacy are often opposing ideas. Practically speaking, choosing an annuity product with the intention to provide for your dependants when you pass away could actually result in you being dependent on them in the late phase of retirement. Rather than being conservative in order to leave money to heirs, focus on reducing your risk of depending on your loved ones later in life.

Financial self-care

Self-care is not just a matter of looking after yourself physically, mentally, and emotionally. It also means looking after yourself financially.

Ideally saving for retirement should begin with your first paycheck as you can't expect less than 40 years of saving to pay for 40 years of retirement. Given the fact that people are living longer, this could be a real possibility.

At retirement, if you are retiring from a pension fund or a retirement annuity you can take up to one third in cash and the remaining two thirds must buy an income generating product such as a life annuity or a living annuity. For provident fund members, the rules are slightly different as legislation changed in 2021. Obviously, it's beneficial if you can avoid taking the cash, and rather add that to your capital when you buy an annuity.

Since they were introduced in the late 1990s, living annuities have been the choice of the majority of South Africans when they retire. They like the fact that living annuities are more flexible than life annuities, as well as the fact that you can leave capital to heirs.

Rather than being conservative to leave money to heirs, focus on reducing your risk of depending on your loved ones later in life.

Living annuities enable retirees to draw down different levels of income, within certain limits, and to change this amount every year. A recent study of around 20% of the living annuity market revealed an average drawdown rate of 8.5% per year, when in fact considering the respective ages and sexes of this group of lives, the average safe drawdown rate should be 5.3% per year. A propensity for high drawdown rates in the early phase of retirement may mean you have to try to recover in the active or passive phase, but by then the risk of outliving your income in the late phase is already at dangerous levels.

Notwithstanding, investment markets haven't been performing very well, which means it has become increasingly difficult to achieve enough investment growth for a living annuity to offset the detrimental effect of higher drawdowns. There is also the issue of rising inflation, which has eroded the buying power of many retirees' incomes.

There is also a common inclination to take out a living annuity at retirement and then switch to a life annuity only in the late phase of retirement, to guarantee an income for the rest of your life and avoid running out of money. However, the misperception is that the later you wait to buy a life annuity, the better the annuity rate. While it's true that annuity rates are higher for older ages, they are not better value for money. For example, the only reason that you can buy a life annuity at age 70 with an annuity rate of, say, 10%, versus buying one at 65 with a rate of 8.5%, is that at 65 you're buying five more years of income.

As the saying goes, you can't pour from an empty cup. The actions you take today to ensure that you don't end up outliving your income, particularly in the late phase of retirement, are important and ideally should be discussed with a financial adviser.

Some considerations include:

- Start saving for retirement from your first paycheck.
- Educate yourself about investment products. If you don't have a company pension plan, take out a retirement annuity as soon as you possibly can. The minimum monthly contribution for most retirement annuities is R500, and your contributions are tax deductible.
- Plan for retirement from the outset with the help of a qualified financial adviser. They can help you estimate how much you're likely to need to suit your desired lifestyle.
- Before you retire, make sure you understand the differences between retirement income products like life and living annuities, and the benefits and drawbacks of each so you can make an informed decision.
- If you're already retired and you invested your savings solely in a living annuity, consider switching some of it into a guaranteed life annuity or investigate the benefits of a blended annuity. Remember, investing solely only in a living annuity for the duration of your retirement is only appropriate if you've saved enough capital to give you a sustainable income for life.

About Clive Lazar

Clive works closely with financial advisers and retirement funds to assist them with access to appropriate retirement solutions for their clients.

Prior to joining Just SA in 2019, he spent 13 years at Alexander Forbes as a principal consultant to retirement funds, providing strategic consulting to boards of trustees of retirement funds and organisations, focusing on employee benefits. His experience with these channels helps support the distribution of innovative retirement solutions as well as Just SA's growth in a competitive market. Clive holds a BCom Honours degree and is a Certified Financial Planner®.

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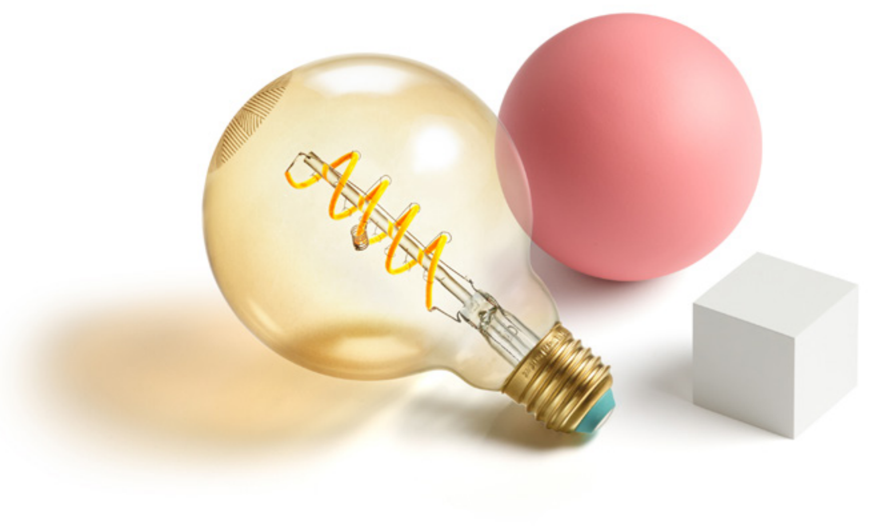
The five phases of retirement – a review

***Heather Bell**, Business Development Manager at Just SA*

Retirement is a significant milestone that requires careful planning and preparation, preferably throughout your working years. Achieving a comfortable retirement requires informed decision making. And the earlier you prepare, the better.

PHASE ONE
pre-retirement

In the last 5-10 years of your working life, it is crucial to start thinking about your goals for your golden years and taking proactive steps to ensure a financially secure future. A good exercise is to create a vision for your retirement and how you can make your money work for you in the most sustainable way so that you can enjoy peace of mind when you finally retire. Where might you like to live, which hobbies would you like to pursue, or which meaningful experiences would you like to have? These are all questions to consider.



PHASE TWO
the transition phase

In this phase you are transitioning from the daily grind into retirement and the relaxation that should accompany it. This can be both exciting and overwhelming, however. During this period, you will face crucial decisions with a lasting impact on your financial well-being. One of these is how you will invest your life savings to ensure you have a sustainable income in retirement. Retirement legislation requires that at least two thirds of your formal retirement savings from a pension fund or a retirement annuity must purchase an income generating product, either a life annuity, a living annuity or a blended annuity.

If you haven't already, we recommend you engage the services of a financial adviser. He or she has the tools to help you assess your current financial situation and advise you on which annuity product is best for you to support the lifestyle you desire.

In the last 5-10 years of your working life, it is crucial to start thinking about your goals for your golden years and taking proactive steps to ensure a financially secure future.

PHASE THREE
the active phase

Today, more and more retirees are embracing an active lifestyle that involves staying physically fit, mentally stimulated, and socially connected. By this point, you've most likely bought your pension (in the form of a life annuity, a living annuity, or a blend of both) and you're testing out your new financial reality.

While the standard wisdom is that you'll only need around 75% of your pre-retirement income per month once you retire, this might not hold true during the active phase. It can be expensive to fund your travel dreams and new hobbies, and you might need to plan for giving yourself a bit more leeway in this phase, which can last anywhere up to (and maybe beyond) the first ten years of your retirement.

Self-care is not just a matter of looking after yourself physically, mentally, and emotionally. It also means looking after yourself financially.

PHASE FOUR
the passive phase

In this phase, you're probably slowing down a little, and spending less on travel, hobbies, and new experiences. Unfortunately, this is also the time when medical expenses can start to mount.
If you invested in a living annuity when you retired, staying on top of how much you are withdrawing each month is crucial. If you were a 65-year-old male when you retired, research says the most you should draw from your capital is 5.5% a year. The figure for a 65-year-old female is 5% a year as women tend to live longer.

PHASE FIVE
late retirement

Once you're in late retirement you might think about leaving a legacy. However, having an income that lasts and leaving a legacy are often opposing ideas. Self-care is not just a matter of looking after yourself physically, mentally, and emotionally. It also means looking after yourself financially. Some people decide to switch from a living annuity to a life annuity in this phase so that they can enjoy a guaranteed monthly income for the rest of their lives. As you're already in your late phase of retirement, you could enjoy a good deal!

The actions you take today, and how you continually manage those decisions in retirement to ensure that you don't end up outliving your income, particularly in the late phase of retirement, are important and ideally should be discussed with a financial adviser.

About Heather Bell

Heather works closely with financial advisers, specifically Alexander Forbes advisers, to assist them with access to appropriate retirement solutions for their clients. She has a vast knowledge of the insurance industry, including systems and processes. Heather joined Just SA in 2016 as a client service manager focusing on operations, and in 2020, she became a business development manager. She previously held positions as a client relationship manager at Sanlam, a servicing consultant at Discovery and has performed various client services and administration roles at different insurers including Old Mutual. She is currently pursuing a BCom degree in Business Management through UNISA.

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More about Just SA

Who is Just SA?

Just SA is a retirement income specialist. We believe our life annuities address important gaps left by traditional providers of life and living annuities in South Africa.

Just SA entered South Africa in 2015 to address the shortcomings in the annuity market highlighted by National Treasury's retirement reform papers, the precursor to the Default Annuity Regulations.

We designed features that are unique to Just SA's proposition. Just SA partners with best-of-breed independent asset managers and administrators to provide an enhanced value proposition to meet the different needs of South African retirees.

We are a wholly owned subsidiary of Just Group plc, one of the UK's leading providers of retirement financial solutions.

Just Retirement Life (South Africa) Limited is a registered life insurance company, regulated by the Prudential Authority of the South African Reserve Bank and the Financial Sector Conduct Authority as an authorised financial services provider (FSP no. 46423).

A better later life

We offer a range of products to help make the most of your financial resources in retirement.

Secure a guaranteed income for life, with increases linked to the performance of a balanced investment portfolio.

JUST LIFETIME INCOME is available as a standalone with-profit annuity or as a lifetime income portfolio in a blended living annuity.

Or you can secure a lifetime income with fixed increases, guaranteed for life:

JUST FIXED ESCALATION INCOME

JUST INFLATION-LINKED INCOME

JUST LEVEL INCOME

The best of both

One way to better manage the higher risk of a living annuity and the rigidity of a guaranteed life annuity is to use a **blended annuity**, a retirement income product that has the best of both in one.

Just SA partners with living annuity providers to provide a guaranteed income within an investment product.

A **blended annuity** offers the ability to partially annuitise inside the living annuity. You can balance the various trade-offs by switching additional tranches into the guaranteed life annuity component when you need to, and build an optimal portfolio over time.

Benefits of including **Just Lifetime Income** as a portfolio inside a living annuity:

- The combination improves the sustainability of the living annuity
- You can secure an amount to cover essential expenses and provide a safety net
- It allows for a more aggressive investment strategy to be adopted on the discretionary assets
- It allows an optimal balance between income security, flexibility, and capital legacy

Rethink retirement

We also offer products to complement retirement income planning.

Our other products can be used effectively in retirement income planning. These are available to anyone who may find them useful before, or in retirement:

Our five-year **LINKED ENDOWMENT** policy with a specified withdrawal option provides an investment solution to support long-term savings goals.

Our **TERM CERTAIN INCOME** pays a guaranteed income of a predetermined amount for a chosen period.

Or you can combine the two where you get a stream of income over five years, and your capital back.

Do you need advice?

It is worth considering advice from a qualified financial adviser, especially if you need help:

- Understanding your options at retirement
- Taking account of your personal financial circumstances
- Considering how your retirement savings can be used with other savings and investments to meet your financial needs
- Considering the tax implications of your choices

Visit our website for more information or contact us for a list of financial advisers accredited to provide advice on our products.

justsa.co.za

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RETHINK RETIREMENT

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