



UCTRF

Living Annuitants' Notice

November 2018

UCTRF Living Annuitants' Information Session



The UCTRF Office and Simeka will present an information session on 29 November 2018 when the bulk of the annuitants receive their drawdown forms. The session will cover:

- 1 Drawdowns in the current financial markets;
- 2 Investment performance and how it affects annuitants in making those drawdowns decisions;
- 3 Outlook of financial markets;
- 4 Conversion options and when to consider these.

Fund values



The Retirement Fund Web provides all members with state-of-the-art retirement fund administration processes and member communication tools online, anytime, anywhere. You can also view your benefits and related information. Your unique login details ensure that all your information is kept confidential and secure at all times.



You can log in to the Retirement Fund Web to view your values online. **If you need help logging on go to <https://www.uctrf.co.za/6/P/Sanlam-Member-Site>** where the process is explained.

Annual drawdown choice

The revised drawdown forms are now inclusive of rand amounts and have a note stipulating that these are estimates and that the value would be subject to change depending on the annuitant's value at anniversary date.

The annual drawdown percentage you select and the investment portfolio you choose to have your capital value invested in are both crucially important decisions. Although it is the aim of the Board to provide as much information as possible to empower our members and pensioners to make informed decisions, we are not able to provide individual financial advice. Therefore, we strongly recommend that living annuitants obtain the assistance of a certified financial advisor.



Visit the Financial Planning Institute's website if you are looking for a financial advisor, or to establish whether your existing advisor is a certified member of the Financial Planning Institute.
https://www.fpi.co.za/FPI_Consumers/Find_A_Financial_Planner_Basic.aspx

What the UCTRF requires from you

Your Annual Income Adjustment Letter will be distributed before your anniversary date. You will note various changes to the form, which have been made to assist you in your decision. The following percentages are included in your letter:

 The annual maximum drawdown percentages calculated by the Actuary

 The lower recommended maximum rate

The capital is yours, but so too is the investment risk. If you take too much too quickly and/or the investment markets perform poorly, the "account" – the balance of your capital - may decrease to such an extent that the income provided is far from sufficient. Drawing in excess of the actuary's maximum is effectively guaranteed to lead to reductions in value (especially for members invested in Portfolio A).

Kindly take a moment to:

- ✓ Check your postal and residential addresses to ensure that the administrator has your current information on the system and that the necessary communication will reach you;
- ✓ Indicate whether you would prefer to receive future communication via email. If so, please provide us with your email address;
- ✓ Complete the income adjustment form annually and return it to the administrator timeously.



*It is **IMPORTANT** that you complete the declaration if your current drawdown is higher than the actuary's recommended maximum drawdown percentage and you wish to continue drawing this percentage, or if you choose a higher percentage than the actuary's recommended percentage.*

Recommended income withdrawal

The UCTRF and its Actuary have compiled a table of maximum recommended income withdrawal percentages to help our living annuitants in selecting an appropriate level of income to withdraw, given their age. The percentages in the table give an indication of the maximum percentage that should be withdrawn to target (though not guarantee) an income to last for life, depending on whether increases are required or not, and whether provision should be made for income to continue for a spouse on the living annuitant's death. These are derived from annuity rates available from an insurer.

The limits are set to target an income level that should not reduce in real terms (after allowing for inflation) according to your life expectancy, without exceeding the regulatory maximum draw-down rate of 17.5%.

Other options

As a living annuitant you can also, if you feel that it would be right for you, switch from a living annuity to a life annuity at a later stage.



*Please **REMEMBER** to seek professional advice before making any potentially life-changing financial decisions.*