



Benchmark Retirement Options



Benchmark Retirement Fund

Efficient. Trusted. Namibian.

Planning for retirement

The product you choose when retiring will be a decision which will have a major impact on your life. You need to plan for retirement early enough and consult an intermediary at least 3 to 5 years before retirement. Whether you will utilise a living annuity or a life annuity at retirement should influence your investment choices you make in the 3 to 5 years before reaching retirement age.

Retirement options

You can join the Benchmark Retirement Fund on retirement; you do not have to be a member of the Fund before reaching retirement. The Benchmark Retirement Fund offers various products to members at retirement.

Option 1: Member choice living annuity

When reaching retirement age (depending on the rules of the retirement fund in which you participate), your accumulated fund credit can be transferred to an investment linked living annuity in the Benchmark Retirement Fund to generate a monthly pension.

The monthly pension is chosen by you. Taking the requirements of the Income Tax Act into account, your pension can be selected between 5% and 20% of your capital. When utilising Benchmark, this rate can be changed by providing one month written notice.

The monthly pension will be a function of the amount of capital invested, the investment returns earned and the drawdown rate chosen.

Option 2: Default living annuity

The Fund also offers a default option should you not want to make an active choice in terms of the investment portfolios and drawdown rates.

The main characteristic of this product is that it combines a default investment portfolio with a default age-based drawdown strategy to manage the income over the life of the annuity.

You still retain the investment and longevity risk, but the Trustees assist you to manage these risks.

Option 3: Default life annuity

If you prefer to utilise a life annuity to generate a monthly pension, the Fund offers a default life annuity for persons reaching retirement age. The annuity is fully underwritten by a large Namibian insurance company. The product provides for the escalation of the pension, and pension payments are guaranteed for the longer period of life or 10 years.

If you have a spouse at retirement, the spouse will continue to receive a reduced pension after your death.

Living annuity versus life annuity

Living annuities are quite different to life annuities. Both have distinct features and it is imperative that your intermediary explains these differences to you to ensure that the correct product is applied to suit your personal circumstances.

Switching between annuities

You can switch from a living annuity to a life annuity. You can therefore initially utilise a living annuity and as circumstances change you can switch to a life annuity. This could be in the form of a partial switch or by transferring all your capital from a living annuity to a life annuity.

Note that any investments made into a life annuity cannot be switched to a living annuity.

Combining annuities

You can split your retirement capital and invest a portion into a living annuity and a portion into a life annuity. Ask your intermediary whether this could be a suitable arrangement for you.

Features of a typical **life** annuity

- Longevity risk is transferred to an insurance company.
- Investment risk is transferred to an insurance company.
- Investments are managed by the insurance company.
- The monthly pension is determined upfront when choosing the life annuity product. The insurer guarantees these payments (terms and conditions do apply however, which you need to be aware of).
- Investment capital is transferred to the insurer and can therefore not be passed onto beneficiaries at death of the pensioner.
- Minimum periods for which the pension will be paid by the insurer usually apply. A spouse may also receive a reduced pension on death of the pensioner if that option was chosen.

Features of a typical **living** annuity

- Longevity risk is retained by the pensioner.
- Investment risk is retained by the pensioner.
- The investment strategy is determined by the pensioner.
- The drawdown rate, which determines the monthly pension, is chosen by the pensioner.
- At death, the remaining capital can continue to generate a monthly income for your beneficiaries.



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Intermediaries

- Visit www.rfsol.com.na/benchmark for a list of intermediaries.

Registration details

- Reg. no. 25 / 7 / 7 / 489
- Income tax ref. no. 12 / 1 / 12 / 462

Contact details

- Website
www.rfsol.com.na/benchmark
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Administered by



Retirement Fund Solutions

Managed by Namibians. Trusted by Namibians.