



# Sanlam Guaranteed Escalation Annuity

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Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

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# Sanlam Guaranteed Escalation Annuity

The **Sanlam Guaranteed Escalation Annuity** is the most simple of the Sanlam annuities product range, that gives pensioners access to quality retirement solutions. It provides a guaranteed income for life and offers fixed, predetermined pension increases.

Pensioners can choose a pension increase rate between 0% (level annuity) and 8%, based on their preference for a higher starting pension or a higher future pension increases.

Pensioners are paid for as long as they, and their nominated spouse, may live.

If you have employees who are nearing retirement, now is the time to plan.



# Why choose Sanlam?

- More than 100 years industry experience
- Largest insurer in South Africa
- We administer over 330 000 annuities
- Annuity Book Size: R175 billion
- Solvency cover ratio of 173%
- Level 1 BBBEE certified

## Why Choose Sanlam Guaranteed Escalation Annuity

- The Sanlam Guaranteed Escalation Annuity is a life annuity with a **fixed increase rate**, providing certainty, predictability for future planning, and a choice of the rate of pension growth
- The Sanlam Guaranteed Escalation Annuity has a **20 year track record**
- Pensions are guaranteed to be paid for life and **increase at any predetermined rate up to 8% per annum**
- Pensions are **not exposed to investment volatility so any economic instability does not impact your pension**

# Sanlam Guaranteed Escalation Annuity **Options**

The following increase options are common for Sanlam Guaranteed Escalation Annuity but increases of between 0% and 8%, may be selected, as the pensioner prefers.

## 6% Increase

Selecting a higher pension increase rate such as 6% means there is a better chance of pensions being protected against inflation, and the purchasing power being maintained throughout the life of the pensioner and their spouse.

## 4% Increase

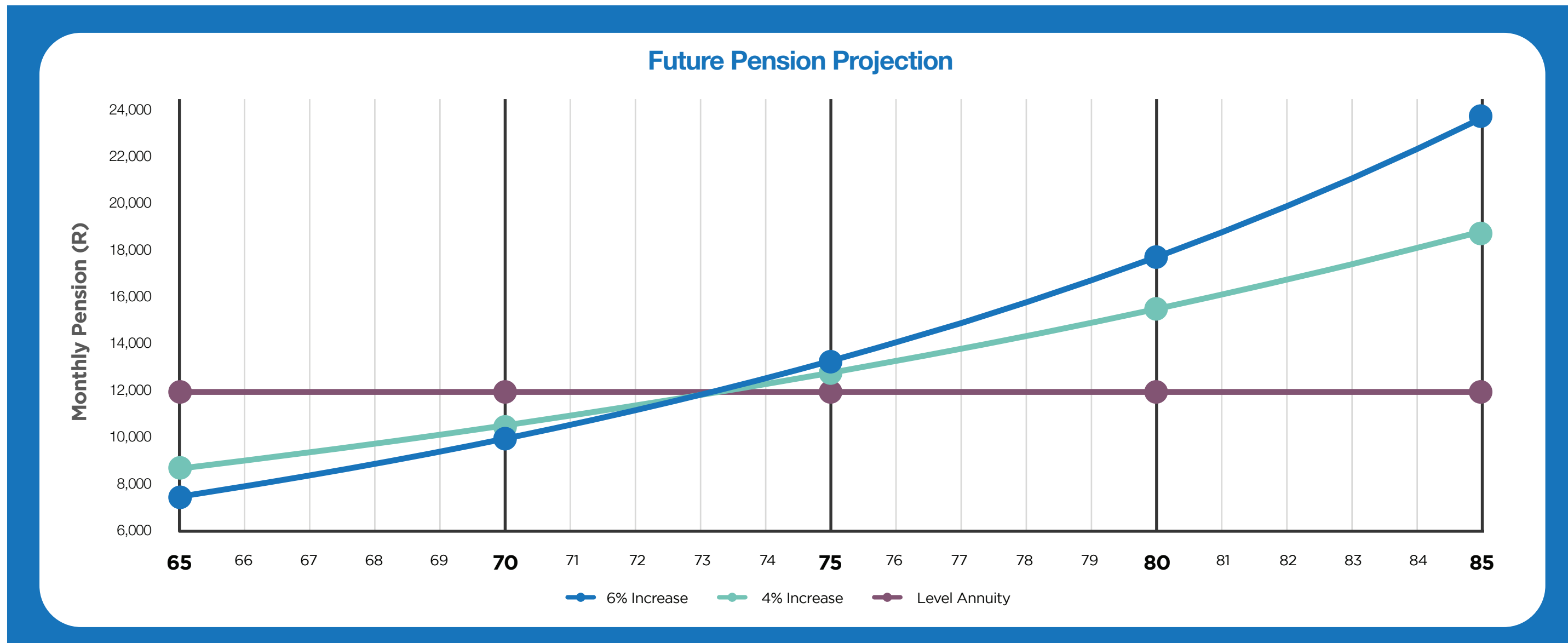
A 4% Increase annuity provides a balance by offering a higher starting pension than a 6% Increase annuity, whilst still offering increases that may mitigate the impact of future price increases.

## Level Annuity (0% increases)

A level annuity offers the pensioner the highest possible starting pension for a guaranteed annuity. Suitable for those who may have a higher initial income requirement. Price increases may affect the future purchasing power of the pension over time.

# Sanlam Guaranteed Escalation Annuity Options

The following example demonstrates the approximate starting pension that a 65 year old male retiree might expect to receive, and how it progresses in the future. Whilst the Level Annuity starts off higher, the 6% Increase overtakes it later, with the 4% Annuity somewhere in-between. Increases are constant and do not depend on inflation or investment returns and pensioners may select an increase rate of up to 8% per annum.



# Fees

All fees detailed below are included in the purchase price and/or starting pension calculated in your quotation, and no additional fees are deducted throughout the remaining life of the policy.

## Initial Administration Fee

R 350 and 0.3615% of the purchase price. This covers the take-up costs in respect of data administration, record capturing, and the issue of policies.

## Ongoing Monthly Fee

R25 per pensioner per month. This covers the valuation, solvency calculations, administration and record keeping activities relating to each pensioner



# Understanding your Annuity

## Guaranteed Period

The period, up to 20 years, that the full pension is guaranteed to be paid, regardless of whether the pensioner or spouse is alive.

## Single Life Pension

The pension is payable until the latter of the guarantee period OR the death of the pensioner.

## Joint Survivor Pension

After the death of the pensioner, their surviving spouse continues to receive a pension until their death. It may reduce by a pre-specified proportion.

## Children's Pension

The pension is payable to specified children, until a specific age.

## 13<sup>th</sup> Cheque

An additional payment, which can be made in any month, such as December when you would have received a bonus.

## Flexible Increase Date

You may specify the month in which the increase is granted, e.g. January, February, etc.





# Additional Resources

Click on any of the following topics to browse to the resource on our website:

Products Info Sheet

The Sanlam Guaranteed Escalation Annuity is Sanlam's most simple annuity product, which provides pensioners, retired spouses and investment risk-averse investors with a clear and simple way to secure their future. It offers the option of a high starting pension.

Why choose Sanlam?

- More than 100 years of global experience
- Largest insurer in South Africa
- We administer over R50 000 million
- Annuity book size: R100 billion
- Internal cover ratio: 150%
- Local 100% owned

Why Sanlam Guaranteed Escalation Annuity?

- The Sanlam Guaranteed Escalation Annuity is a life annuity with a fixed increase rate, providing certainty and predictability for the future pensioner and a source of reliable income for pensioners.
- The Sanlam Guaranteed Escalation Annuity has a 90-year track record.
- Pensioners are guaranteed to be paid for life and receive a fixed increase rate and a fixed amount.
- Pensioners are not required to invest in a fund or to invest in a fund.

Future Pension Increases

Future pension increases are predetermined, and fixed at the rate selected by the pensioner during their application. Increases are based on inflation or investment returns. Pensioners may select their pension to increase by up to 10% per annum. For the highest starting pension, a 10% increase is chosen as a 'best annuity' option selected.

Future Pension Illustration

Example of the starting and future monthly pension payments for a 60-year-old male

Age	Starting Pension (R p.m.)	Future Pension (R p.m.)
60	10,000	10,000
70	10,000	11,000
80	10,000	12,100
90	10,000	13,310
100	10,000	14,641

Video | The Centenarian: Financial Strategy in Old Age

How much is enough?

R 10,000 p.m. (R 120k p.a.)

Age	Monthly Pension	Annual Pension
Age 80	20x120k	R 2.4m
Age 90	30x120k	R 3.6m
Age 100	40x120k	R 4.8m

Video | Decisions at Retirement

Decisions at Retirement

Life Annuity Product Range

Life Annuity Product Range

Video | Retirement and Annuities

Retirement and Annuities

See more of our product range [here](#)

# Contact us

Quotations, support and questions:

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Sanlam Life is a Licensed Life Insurer, Financial Services  
and Registered Credit Provider (NCRCP43).

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