

Terms for Compulsory life annuities



A. General

1. These investment terms, the fee and benefit proposal and the investment application form are the basis of the agreement between you and Momentum Metropolitan Life Limited, administered by Momentum Wealth (Pty) Limited (hereinafter referred to as we).
2. This agreement is subject to the laws of South Africa and is subject to the Income Tax Act. We will deduct tax where applicable.
3. We are committed to comply with anti-money laundering, counter-terrorist financing, anti-bribery and anti-corruption legislation. This means that we can ask you for more information when needed.
4. We will review your application when we receive it with all the supporting documents. When we have received the transfer amount from the transferring retirement fund, we will accept your application and this agreement can start.
5. If we change the terms of this agreement, we will notify you. We publish our terms online at momentum.co.za. You can find the latest terms document online. You agree to be bound by the latest version of the terms.
6. We may immediately cancel this investment or place it on hold, refuse any transaction or instructions, or take any other action considered necessary to comply with the law and prevent or stop any undesirable or criminal activity.
7. We may cede our rights and obligations in this agreement to another authorised financial services provider.

B. Your product

1. Traditional annuities and the life insurance policy for the Capital Protector are life insurance products, underwritten by Momentum Metropolitan Life Limited, a licensed life insurer under the Insurance Act and administered by Momentum Wealth (Pty) Limited.
2. We hold professional indemnity and fidelity insurance cover as required by law.
3. We take all the income you receive from Momentum into account to calculate tax. This income is taxed as gross income.
4. In the event of a change in legislation governing the taxation of long-term insurers, or any other legislation that will affect the income of this investment, we will change it to take into account the effect of this change.
5. We can, at any time, ask for proof that the annuitants are still alive. If we do not receive this proof, we can stop paying the income until we receive this proof.
6. You cannot withdraw any cash from your investment, transfer it to another provider or owner, or use it as security.
7. You can only cool-off this agreement if the transferring retirement fund or Financial Services Provider instructs us to reverse the transfer. You can cool-off within 31 days after receiving your investment confirmation or a reasonable date as determined by us for when you would have received this information. If you do this, the transfer amount will be the sale proceeds from the investment components after we have reversed the administration and adviser fees. Changes in the investment market and exchange rates between currencies can affect the investment value, which means you can get back less than what you have invested.

Single-life and joint-life annuities:

8. The investment will pay a regular income while the annuitants are alive. You can also choose a guarantee term for the income and you can choose that the income increases each year.
9. The purpose of a life annuity is to give you an income for life. A lump sum is paid to us and we undertake to pay you an income in return.
10. Where you have chosen for your income to increase, it will increase each year in the month that your investment started.
 - 10.1 For inflation-linked increases we use the consumer price index (CPI) as published by Statistics South Africa for the year ending four months before.

11. If you have chosen a guarantee term, you may nominate beneficiaries for this investment.

11.1 If you have chosen a guarantee term and the last annuitant dies before the end of the guarantee term, we will keep paying the income until the end of this term, or as a once-off lump sum amount. We will make these payments to your nominated beneficiaries or your deceased estate.

11.2 You may cancel or nominate a new beneficiary. You can change or cancel beneficiary nominations in writing. The change will only be valid once we confirm it.

12. If the guarantee term has ended and the last annuitant dies, the investment will end and we will stop paying the income.
13. If there is no guarantee term and the last annuitant dies, the investment will end and we will stop paying the income.
14. At the start of your investment, joint-life annuities allow you to choose whether to reduce the income when one of the annuitants die.

Capital Protector

15. The Capital Protector combines a life annuity and a whole-life policy.
16. If you choose the Capital Protector, there is no income guarantee term available.
17. The whole-life policy pays the death value (usually the same as the original investment amount) when the last annuitant dies.
18. We deduct the whole-life policy premium from the annuity after tax.
19. We review the premium for the whole-life policy at the end of the premium guarantee term as set out in the fee and benefit proposal. No medical assessment is needed.
20. For a joint-life Capital Protector the income reduction option is not available.
21. You may nominate a beneficiary for the whole-life policy. This beneficiary will receive the death value of this policy when the last surviving annuitant dies.
 - 21.1 You may cancel or nominate a new beneficiary. You can change or cancel beneficiary nominations in writing. The change will only be valid once we confirm it.

Annuitants and insured persons

22. We calculate the income using the age and the gender of the annuitants.
23. We pay the income to the first annuitant. The annuitants are the insured persons for this investment.
24. For single-life annuities we pay the income until the annuitant dies or until the end of the income guarantee term, whichever happens last. We pay the final annuity in the month of the death of the annuitant.
 - 24.1 For joint-life annuities a second annuitant is added. We pay the income until the last annuitant dies or until the end of the income guarantee term, whichever happens last.
 - 24.2 If the first annuitant dies, the second annuitant will become the annuitant and receive the income. We pay the final annuity payment in the month of the death of the second annuitant.
25. If you have chosen the income reduction option, we will reduce the income when one of the annuitants die.
26. You cannot change annuitants after the investment has started.
27. On receipt of a valid notification of death of the annuitant, we will update our records.

C. Your financial adviser

1. You could benefit from appointing a financial adviser who can give you ongoing investment advice.
2. Your financial adviser must be registered in terms of the Financial Advisory and Intermediary Services (FAIS) Act, and with us.

3. We verify each financial adviser's license category and underlying financial product categories according to section 7(3) of the FAIS Act.
4. We use third parties to verify FAIS licenses but we cannot guarantee it and are not responsible if the information is wrong and causes a delay in carrying out an instruction.
5. We are not responsible for any loss or damage caused by your financial adviser not being appropriately licensed.
6. Your financial adviser must comply with the license requirements for the duration of your investment. The license requirements apply to new investments and any changes on your investment.
7. Only category II financial services providers can instruct us on your behalf. We will follow their investment instructions.
8. Financial adviser can ask us for access to your investment information through a third-party information provider. We are not responsible for any loss or claim that may arise because we made your investment information available to your appointed financial adviser through such provider.

D. Communication

1. We will publish your investments statements and tax certificates online on your client profile at momentum.co.za. We will contact you electronically when we have published it.
2. You can also request statements and tax certificates online using your client profile, from us or your financial adviser.
3. We must have up-to-date contact information for you and your beneficiaries.
4. If you do not inform us of any personal detail change and we are unable to reach you on the contact details provided, we may appoint a tracing agent to trace you. The tracing costs will be deducted from your investment.
5. If we cannot contact you or your beneficiaries or executor when a benefit is due, your investment may become unclaimed. If a benefit is unclaimed, we will follow an unclaimed benefit process in line with the Association for Savings and Investment South Africa (ASISA).

E. Processing your instructions

1. All documentation and communication that you send us must be clear and legible. A confirmation or delivery receipt is not proof that it is clear and legible. We will notify you once we have received your instruction and once your instruction has been processed.
2. You instruct us to act on your investment instructions completed on the relevant form that we receive by fax, email, websites or any other electronic medium with regard to your investment. You agree that any electronic record of investment instructions and applications that we have received and processed will be valid proof of the contents of such instructions and applications.
3. We will act on an instruction that came from you. If you did not send or sign it, we will not be liable for any damage that you may suffer as a result of us executing the instruction. This authorisation will remain in force until we receive written notice to terminate it, provided that this termination will not affect any transactions that were already in process at the time that we received that notification.
4. We will process your instructions if it is within legal and product limits.
5. We will process valid instructions within two business days after we have received it.
6. If the following happens, we will not be able to process your instruction within two business days:
 - 6.1 Extraordinary events that can cause large-scale market changes and an increase in dealing activity.
 - 6.2 During such times where we receive high volumes of instructions, giving us your instruction does not guarantee the rate according to your fee and benefit proposal.
 - 6.3 If your instruction was not clear or the information was incomplete.
 - 6.4 Any other event that we cannot control, like natural disasters, fire, war and riots.

We are not responsible for any loss or damage if any of the

above happens.

7. If we cannot process any portion of an instruction, we will ask you or your financial adviser for a new instruction.

F. Fees

1. At the start of your investment, we will pay your financial adviser the agreed commission, but not more than the maximum prescribed by regulation. For Capital Protector investments your adviser will also get commission at the beginning of the second year. Any financial adviser commission is included in the pricing of this investment and the calculation of your income.
2. We include our fees in the pricing and calculation of your income.
3. The fees paid are within product limits.
4. From time to time, there may be changes to our fees or costs subject to regulatory approvals and processes.

G. Data protection

1. You have a say in how we treat your personal information. We follow confidentiality principles and the principles in the Protection of Personal Information Act to make sure that all personal information that you give us is kept secure and confidential.
2. By entering into this agreement, you give us permission to collect, record, store, update and use (or process) your personal information for the purposes of:
 - 2.1 providing you with services for this product, including its administration and processing your instructions;
 - 2.2 giving your personal information to our holding company, our holding company's parent company, its subsidiaries or contracted service providers and transferring your personal information to an entity outside of the borders of South Africa. We will share this information only so that these entities can administer your product or benefits and give you related services;
 - 2.3 giving your information to regulatory authorities, governmental departments, tax authorities and other persons with whom we are legally required to share your information;
 - 2.4 giving information to industry bodies such as, among others, the Association for Savings and Investment South Africa, and contracted third parties such as tracing agents, attorneys, debt collectors and other persons that help to enforce agreements; and
 - 2.5 doing research, servicing products or enabling you to view your investment and do transactions on our website. Where appropriate, this information will be de-identified so that it cannot be linked back to you personally.
3. Where we have given your information to any third party for any of the purposes above, we will make sure that they agree to treat your information with the same level of protection as we do.
4. You have the right to access and ask for a copy of the personal information we have for you. We are allowed to charge you a fee for giving you this information. You may ask that we update or correct your personal information.
5. You may object to us using your personal information at any time unless the law allows us to use it for a specific purpose. If you object to our use of your personal information, we cannot perform any of the activities listed above until we are able to resolve your objection. If you think your personal information is being tampered with, or that it has not been protected, you can complain to the government's Information Regulator at infoREG@justice.gov.za

H. Complaints

1. Momentum has a conflict of interest management policy. A copy is available at momentum.co.za
2. If you have any other complaint regarding this investment, send it to our client contact centre and we will follow our complaints resolution process. A copy is available at momentum.co.za
3. If you have any complaints about the advice you have received, contact the ombud for Financial Services Providers.

I. Contact details

Client contact centre

ShareCall: 086 026 6848
Telephone: +27 12 675 3000
Email: annuities@momentum.co.za
Postal: PO Box 7400, Centurion, 0046
Website: momentum.co.za

Momentum Wealth (Pty) Limited

Momentum Wealth (Pty) Limited is an authorised financial services provider and part of Momentum Metropolitan Holdings Limited. (FSP 657)
Reg no 1995/008800/07

Momentum Metropolitan Life Limited

Momentum Metropolitan Life Limited is an authorised financial services and registered credit provider. (FSP 6406)
Reg no 1904/002186/06

Ombud for Financial Services Providers (FAIS ombud)

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Website: faisombud.co.za

Ombud for Long-term Insurance

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