



# **VANGUARD LIFE ASSURANCE COMPANY**

**Every part of life, throughout Life, For Life**



## **PENSION ANNUITY – KEY FEATURES**

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## 1.0 INTRODUCTION

This brochure outlines the key features of our Pension Annuity

Reserve Bank of Malawi requires us to give you information to help you decide whether our Pension Annuity is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Please read this document together with your personal quotation which shows the benefits available to you.

If you have any questions please speak to us or your financial advisor.

## 2.0 KEY FEATURES OF THE PENSION ANNUITY

### **Its aims**

- To pay you a secure income that's guaranteed for life
- To provide you the opportunity to arrange retirement benefits suited to your personal and family circumstances. Please see the 'questions and answers' section for details of the options available.

### **Your commitment**

- To use 60% or more of your pension savings to buy our Pension Annuity.
- To make a decision to buy a guaranteed income for life and choose the options you want from the Pension Annuity.

### **Risks**

- Once your Pension Annuity has been set up, you can't change your payment options, even if your personal circumstances change. You won't be able to cash in your Pension Annuity.
- Depending on the **income option** you choose, inflation may reduce the real spending power of your income payments over time.

## 3.0 QUESTIONS AND ANSWERS

### **3.1 What is Pension Annuity?**

A Pension Annuity is a way of turning your pension savings into a secure income that's guaranteed for life.

### **3.2 How much income will you pay me?**

It is based on the 60% or more of your final pension savings, and the combination of options you've chosen, including your age at retirement, the older you are, the higher the initial monthly payout.

### **3.3 What other benefits are there for me?**

You and your spouse (maximum of 1) shall be covered for funeral insurance equivalent to your monthly pension subject to a maximum of MK 300,000.00 and as long as the annuity subsists.

### **3.4 What income options do I have?**

We mostly offer Growth Pensions guaranteed for either 5 years or 10 years. We may also offer a Level Pension on client's request.

### **3.5 How often can I receive my income payments?**

You can choose to receive your income payments monthly, quarterly (every three months), half yearly (every six months) or yearly. You receive your income in arrears (for the period that has passed).

### **3.6 Can I take a lump sum?**

You may take a tax-free lump sum of up to 40% of the value of your pension savings, as long as you haven't already received this from your existing pension provider.

### **3.7 What happens to my Pension Annuity when I die?**

On death before expiry of the guaranteed period, the annuity shall continue to be paid to a nominated beneficiary for the remainder of the guaranteed period and cease immediately thereafter. However, should death occur after the expiry of the guarantee period, the pension payments shall cease to be payable

### **3.8 How can I be sure I'm choosing the combination of options that best suits my personal circumstances?**

Choosing one of the options described above will change the amount of income you receive each year. You should take this into account and balance it with your personal circumstances and needs.

To help you find the right combination of options, you can ask for several different quotations to see how much difference each option makes to the income we will pay.

## 4 MORE INFORMATION

### **Annual Annuity Escalation**

Vanguard Life Assurance will on annual basis adjust upwards your monthly annuity in line with investment returns realised by the Annuity Fund. Such increases will be communicated to all Annuitants.

### **Law**

The law which applies to the terms and conditions of the contract will be Malawi Law (Pension Act 2010)

The information set out in this key features document represents our understanding of the Pension Act 2010. Changes to tax rules and other laws may affect the contract terms.

### **If you have any questions**

For more information about our Pension Annuity please contact:

Full Name of Firm : Vanguard Life Assurance Company Limited

Physical Address : Old Air Malawi Building, Next to Cross Roads Hotel,  
Blantyre

Postal Address : P. O. Box 1625, Blantyre

Contact Telephone : + 265 (1) 834 459; + 265 (1) 832 216

E-Mail : [vanguard@vanguardlifemw.com](mailto:vanguard@vanguardlifemw.com)

Contact Persons : Isaac Kalebe  
Business Development Manager  
0-888-206-939;  
[ikalebe@vanguardlifemw.com](mailto:ikalebe@vanguardlifemw.com)

or

Ndamyo Mwakikunga  
Marketing Manager (Group Business)  
0-888-699-393  
[nmwakikunga@vanguardlifemw.com](mailto:nmwakikunga@vanguardlifemw.com)

## 5 WHAT TO DO IF YOU ARE UNHAPPY

The first step is for us to understand your problem. You can share your concerns with our staff either in person, by telephone, fax, email or letter.

If you feel that your complaint is not dealt with to your satisfaction, you can take the matter up with Reserve Bank of Malawi, the Regulator on the following address:

The Director  
Pension and Insurance Supervision Department  
Reserve Bank of Malawi  
P. O. Box 565  
Blantyre  
Tel. 0 1 820 299/444  
Fax 0 1 832 222  
Email: [pisu@rbm.mw](mailto:pisu@rbm.mw)

## 6 ACKNOWLEDGEMENT

I hereby acknowledge that I have read and understood the terms and conditions as provided in the *Key Facts Statement* – Pension Annuity general terms and conditions and I agree to all of the terms.

Full name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

In the presence of (Witness):

Full name \_\_\_\_\_)

Signature \_\_\_\_\_)

Date \_\_\_\_\_)