



OLD MUTUAL PROGRAMMED WITHDRAWAL KEY FACT STATEMENT

INSURE | LEND | INVEST



TYPE OF PRODUCT

This is a product which offers pensioners flexibility to periodically draw down their from their retirement funds. Upon reaching retirement, you can buy the product by investing your retirement benefits in the Programmed Withdrawal fund product. Old Mutual creates a separate account for your retirement savings. Your account balance would be invested in a portfolio of assets which targets to earn investment returns above inflation.

The product offers retirees the flexibility to modify their withdrawal amounts according to their financial requirements or changes in market conditions subject to regulatory requirements. This capacity for adjustment is crucial for managing unforeseen expenses or fluctuations in financial situations. Additionally, by maintaining a portion of the funds in investment in the Market Linked fund which consists of a portfolio of assets held, from which investment returns are earned by pensioners, retirees will take advantage of potential growth opportunities, thereby reducing the risk of outliving their savings.

Withdrawals can be made on a specified payment frequency (monthly, quarterly, semiannually, or annually), ensuring a consistent income stream. Furthermore, Old Mutual will provide periodic statements, allowing retirees to track and monitor their accounts.

PREMIUMS/CONTRIBUTIONS

The product is be purchased by a single lumpsum. Funds can be combined from different sources to make up the purchase amount. The product will be subject to the regulatory minimum considerations for the programmed withdrawal which are published in regulatory directives

You can make further top-up transfers from your other retirement savings at future dates provided that they are funded from retirement funds and such transfers shall not affect the commencement date of your contract. There is no maximum initial purchase amount.



FEATURES OF THE PRODUCT

The following are the features for the programmed withdrawal product;

1. In a programmed withdrawal, you determine the preferable amount of regular income subject to maximum drawdown limits. The Drawdown will be payable in arrears at an interval of your choice. Your Drawdown will be paid from your account balance as long as it is not exhausted. Unlike the life annuity product, the payment of Drawdown is not guaranteed for life on the member.
2. **Commutation:** You are not allowed to exercise a commutation (in part or full) of income in payment. However, you may transfer your investment account to another retirement income option.
3. **Maximum drawdown amount:** In Malawi the Regulators have not yet set a maximum drawdown rate. The pensioner may choose to increase the drawdown rate once a year subject to the maximum OMPSC thresholds as below:

Age Band	Rate
35-60 years	8.00%
61-70 years	9.50%
Above 70 years	12.00%

On increase of the drawdown rate, the Pensioner will be required to complete a declaration indicating that he/she is aware of the increase in the risk of exhausting retirement funds faster.

4. **Inheritance planning - Transfer to Beneficiaries:** Upon your demise, your regular income will be paid to your nominated beneficiaries. A beneficiary may also opt to purchase a life annuity or cash out the Account Balance without Tax implications.
5. **Tax Benefits:** The transfer of retirement benefits from a retirement benefits scheme into a Programmed Withdraw Fund is tax free. Pensioner tax is payable on the investment returns earned on the assets at a rate of 15%. In Malawi the Drawdown benefits are not taxable. OMPSC will settle tax obligations required by Law within the Fund. It will therefore comply with any changes to the taxation requirements as issued by the Government of Malawi.



POLICY TERM

The contract term duration is for the lifetime of the Pensioner subject to pensioners account balance. The Pensioner is allowed to transfer all or part of the investment account to another retirement product as allowed in the contract or any regulation existing on the date of transfer. The Pensioners request will be processed in a month after receiving the notice to effect the transfer.

BENEFITS PAYMENT OPTION

You have the liberty to determine the frequency of your regular income (monthly, quarterly, half yearly or annually). You also can choose the amount of your regular income and vary it later, for example, to cover the costs of ill health or any other emergency.

EXPECTED INVESTMENT RETURN

Your Account Balance is expected to grow depending on the performance of the Market Linked Fund investment returns in the form of returns to be paid as you receive your regular income. These returns are dependent on market performance, and they may go up or down and will be at least daily. OMPSC will not provide any guarantees on the investment performance of the funds.

As there are no guarantees of investment performance or payments of benefits, your account balance may be exhausted while you are still alive. OMPSC will only pay out Drawdown from your account balance and does not have any obligation to continue making payments once the account balance is depleted. OMPSC may provide advice on the management of your account balance to reduce this risk, including recommending an appropriate pension drawdown, but does not carry any responsibility if the funds do not perform as expected.

CLAIMS PROCESS

The claims process for the product are as below;

1. Claims under cool off period

If a termination occurs because of misrepresentation or a cancellation within the 60-day cool-off period OMPSC will pay the account balance less any drawdown pension paid to the payer (consideration source) and adjust for investment income earned net of applicable charges during the investment period.



The Pensioner must submit the request in writing to cancel the contract, alongside the following:

- A filled in claim form in the format prescribed by the Company from time to time and selecting “Cancellation” as the reason for the claim.
- Copy of Identification document(s) of The Member
- Original contract Document

The refund will be less any drawdown pension paid to the pensioner and adjusted for investment income earned during the period of investment and all fees paid. The refund will be returned to the original source using the same account details (No refund will be sent to the member).

2. To purchase an annuity from an insurance company or transfer to another Programmed Withdrawal fund.

The Pensioner must submit the following with the written request to have the Account Balance transferred for purposes of purchasing a Drawdown:

- A filled in claim form in the format prescribed by the Company and selecting “Transfer” as the reason for the claim.
- Details of the Insurance/Pension Company from which the Member intends to purchase the Annuity, Or Details of the Programmed Withdraw Fund to which the Member intends to transfer his Account Balance.
- Copy of Identification document(s) of the Member.

The Member shall give written notice of not less than six (6) months when submitting the transfer request.

3. Death claims

Upon death of the Member, the Beneficiary must contact the Company to claim ownership of the contract.

The Beneficiary may opt to either:

- I. Continue with the contract in which case the Drawdown payments will be paid to the Beneficiary until the Account Balance is depleted; or
- II. Terminate the contract by opting to:
 - a. Transfer the Account Balance in full to another Programmed Withdraw or Life Annuity provider; or
 - b. Cash out the Account Balance in full subject to product rules.



Where a Beneficiary opts to make a claim, the Beneficiary shall submit the request accompanied by the following:

1. A filled in claim form in the format prescribed by the Company, selecting “Death” as the reason for the claim.
2. Copy of Identification Document(s) of the Beneficiary
3. Certified copy of death certificate of Member
4. Details of the bank account the Account Balance should be paid into.

RIDERS OF THE POLICY

There are two riders for this product you may add a

Medical Cover

- Provides medical and healthcare cover to the pensioner
- Premiums are deducted from the programmed withdrawal account
- Cover remains active while the account has sufficient funds

Funeral Cover

- Provides a predefined lump sum benefit on death
- Intended to cover funeral expenses
- Paid independently of the remaining account balance
- Premiums are deducted from the members account balance

If you opted for add-ons (Medical or Funeral benefit), your income amount will be adjusted in accordance with the terms of the added benefits.

INVESTMENT AND ADMINISTRATION CHARGES

Charges to be levied on the investments include management fees and fund management fees which relate to investment. The below table provides a detail of all the fees and charges on programmed withdrawal product.



Type	Description	Structure	
1. Administration Fees	Initial - Consideration Amount once-off at contract commencement. This will be deducted from the Consideration Amount.	Above 500,000	1.00%
		Above 400,000 up to 500,000	1.50%
		- Above 300,000 up to 400,000	2.00%
		Up to 300,000	3.00%
2. Investment advisory Fees	Ongoing Administration charge and Asset Management fees	- Investment Fee Rate 0.7% p.a. - Ongoing admin and advisory fee of 1.3% p.a.	

Note that charges may be reviewed from time to time and any changes in the fees, a notice of at least 3 months will be given to customers.

CLAIMS PAYMENT

Once a claim has been validated and approved, the claim will be paid into the Beneficiaries' designated account which the Beneficiary used to submit the claim. Old Mutual will manage all servicing of claims payment and is also responsible for depositing the benefit amount to the Beneficiary. The claim will be paid within 14 working days after submission date all required documents by the customer or trustees.

POLICY CANCELLATION

Members may opt to continue with their contract or terminate this contract by opting to transfer their benefits in full to another Programmed Withdrawal Product or Life Annuity Provider. Commutation (in part or full) of income in payment will not be allowed unless specified in a regulatory directive.

There are four (4) scenarios which can lead to termination of the contract:

1. Cancellation within a cool off period (60-days from start date)
2. Upon depletion of the investment account
3. Death of principal pensioner and commutation will be paid to beneficiaries.
4. Discontinued/disinvest by pensioners from OMPSC programmed withdrawal fund.



POLICY COOL OFF

You can cancel the contract 60 calendar days from the start date of the contract. Cool-off will be forfeited if any claim is made upon the death of a Pensioner.

RIGHTS OF BENEFICIARIES IN CASE OF DEATH OF POLICY HOLDER

Upon your demise, your regular income will be paid to your nominated beneficiaries. A beneficiary may also opt to purchase a life annuity or cash out the Account Balance without Tax implications.

COMPLAINTS HANDLING

Any complaint in respect of this policy is required to be made in writing together with any relevant supporting documentation and sent to the Customer Experience Manager via:



Email: info@oldmutual.co.mw



Post: Old Mutual Life Assurance Company (Malawi) Limited,
Old Mutual Building, 30 Glyn Jones Road, Blantyre P.O. Box
393, Blantyre, Malawi



Telephone: +265(0) 111 820 677 / +265 0891 002 010



Toll Free: 329 (Airtel & TNM)



Fax: +265 (0) 1 822 649

Social Media



Old Mutual Malawi ||



@Old Mutual Malawi

Alternatively, you can hand it in at any of our branches.

Resolution of the complaint will be made within the time limits as stated in the acknowledgment of your complaint letter and you will be kept informed throughout the process.

- If dissatisfied with the level or quality of service provided, and complaints have not been handled in a satisfactory manner, within stipulated timeframes, customers have a right to escalate complaints to the regulator, Reserve Bank of Malawi through the consumers protection and financial literacy unit via as below:
 1. email: complaints-handling@rbm.mw
 2. post: Consumer Protection and Financial Literacy Unit, Reserve Bank of Malawi, 10 Hannover Avenue, or P.O. Box 565, Blantyre.
 3. Telephone: +265 (0) 111 820 299/444
 4. Toll Free Line: 459 (TNM & Airtel)



NOTE: Customers can lodge a complaint to Old Mutual or appeal to Reserve Bank of Malawi **within 7 years** of lodging a complaint.

PRIVACY NOTICE

The policyholder's personal information is collected and processed in accordance with applicable data protection laws and company policies. This information is used solely for policy administration and related services and is treated with strict confidentiality.

Further details are contained in the Privacy Notice provided with the application form, which is also available on our website www.oldmutual.co.mw/about-us/privacy-policy/

If you wish to contact us, you can phone us or write to us at:

Physical Address:

Old Mutual Life Assurance Company
(Malawi) Ltd,
Old Mutual Building,
30 Glyn Jones Road,
Blantyre
Malawi

Postal Address:

Old Mutual Life Assurance Company
(Malawi) Ltd,
P.O. Box 393
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Malawi

Phone: +265 111 820 773

Fax: +265 111 822 649

Email: info@oldmutual.co.mw

Website: <https://www.oldmutual.co.mw/>

I have read and understood the key features of the policy that I am applying for.

Name

Signature

Date

