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Human Resources News Update

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Dear Human Resources Officers

Important update: Changes to the In-Fund Living Annuity Drawdown Rates

Effective **1 July 2026**, the Board of Trustees has approved adjusted drawdown rate limits for members utilising the **In-Fund Living Annuity Option.** Drawdown rate limits determine the minimum and maximum percentage a living annuitant can withdraw from their investment annually.

These proactive structural changes are designed to safeguard our pensioners' retirement capital against inflation and market volatility and to ultimately support the sustainability of members' retirement income for as long as possible.

Key Changes at a Glance:

- **Please note the revised annual drawdown rate limits below:**

Age	Range	Age	Range
50	2.5% - 5.0%	68	2.5% - 9.6%
51	2.5% - 5.3%	69	2.5% - 9.8%
52	2.5% - 5.6%	70	2.5% - 10.0%
53	2.5% - 5.6%	71	2.5% - 10.4%
54	2.5% - 6.2%	72	2.5% - 10.8%
55	2.5% - 6.5%	73	2.5% - 11.2%
56	2.5% - 6.8%	74	2.5% - 11.6%
57	2.5% - 7.1%	75	2.5% - 12.0%
58	2.5% - 7.4%	76	2.5% - 12.6%
59	2.5% - 7.7%	77	2.5% - 13.2%
60	2.5% - 8.0%	78	2.5% - 13.8%
61	2.5% - 8.2%	79	2.5% - 14.4%

62	2.5% - 8.4%	80	2.5% - 15.0%
63	2.5% - 8.6%	81	2.5% - 15.5%
64	2.5% - 8.8%	82	2.5% - 16.0%
65	2.5% - 9.0%	83	2.5% - 16.5%
66	2.5% - 9.2%	84	2.5% - 17.0%
67	2.5% - 9.4%	85	2.5% - 17.5%

- **Regulatory Compliance:**
  All rates strictly remain within the statutory South African living annuity boundary of **2.5% to 17.5%**.

Why does this matter?

The Fund's In-Fund Living Annuity ensures pensioners continue to benefit from institutional governance and exceptionally low institutional investment fees. However, sustaining long-term income requires regular evaluation of drawdown boundaries to prevent retirees from prematurely exhausting their underlying capital.

How does this change impact our current In-Fund Living Annuitants?

The revised rates are intended to provide a more practical and gradual annual increase in the maximum drawdown rate as annuitants age, rather than applying a single maximum drawdown restriction across broader five-year age bands.

For existing annuitants, the change will be implemented as follows:

- The revised maximum drawdown rate applicable to each annuitant will be determined based on their age at their next income review date.
- The change does not automatically increase an annuitant's income. It only adjusts the maximum rate that may be elected, where applicable.
- Existing annuitants will therefore continue their current selected drawdown rate unless they elect to change it at their next scheduled income review, subject to the new maximum rate applicable to their age.
- The revised structure provides annuitants with greater flexibility to adjust their income over time, particularly where inflation has placed pressure on their monthly income needs.

The Fund's appointed financial advisory team, Portfolium will continue to assist annuitants with financial advice and guidance at review stage to ensure that any change to their drawdown rate is appropriate and sustainable.

How HR Officers Can Assist Members Nearing Retirement?

As the first point of contact for retiring members, we kindly request your assistance with the following:

- **Share the 3 Retirement Options:** Remind members that the Fund offers three distinct annuity options at retirement so they can choose the best fit for their needs. These annuity options are listed below and full details on the structure is available on our website.
  - **In-Fund Pension Option**
  - **In-Fund Living Annuity Option**
  - **Out of Fund Living Annuity Option**

- **Encourage Expert Advice:** Strongly encourage members to seek professional retirement advice well before their retirement date to ensure they make informed decisions regarding their payment options.

Thank you for your ongoing partnership in building a secure financial future for all CRF Members!

Warm Regards

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