



## Absa Retirement Annuity Fund: Core Portfolio

Keeping you financially fit for retirement prosperity

### How to calculate your retirement goals

The following scenarios are created to showcase how the retirement calculator can help you to estimate how much you need to save in order to retire the way you want to.

This includes

- Shortening or lengthening your retirement age
- Increasing or decreasing your retirement goals (planned lifestyle needs)
- Increasing or decreasing your contributions.

# Step 1



**John**  
25yrs  
Gross monthly salary  
R35 000

A grey speech bubble-shaped card containing a white person icon, the name 'John' in red, '25yrs' in grey, and 'Gross monthly salary R35 000' in grey.



Percentage of monthly salary towards a pension fund **10%**  
= R3 500

A white box with a thin grey border containing the text 'Percentage of monthly salary towards a pension fund' in grey, '10%' in large red font, and '= R3 500' in large grey font.

John is a **25 year old**, chemical engineer with a gross monthly salary of **R35 000**.

Currently, **10% of his monthly salary** (or **R3 500**) is paid towards a pension fund and he has a balance of **R70 000**.

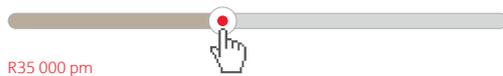
What is your current age?



Current total market value of your existing retirement savings



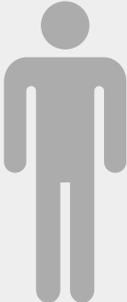
What is your current monthly salary?



Monthly contribution to your existing retirement savings



# Step 2



Retirement age  
**65 yrs**

Retirement goal  
**80%**

John plans to make monthly contributions of **R1 500** to the Core Retirement Annuity. He wants to **retire comfortably at age 65** earning **80% of his final monthly salary** (or his retirement goal), every month for an expected post-retirement period of **20 years**.

Monthly contribution to the Core RA



Retirement goal



At what age do you want to retire?



Years to earn an income after retirement

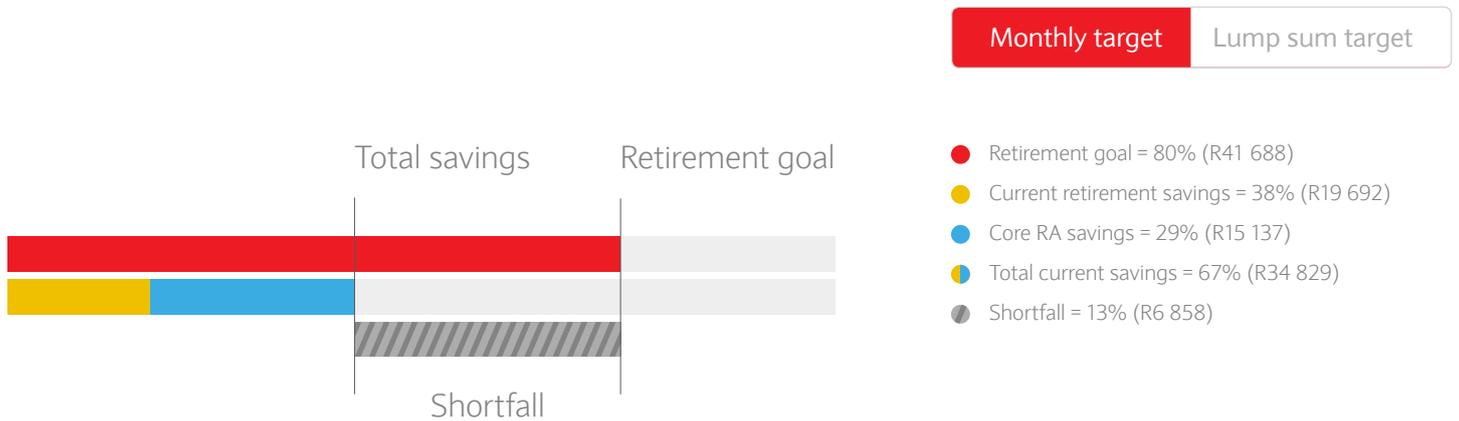


# Results



John needs to save an additional R679pm\* towards the Core Retirement Annuity

The calculator estimates that he will have to increase his monthly Core Retirement Annuity contribution by an estimated **R679 per month** to reach his retirement income goal of having **R41 688** per month available to fund his retirement.



# Lump sum option

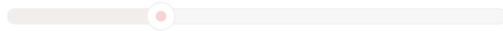


If John wanted to reduce this shortfall using a **once-off lump sum contribution to the Core Retirement Annuity**, he would need to contribute **R113 148**.

Click on **Lump Sum Target** under Results to have a look.

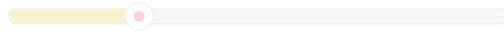
Monthly target    **Lump sum target**

What is your current age?



I am 25 years old

Current total market value of your existing retirement savings



R70 000

At what age do you want to retire?



65 years

Monthly contribution to your current retirement savings



R3 500 pm

Years to earn an income after retirement



20 years

Monthly contribution to the Core RA



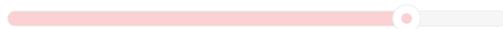
R1 500 pm

What is your current monthly salary?



R35 000 pm

Retirement goal



80% of my current salary

# New retirement goal

New retirement goal

60%

Exceeds new retirement income goal with

R353pm

John realises that if he **reduces** his planned lifestyle needs in retirement, he can still get by on **60%**.

He should then **exceed** his new retirement income goal and reach a surplus of **R353 per month**.

In lump sum terms this represents a surplus of **R58 791**

Retirement goal



# New retirement age

After seeing these results John would like to know how much longer he might need to work for in order to reach his **original retirement goal of 80%** without increasing his monthly contribution.

New retirement age

**67** yrs

Exceeds new retirement income goal with

**R129** pm

By delaying his retirement age by 2 years to age **67**, his post-retirement period would also need to be reduced by 2 years (18 years). John would eliminate this retirement shortfall and now slightly exceed his retirement goal.

He should then exceed his new retirement income goal and reach a surplus of **R129 per month**.

In lump sum terms this represents a surplus of **R21 500**.

At what age do you want to retire?



Years to earn an income after retirement



# Step 1

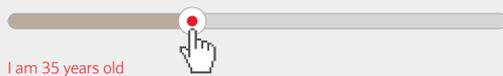


A summary card for a person named Lebo. On the left is a grey silhouette of a woman. To its right, the name 'Lebo' is written in large red font, followed by '35yrs' in white. Below that, 'Total retirement savings R500 000' is written in white. To the right of this text are two white circles. The first circle contains 'Retirement age 65yrs' in red, and the second circle contains 'Retirement goal 70%' in red.

Lebo is a **35-year old** self-employed business woman with **R500 000** retirement annuity fund savings.

She currently pays herself a gross monthly salary of **R40 000** and plans to retire at **65**, with a retirement goal of **70%** on an expected post-retirement period of **20 years**.

What is your current age?



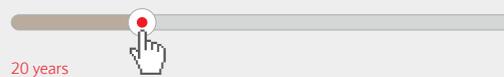
Retirement goal



What is your current monthly salary?



Years to earn an income after retirement



At what age do you want to retire?



# Core Retirement Annuity



Low cost

Transparent

Simple and convenient

Lebo has heard about an exciting, low cost, fully transparent, simple and convenient retirement annuity offered by **Absa** called the **Core Retirement Annuity**.

Lump sum  
Core RA savings  
**R500 000**

 Monthly contribution  
towards Core RA  
**R6 000<sub>pm</sub>**

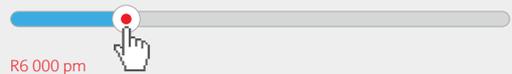
She plans to **transfer** her current retirement savings balance tax-free and worry-free into the **Core Retirement Annuity**.

Lebo now contributes **R6 000 per month**.

Lump sum contribution to your current Core RA



Monthly contribution to the Core RA



# Results

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Lebo's results  
**Surplus**

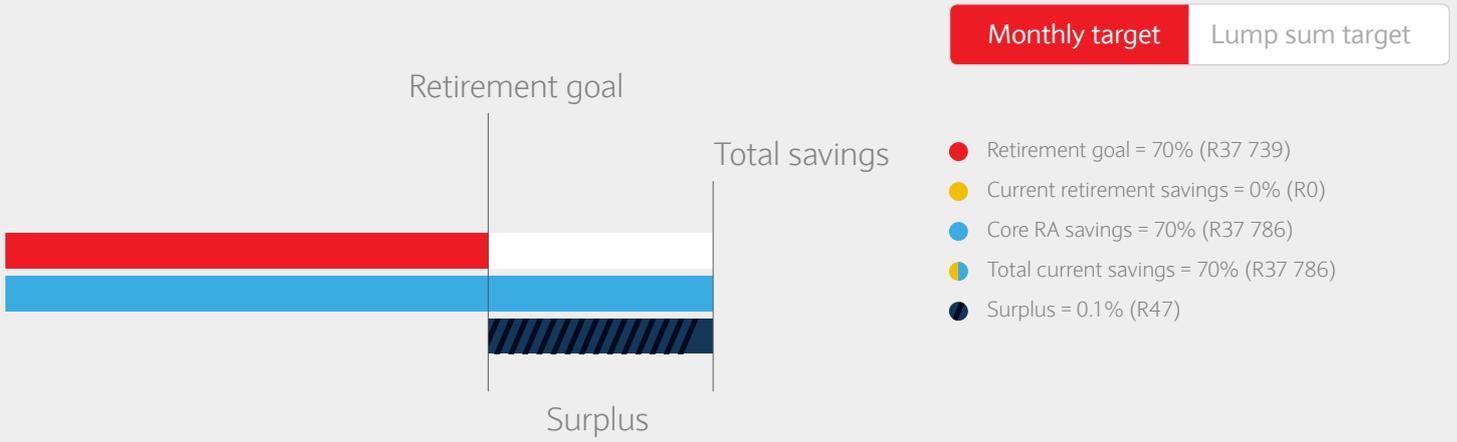


Lebo exceeds her new retirement income goal with **R11pm\***.

In lump sum terms this represents a surplus of **R1 851.**

# Results

Based on the calculated assumption\* Lebo has reached a surplus total with her current monthly contribution and she should be able to reach her current retirement income goal.



Based on the calculated assumption\* Lebo could reach a surplus total with her current lump sum target and she should be able to retire comfortably.



\*Calculations and scenarios are for illustrative purposes only based on assumptions we have made. All values stated are in real terms (inflation removed).