

PRUDENTIAL LIVING ANNUITY: COVID-19 RELIEF REVISED INCOME REQUEST FORM



SA FORM

The Prudential Living Annuity is underwritten by Prudential Portfolio Managers (South Africa) Life Ltd (Registration number: 2008/013338/06) ("Prudential") an approved long-term insurer. Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd (Registration number: 2013/051515/07) ("Manager"), which is an approved discretionary Financial Services Provider (#45199).

OUR CONTACT DETAILS

Sharecall: 0860 105 775

International: +27 21 670 5101

Email: instructions@myprudential.co.za

Web: www.prudential.co.za

Postal address:

PO Box 23167

Claremont

7735

Physical address:

7th Floor, Protea Place

Dreyer Street

Claremont

WHEN AND HOW TO COMPLETE THIS FORM

- If you are a current Living Annuity investor and would like to utilise the temporary COVID-19 relief annuity income bracket of 0.5% - 20%.
- Where this form is signed in a representative capacity an authorised individual (authority to act on behalf of the investor) must sign.
- Information written outside of the relevant fields will not be considered when processing your application.

DOCUMENT CHECKLIST

☐ This completed, signed and dated form

WHAT HAPPENS NEXT

- Please scan and e-mail a copy of this completed and signed application form accompanied by the supporting documentation to the contact details listed above.
- Processing can only happen once all the necessary documentation has been received.

IMPORTANT INFORMATION

- **Daily cut-off times:** 11:30 am for Prudential Money Market Fund
13:30 pm for all other investment options
- **Statements** Distributed quarterly.

1. EXISTING INVESTOR DETAILS

Existing Prudential Investor Number

First name and surname

Authorised contact person

ID number/Registration number
(Passport number if foreign national)

2. INCOME DETAILS

Please indicate your drawdown percentage for the COVID-19 relief period:

Drawdown % (0.5% minimum to 20% maximum)

Please note that you will not be able to amend the frequency of your payments outside of your anniversary month.

3. INVESTOR DECLARATION

By signing this form, you confirm that:

- You are not relying on any communication from Prudential - whether written, oral or implied - as investment advice or as a recommendation to enter into the insurance product.
- You consent to Prudential enquiring to verify the information in this application form and obtaining any other information concerning you and/or the source of the investment amount from any party.
- The information in this form is true and correct. All material facts must be accurately disclosed. You are responsible for the accuracy and completeness of all answers, statements or other information provided on your behalf.
- You have read, understood and agree to the latest Terms and Conditions which you understand may have changed since your original investment.
- Where this application is signed in a representative capacity, you have the necessary authority to do so, and this transaction is within your power.

Full name of investor or person authorised to sign on behalf of investor

Capacity

Signature of investor or person authorised to sign on behalf of investor

Place

Date

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What are the new temporary income rates?

The income rates have been temporarily amended to 0.5% - 20% p.a. This will allow investors who do not want to be forced to "lock in losses" through the sale of underperforming assets to lower their income to a minimum of 0.5%, as well as those facing cash-flow problems to increase their income to a maximum of 20%.

How long will the new rates be available?

The new rates will be available for a limited period of four months, from 1 June 2020 to 30 September 2020.

Can I amend my income rate outside of my investment's anniversary date?

Yes, during the four-month relief period you will be able to amend your income rate regardless of when your investment's anniversary date is.

What happens after the four-month period ends?

You will have your income rate automatically reverted back to what it was prior to the change, within the standard 2.5% - 17.5% range.

What if my investment's anniversary date falls within the four-month relief period?

You will still be able to choose any rate between 0.5% - 20% while within the four-month relief period. However, if you choose a rate that falls outside of the standard 2.5% - 17.5% range, or if you would like us to apply two rates to the income that you receive (one rate during the relief period and another thereafter), you will need to provide us with an instruction indicating the new rate to use after the relief period has lapsed. This will need to be within the standard 2.5% - 17.5% range. The same principle applies for new investments where the first income payment falls within the four-month relief period.

Can I also change my income frequency?

No, your income frequency can only be changed upon your next anniversary date. During the four-month relief period you will only be allowed to change your income amount within the new income range, unless your anniversary falls within this period.

What if I've selected to have my income paid once-off in advance?

You will still be able to increase your income amount up to 20%. The amount that you receive will be the difference between the new amount (calculated over the four-month relief period) and what you received previously at your last anniversary.

For example, if the value of your policy was R1.2m at anniversary and you elected to receive 10% as income, the amount due to you would be R120,000 in one payment. If you decide to increase your percentage income to 20% at the start of the four-month relief period, the amount due to you will be calculated as follows:

- $R1.2m \times 20\% = R240,000$
- Less payment already received: $R240,000 - R120,000 = R120,000$
- Calculate the pro-rata amount for the four months: $(R120,000/12) \times 4 = R40,000$

Based on the above example, you will receive a rand amount of R40,000 as a once-off income payment (this excludes any taxes deductible on this amount). Important to note is that the above example is based on the assumption that we received the instruction at the beginning of the relief period. If, for example, we received your instruction two months prior to the close of the relief period, the pro-rata amount will be calculated as follows: $(R120,000/12) \times 2 = R20,000$

At what value will the new rate be calculated?

The new rate will be calculated based on the market value of your policy as at your last anniversary date.

How will my new income amount be taxed?

Unless you have requested us to tax your income at a different rate, we will automatically take into account the income that you receive within the four-month relief period when calculating your taxable income for the tax year. We will then deduct the applicable tax amount prior to making payment.