

A young girl with blonde hair, wearing a green patterned dress and sunglasses on her head, is running happily on a grassy field. An older woman with short white hair, wearing a light-colored button-down shirt and jeans, is running alongside her, smiling. The background shows trees with autumn foliage under a bright sky.

**Fact File**  
RETIREMENT  
INCOME PLAN

# Contents

<b>SECTION A</b>	<b>02</b>
<b>01</b>   Fixed Annuity	03
<b>02</b>   Living Annuity	04
Fees that apply to your living annuity	06
Choosing your investment options	09
Discovery's range of investment funds for your living annuity	09
Business practices	11
<b>SECTION B</b>	<b>12</b>
About the income boosts	12

## About this Fact File

This Fact File sets out the details of the Retirement Income Plans, as well as the terms and conditions that apply. It is made up of two sections:

- Section A: The rules of the Retirement Income Plans
- Section B: The rules for the Invest Income Boosts on the living annuity.

## If you need more information

You can speak to your financial adviser, or contact us on 0860 67 5777.

You can also visit [www.discovery.co.za/invest](http://www.discovery.co.za/invest) for extra resources and download a PDF version of this Fact File.

SECTION A

## Understanding our Retirement Income Plans

*Our Retirement Income Plans are designed to provide you with a regular income throughout your retirement (known as annuity income or a pension). The amount you receive depends on the Retirement Income Plan you choose and your applicable tax rate.*

We offer two types of Retirement Income Plans:

- A Fixed Annuity
- A Living Annuity.

With the Fixed Annuity, you'll receive an income for the rest of your life. The income payments stop on your death with no remaining amount to be distributed to your beneficiaries. If you die before the end of a guarantee term, we'll keep paying the income payments to your beneficiaries until the end of that term.

With the Living Annuity, you decide how to invest your retirement savings within our range of investment funds. The Living Annuity also gives you flexibility to choose your income each year (within regulatory limits). Your remaining investment in the Living Annuity is paid to your beneficiaries or your estate on your death. With the Living Annuity, we reward you for being proactive about managing how much you withdraw and managing your health in retirement. You can receive boosts of up to 50% to your retirement income through these behaviours.

If the investment value in a Living Annuity is more than the Purple threshold (currently R3.5 million as at November 2019), then you qualify for a Purple Living Annuity. Market movements and withdrawals that may result in your investment value falling below the Purple threshold, will not impact whether you qualify or not. With a Purple Living Annuity, you enjoy Income Boosts on a wider fund range. Please note that the Purple threshold may change over time.

## 01 | Fixed Annuity

You receive an income for life

---

*A Fixed Annuity gives you an income for rest of your life. You can choose to receive your income monthly, quarterly, twice a year or annually .*

With a Fixed Annuity, you can choose:

- The rate that you want your income to increase by at each anniversary of your plan (for example, by inflation or other percentage).
- A guarantee term, where your income is paid for a guaranteed period. If you die before the end of the guarantee term, we'll continue paying the income to your beneficiaries until the end of the guarantee term. They may not take a lump-sum in cash.
- A joint annuity, where you can choose to have your income paid for as long as you or your spouse is alive. You can also choose for the surviving spouse to receive a lower income for life after the first spouse dies.

**You may not change any of these choices after the plan starts.** The options you have chosen are shown on your plan policy schedule.

The income you receive depends on various factors when you buy the Fixed Annuity. These include the amount of your retirement savings, your age, gender, interest rates, guarantee term, the rate you want your income to increase by and whether you want a joint annuity.

On your death, the income payments will stop unless you have chosen a guarantee term or a joint annuity.

### You may be taxed on your income

---

Your income payments are taxed according to the latest SARS income tax tables, or any tax directive you may have for a different rate.

### What you may not do with a Fixed Annuity

---

You may not:

- Surrender your plan (this means to cash it in).
- Assign or cede your plan, or pledge it as security for a loan.
- Transfer your plan to another insurer.
- Convert your plan to a Living Annuity.
- Make extra contributions to your plan.

### Appointing beneficiaries

---

If you chose a guarantee term, you may appoint or remove beneficiaries at any time. It is your responsibility to make sure that we have recorded your beneficiaries correctly. Your beneficiaries will be shown on your policy schedule.

## 02 | Living Annuity

You choose your income percentage and how often you want it paid to you

*With a Living Annuity, your retirement savings are invested in your choice of investment funds offered by Discovery Invest. You can decide how much of your investment you need to withdraw as an income in retirement.*

You must choose a retirement income level of between 2.5% and 17.5% of your investment value each year. These percentages are set by the law and will change if the law changes. You may also choose a rand amount and we will calculate the percentage for you. You may change your income percentage only on the anniversary of your plan each year.

You decide how often you want to receive payments (monthly, quarterly, twice a year or annually).

You can also receive boosts to your retirement income (see section B). Changes to your income percentage may affect the boosts you receive.

### How the tax works

Your income payments from the Living Annuity and any boosts you receive are taxed according to the latest SARS income tax tables, or any tax directive you may have for a different rate.

All investment growth on the investment funds you choose in the Living Annuity is tax-free under current tax practice (November 2018).

### What you may do with your Living Annuity

You may:

- Transfer your plan to another insurer (Directive 135 and 135(A) issued by the Registrar of Long-term Insurance apply).
- Convert your plan to a Fixed Annuity.

### What you may **not** do with your Living Annuity

You may not surrender your plan unless your investment value falls below:

- R75 000 – if you didn't make a withdrawal at retirement or
- R50 000 – if you did make a withdrawal at retirement.

These levels are set by law and will change if the law changes.

### Appointing beneficiaries and benefits payable on your death

You may appoint or remove beneficiaries at any time. It is your responsibility to ensure that we have recorded your beneficiaries correctly. Your beneficiaries will be noted on your policy schedule.

On your death, we will pay your investment value less any fees, withdrawals and taxes to your beneficiaries. They may choose to receive the money as regular income or as a cash lump sum or as a combination of an annuity or cash lump sum. If you haven't appointed any beneficiaries, we will pay the investment value to your estate.

---

## Tax that applies at your death

---

On your death, any lump-sum payments will be taxed according to the latest lump-sum retirement tax tables published by SARS. If your beneficiaries choose to receive the money as a regular income, the income will be taxed at the beneficiary's marginal rate of tax.

## Increasing the investment value on death (LifeBooster)

---

### About the benefit

If you die before you turn 70, we'll increase the investment value by up to 15% on the date of your death. The size of the increase depends on your Vitality status on the last anniversary of your plan before your death as shown on the table below:

VITALITY STATUS	
	Increase
None	5%
Blue	6%
Bronze	8%
Silver	10%
Gold	12%
Diamond	15%

The increase doesn't apply:

- If your Living Annuity is funded from a Discovery Retirement Optimiser policy.
- If your death results from any pre-existing conditions, physical defects, illnesses, bodily injuries or diseases you have suffered from, were aware of or should have reasonably been aware of, or received medical treatment or advice for during the three years before the start date of the investment.
- If your death results from suicide.

## Getting rewarded for positive behaviours

---

We reward your positive financial behaviours by boosting the income you receive from your Living Annuity. See section B of this Fact File for further details.

## Phasing in your contribution

---

You can choose to phase in your contribution through the Discovery Money Market Fund or the Discovery Diversified Income Fund. (These are known as phase-in funds.) If you want to phase in your investment, the full contribution will be invested into your phase-in fund.

The lump-sum contribution (plus interest) will be divided by the number of months you chose and the amount derived will be withdrawn from the phase-in fund in the first month and invested proportionately in the investment options selected. In the second month, the remaining amount will be divided by the number of phase-in months remaining and invested. This will continue until all the money is phased in. You can choose to phase in your investment over 3, 6, 9, 12, 15, 18, 21 or 24 months. Your selected phase-in period (if applicable) is shown on your policy schedule.

# Fees that apply to your living annuity

*There are fees for this investment, payable to:*

- Discovery Invest for administering your plan.
- Your financial adviser for giving you financial advice.
- The investment managers of the funds you have chosen to invest in.

## Initial fees

### Financial adviser initial advice fee

You and your financial adviser may negotiate an initial advice fee as a percentage of your initial investment. We'll pay this fee to your financial adviser on your behalf from your investment before we invest the balance.

#### EXAMPLE

#### How the initial fee calculation works

John and his financial adviser agree on a 2% financial adviser initial advice fee on an investment of R75 000. This fee amounts to R1 725 (inclusive of VAT).

The fee is deducted from John's investment value upfront which means R73 275 (R75 000 minus R1 725) is invested into his chosen investment funds.



### 100% allocation

If you want to invest your full investment value, you can choose the 100% allocation option. With this option, your full investment value is invested in your chosen funds. Instead of paying the initial advice fee upfront, this fee is increased and paid monthly over five years from your investment. If you transfer your plan to another provider, or you surrender your plan (see above for when you may surrender), the remaining fees will be deducted from your investment value.

The formula to determine the monthly fee from the 100% allocation option is: **Initial advice fee X 1.262 divided by 60 months.**

#### EXAMPLE

##### 100% allocation

If John chose the 100% allocation option, his total contribution of R75 000 is invested into his chosen investment funds. The fee of R1725 is multiplied by 1.262 and divided by 60 to calculate the monthly payment to be paid over five years as shown below:

$$R1\ 725 \times 1.262 = R2\ 176.95, \text{ then } R2\ 176.95 \div 60 = R36.28$$

John will pay R36.28 per month for five years. If he surrenders, transfers his investment or dies before the end of the 60 months, the remaining unpaid fees will be deducted from the investment value. This fee doesn't change and is R36.28 for the entire 60 months in this example.

### Investment management initial fees

---

Investment management companies may charge initial fees for investing in their funds. The initial fees applicable to each fund can be found in the relevant fund fact sheets available on [www.discovery.co.za](http://www.discovery.co.za).



## Annual fees

### Discovery Invest annual administration fee

There is an annual administration fee based on the value of your investment. The annual administration fees are shown in the table below:

Investment value	Fee (excluding VAT)
First R1.5m	0.55%
Next R2.5m	0.35%
Above R4m	0.20%

The annual administration fee is charged monthly and deducted from your investment value. These fees will be increased by 15% to offset VAT expenses.

### Financial adviser annual advice fee

Your financial adviser may also charge an annual advice fee as a percentage of your investment fund value for managing your investment fund. The annual administration fee is charged monthly and deducted from your investment value. VAT will be added to these fees. We deduct these fees from your investment and pay them to your financial adviser on your behalf.

### Investment manager annual fee

The investment managers of your investment choices usually charge an annual management fee as a percentage of your investment in their fund. This fee is divided by 365 and deducted daily in the unit prices provided by the investment. The annual fees that apply to each fund can be found in the relevant fund fact sheets available on [www.discovery.co.za](http://www.discovery.co.za)

### Fee reviews for Living Annuity

The fees we quote when the investment starts are not fixed. They may be reviewed during the investment. Before any fee increases, we will inform you in writing about the changes, as well as the options available to you.

# Choosing investment funds for your living annuity

*Your contributions to the Living Annuity are invested in the investment funds that you choose. The investment funds that you choose and the allocation of the contributions among these investment funds will be shown on your policy schedule. If any of the investment funds are capped or closed, we'll ask you to give us an instruction for a new investment option. Until we receive instructions from you, your investment will be held in a default investment fund that Discovery Invest may choose from time to time. Discovery Life is the owner of the underlying assets of the Living Annuity.*

## Discovery's range of investment funds

### Discovery Invest Funds

We offer a range of funds for different risk profiles:

- **Single-manager unit trust funds** which offer flexibility and control if you have specific investment objectives. We've partnered with Investec Asset Management, (one of South Africa's leading asset managers) to manage the range of single manager Discovery Invest funds.
- **Multi-manager funds** and model portfolios if you want diversification in your investment managers.
- **New investments opportunities:** Through our association with international banks, we can give you access to new investment opportunities from time to time. These are not unit trusts so they are not regulated by the Collective Investment Schemes Control Act.

### Escalator Funds

The Escalator Funds are designed to provide unlimited upside potential in bull markets, while offering downside protection in bear markets. You are protected at a level of at least 80% of the highest value the Escalator Fund has ever reached. This ensures that if markets are down when you want to realise your investment, you have the guarantee that you will always be able to realise at least 80% of the highest value of your Escalator Fund.

The Escalator Fund is calculated with reference to a mix of assets that dynamically rebalances between an underlying riskier asset and a cash component on an ongoing basis. The riskier asset may be a Discovery unit trust, an external unit trust, an index or a set of indices. The value of the fund at any time is based on the market value of both the underlying riskier asset and the cash component.

The 80% dynamic market value guarantee level is based on the overall value of each Escalator or Annuity Escalator Fund and not on the value of the riskier asset only. The guarantee applies at all times and not only at the end of a specified time.

The guarantee that the Escalator Funds will not fall below 80% of the highest value reached (the guarantee level) is a guarantee provided by Deutsche Bank or BNP, as the case may be, and not Discovery Life Limited. This means that the investor bears the risk if Deutsche Bank or BNP is unable to meet the guarantee for any reason whatsoever.

This rebalancing is done according to a defined algorithm which enables the guarantee at any time. As the performance of the riskier asset improves, the allocation to the riskier asset increases. If the performance of the riskier asset falls, the allocation to the riskier asset decreases.

Discovery Invest provides a range of Escalator and Life Escalator Funds with various unit trusts and indices as the underlying riskier asset that you may choose from.

### External funds

Discovery also offers access to a wide range of external investment managers to provide flexibility in your investment choice.

### Switching between investment options

.....  
You may switch between investment options at any time, subject to our business practices at the time. The current practice is to allow four free switches a year. Extra switches cost 0.25% + VAT of the value switched, capped at R500 per transaction.

Initial fees for the investment managers of the funds switched to may apply. Switches that result in a change in the proportion of your Living Annuity invested in qualifying funds will mean changes to the boosts on your retirement income. (section B for more details).

## Business practices

---

### Receiving regular statements

---

You'll receive a quarterly statement reflecting your investment values during a specified period (or the previous quarter). At any time, you can view all the details of your investment, including the details of your income boost, by logging in to our digitally enabled website at [www.discovery.co.za](http://www.discovery.co.za). You can also download statements over the period of your choice and make use of a range of tools and calculators.

### Consent to disclosure

---

As part of your application, you consented to the sharing and processing of personal information, including medical information, between Discovery Invest, Discovery Life, Vitality, Discovery Insure, Discovery Bank, any medical practitioner you have consulted or any other life office, Discovery Health and Discovery Health Medical Scheme.

## About the Income Boosts

### Boosts for being financially smart and managing your health in retirement

We reward your positive behaviours by increasing the income you receive from your Living Annuity with a boost to your retirement income. The boost depends on:

- Your withdrawal level
- Your Vitality status and your Vitality health goals at the time of each income payment
- Your chosen funds.

These are explained below:

#### Your withdrawal level

We reward you for conserving your retirement savings. The lower your withdrawal level, the bigger the boost.

Your withdrawal level is based on your annual retirement income percentage that you select at the start of each policy year. If you chose a rand amount of income, we'll convert it into a percentage.

#### Your Vitality status and Vitality health goals

We reward you for looking after your health in retirement. The healthier you are, the bigger the boost to your income. We use your Vitality status together with your personalised health goals from Vitality Active Rewards to assess your health in retirement. These Vitality health goals include:

- Reaching activity goals
- Completing your personalised list of clinically relevant health checks
- Meeting your personalised HealthyFood goals
- Meeting medicine adherence goals
- Meeting your weight goals.

The Vitality health goals are personalised, so not all goals will apply to every individual.

#### Your chosen funds

Certain Discovery funds qualify for boosts. Please see the list of qualifying funds available on [www.discovery.co.za](http://www.discovery.co.za). This list may be updated from time to time. If you have a Purple Living Annuity with more than 50% invested in qualifying Discovery funds, you may qualify for boosts on your non-qualifying funds.

## How we calculate the boosts

For each fund you have chosen, the income boost depends on your yearly withdrawal level from your total living annuity, and is equal to:

**01** | A percentage based on your Vitality status plus

**02** | A percentage based on your Vitality health goals.

The income boost is calculated by multiplying this total percentage by the rand value of your withdrawal from each fund.

The boost percentage that you can receive based on your Vitality status is shown below:

VITALITY STATUS						
Yearly withdrawal level	Not a member of Vitality	Blue	Bronze	Silver	Gold	Diamond
2.50% – 3.00%	10.00%	12.50%	15.00%	20.00%	25.00%	30.00%
3.01% – 3.50%	5.00%	7.50%	10.00%	12.50%	15.00%	20.00%
3.51% – 4.00%	2.50%	2.50%	5.00%	7.50%	10.50%	15.00%
4.01% – 4.50%	1.50%	1.50%	2.50%	5.00%	7.50%	10.00%
4.51% – 5.25%	0.50%	0.50%	1.50%	2.50%	5.00%	7.50%
5.26% – 6.00%	0.25%	0.25%	0.50%	1.50%	2.50%	5.00%
6.01% – 8.00%	0.00%	0.00%	0.25%	0.50%	1.50%	2.50%
8.01% – 10.00%	0.00%	0.00%	0.00%	0.25%	0.50%	1.50%
10.00% – 17.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The boost percentage that you can receive for reaching each Vitality health goal is shown in the table below. Your boost for your Vitality health goals is the sum of the boost percentages.

VITALITY HEALTH GOALS						
Yearly withdrawal level	Activity	Health Checks	HealthyFood	Medicine Tracker	Weight management	Maximum boost for Vitality health goals
2.50% – 3.00%	10.00%	5.00%	5.00%	5.00%	5.00%	20.00%
3.01% – 3.50%	7.50%	3.75%	3.75%	3.75%	3.75%	15.00%
3.51% – 4.00%	6.00%	2.00%	2.00%	2.00%	2.00%	10.00%
4.01% – 4.50%	5.00%	1.50%	1.50%	1.50%	1.50%	8.00%
4.51% – 5.25%	3.00%	1.50%	1.50%	1.50%	1.50%	6.00%
5.26% – 6.00%	2.00%	1.00%	1.00%	1.00%	1.00%	4.00%
6.01% – 8.00%	1.00%	0.50%	0.50%	0.50%	0.50%	2.00%
8.01% – 10.00%	0.50%	0.25%	0.25%	0.25%	0.25%	1.00%
10.01% – 17.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The percentage you can receive for each goal depends on your meeting the qualifying criteria for each one at the time of your income payment and your withdrawal level.

The income boosts shown in the tables above only apply to qualifying funds. Qualifying funds consist of Discovery funds, Escalator Funds based on Discovery funds and indices, and Target Retirement Date Funds. The Discovery Money Market Fund is not considered a qualifying Discovery fund. The full list of qualifying funds can be found on our website at [www.discovery.co.za](http://www.discovery.co.za).

### Additional boosts on non-qualifying funds for Purple Living Annuities

If you have a Purple Living Annuity and you have a minimum of 50% invested in qualifying funds at the time of each income payment, you may receive income boosts on your non qualifying funds as well.

The income boosts that you can receive on non-qualifying funds based on your Vitality status is shown below:

VITALITY STATUS						
Yearly withdrawal level	Not a member of Vitality	Blue	Bronze	Silver	Gold	Diamond
2.50% – 3.00%	3.25%	4.50%	5.50%	7.00%	8.75%	10.00%
3.01% – 3.50%	1.75%	2.50%	3.50%	4.50%	5.25%	7.00%
3.51% – 4.00%	0.75%	1.00%	1.75%	2.50%	3.50%	5.25%
4.01% – 4.50%	0.50%	0.75%	1.00%	1.75%	2.75%	3.75%
4.51% – 5.25%	0.20%	0.25%	0.75%	1.25%	2.50%	2.75%
5.26% – 6.00%	0.15%	0.20%	0.25%	0.75%	1.25%	1.75%
6.01% – 8.00%	0.00%	0.00%	0.20%	0.25%	0.75%	1.25%
8.01% – 10.00%	0.00%	0.00%	0.00%	0.20%	0.25%	0.75%
10.00% – 17.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The income boosts that you may receive on non-qualifying funds for reaching each Vitality health goal is shown in the table below.

VITALITY HEALTH GOALS						
Yearly withdrawal level	Activity	Health Checks	Healthy-Food	Medicine-Tracker	Weight management	Maximum boost for Vitality health goals
2.50% – 3.00%	3.00%	1.50%	1.50%	1.50%	1.50%	5.00%
3.01% – 3.50%	2.25%	1.00%	1.00%	1.00%	1.00%	3.75%
3.51% – 4.00%	1.80%	0.60%	0.60%	0.60%	0.60%	3.00%
4.01% – 4.50%	1.50%	0.45%	0.45%	0.45%	0.45%	2.50%
4.51% – 5.25%	0.90%	0.45%	0.45%	0.45%	0.45%	2.00%
5.26% – 6.00%	0.60%	0.30%	0.30%	0.30%	0.30%	1.50%
6.01% – 8.00%	0.30%	0.15%	0.15%	0.15%	0.15%	1.00%
8.01% – 10.00%	0.15%	0.10%	0.10%	0.10%	0.10%	0.50%
10.00% – 17.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



The rand value of the total income boost to your retirement income that you can receive in any plan year is limited to R100 000 before tax. Once you have received this amount, you will only start receiving increases to your retirement income again the following plan year.

Please note that Discovery will update the bands in the matrices, the qualifying criteria for the health goals and percentages used, the qualifying funds and the limits, from time to time.

Please note that some funds may be excluded from any income boosts. See the most recent fund list available on [www.discovery.co.za](http://www.discovery.co.za)

## More information about the Vitality health goals

In order to qualify for any of the Vitality health goal boosts specified below, you will need to be a member of the Vitality Active Rewards programme and download the app on your smartphone. More information about the Vitality Active Rewards programme can be found on the Discovery website.

### Activity

This boost rewards you for achieving activity goals from the Vitality Active Rewards programme. We calculate this boost just before your income payment according to the table below.

When you receive your income payments	How we calculate your boost
Monthly	We use the activity goals you achieved in the month before your income payment. If you achieved at least two activity goals, then you'll receive the activity boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Quarterly (every three months)	We use the activity goals you achieved in the three months before your income payment. We look at the number of months you achieved at least two goals and divide by three to get an average. This average is applied to the activity boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Biannually (every six months)	We use the activity goals you achieved in the six months before your income payment. We look at the number of months you achieved at least two goals and divide by six to get an average. This average is applied to the activity boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Annually	We use the activity goals you achieved in the twelve months before your income payment. We look at the number of months you achieved at least two goals and divide by twelve to get an average. This average is applied to the activity boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.

The activity boost you earn may vary according to your activity goal achievements. Please note that the qualifying criteria for this boost may be reviewed from time to time.

---

## Health checks

---

This boost rewards you for completing your personalised list of clinically relevant health checks through the Vitality Active Rewards programme. To qualify for this boost, your entire list of health checks must be complete by the time of your income payment.

We may review the qualifying criteria for this boost from time to time. Your health check boosts may vary as they depend on you qualifying at the time of each income payment.

## HealthyFood

---

This boost rewards you for completing your personalised monthly HealthyFood goals from the Vitality Active Rewards programme.

We calculate this boost just before your income payment according to the table below.

When you receive your income payments	How we calculate your boost
Monthly	We use the HealthyFood goal you achieved in the month before your income payment. If you achieved your HealthyFood goal, then you'll receive the HealthyFood boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Quarterly (every three months)	We use the HealthyFood goals you achieved in the three months before your income payment. We look at the number of months you achieved your goals and divide that by three to get an average. This average is applied to the HealthyFood boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Biannually (every six months)	We use the HealthyFood goals you achieved in the six months before your income payment. We look at the number of months you achieved your goals and divide that by six to get an average. This average is applied to the HealthyFood boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Annually	We use the HealthyFood goals you achieved in the 12 months before your income payment. We look at the number of months your goals and divide that by 12 to get an average. This average is applied to the HealthyFood boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.

---

The HealthyFood boost you earn may vary according to your HealthyFood goal achievements. Please note that the qualifying criteria for this boost may be reviewed from time to time.

## Medicine tracker

This boost rewards you for taking your medication according to the goals set by Vitality's Active Rewards programme. To get this boost, you must be part of the Vitality Active Rewards programme and you must qualify for the Medicine Tracking module of this programme. The Medicine Tracking module sets weekly and monthly goals and you must reach all goals to earn the boost. You can find out more about the Medicine Tracking module of the Vitality Active Rewards programme on the Discovery website.

We calculate this boost just before your income payment according to the table to the right.

When you receive your income payments	How we calculate your boost
<b>Monthly</b>	We use the medicine adherence goals you achieved in the month before your income payment. If you achieved all the required goals, then you will receive the medicine adherence boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
<b>Quarterly (every three months)</b>	We use the medicine adherence goals you achieved in the three months before your income payment. We look at the number of months you achieved all the required goals and divide that by three to get an average. This average is applied to the medicine adherence boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
<b>Biannually (every six months)</b>	We use the medicine adherence goals you achieved in the six months before your income payment. We look at the number of months you achieved all the required goals and divide that by six to get an average. This average is applied to the medicine adherence boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
<b>Annually</b>	We use the medicine adherence goals you achieved in the 12 months before your income payment. We look at the number of months you achieved all the required goals and divide that by 12 to get an average. This average is applied to the medicine adherence boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.

The boost you earn may vary according to your medicine adherence goal achievements. Please note that the qualifying criteria for this boost may be reviewed from time to time.

## Weight management

This boost rewards you for managing your weight according to the goals set by Vitality's Active Rewards programme. To get this boost, you must be part of the Vitality Active Rewards programme and you must qualify for the Weight Management module of this programme. The Weight Management module sets weekly and monthly goals and you must reach all goals to earn the boost. You can find out more about the Weight Management module of the Vitality Active Rewards programme on the Discovery website. We calculate this boost just before your income payment according to the table below.

When you receive your income payments	How we calculate your boost
Monthly	We use the weight management goals you achieved in the month before your income payment. If you achieved all the required goals, then you will receive the weight management boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Quarterly (every three months)	We use the weight management goals you achieved in the three months before your income payment. We look at the number of months you achieved all the required goals and divide that by three to get an average. This average is applied to the weight management boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Biannually (every six months)	We use the weight management goals you achieved in the six months before your income payment. We look at the number of months you achieved all the required goals and divide that by six to get an average. This average is applied to the weight management boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.
Annually	We use the weight management goals you achieved in the 12 months before your income payment. We look at the number of months you achieved all the required goals and divide that by 12 to get an average. This average is applied to the weight management boost percentage based on your annual retirement income percentage as shown in the Vitality health goals table.

### We calculate the income boost at the time of your income payment

We base our calculations on the information we receive from Discovery Vitality as at the date we pay your income payment. Discovery Invest will not retrospectively recalculate any boosts.

### What affects the income boosts

You can receive the boost to your retirement income for as long as you are invested in the Living Annuity. Changes to your annual retirement income percentage, your Vitality status or membership or your health goals, or the proportion of your investment in qualifying funds will affect any boost to your retirement income. Only your retirement income will be increased through the boost and not any extra payments from other products such as the Discovery Retirement Optimiser (if applicable).

The qualification criteria as well as the tables used to determine the Invest Income Boost are valid as at November 2018 and may change from time to time. We'll write to let you know before any changes take place.

## How the Invest Income Boost works

### EXAMPLE

John is 63 and has a Living Annuity with his full investment in qualifying funds. He has chosen an income percentage of 2.5% to be paid every month. John is also a member of the Vitality Active Rewards programme.



#### Vitality status

Just before John's income payment, John's Vitality status is Silver. He qualifies for a 20% Vitality status boost percentage.



#### Reaching activity goals

In the month before John's income payment, John managed to achieve two activity goals for that month. He qualifies for an Activity boost percentage of 10% .



#### Completing Vitality Health Checks

By the time of John's income payment, he has completed his entire list of personalised health checks required from the Vitality Active Rewards programme. He qualifies for a health check boost percentage of 5% .



#### Reaching HealthyFood goals

In the month before John's income payment, he did not achieve his HealthyFood goal for that month and therefore John will not receive a HealthyFood boost for this month's income payment.



#### Meeting medicine tracker goals

John does not qualify for the Medicine Tracker module of the Vitality Active Rewards programme. So he receives no medicine tracker boost for this month's income payment.



#### Meeting weight management goals

John does not qualify for the Weight Management module of the Vitality Active Rewards programme. So he receives no weight management boost for this month's income payment.



VITALITY STATUS  
**20%**

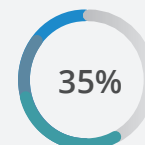


ACTIVITY  
**10%**



HEALTH CHECKS  
**5%**

JOHN'S TOTAL BOOST  
PERCENTAGE:



So if John's income payment was R10 000, we would give him an Invest Income Boost of R3 500. This additional R3 500 would not reduce his Living Annuity at all. He would be taxed on his total income of R13 500.





[www.discovery.co.za](http://www.discovery.co.za)



[@Discovery\\_SA](https://twitter.com/Discovery_SA)



[discoverysouthafrica](https://www.facebook.com/discoverysouthafrica)



[Discovery\\_SA](https://www.instagram.com/Discovery_SA)



[youtube/DiscoverySA](https://www.youtube.com/DiscoverySA)

The Fact File is part of Discovery Invest's commitment to fairness and full compliance with legal requirements for financial service providers to provide detailed easy-to-understand information about how each product works. Each investor must consult their own financial adviser who must be an authorised financial services provider to advise the investor as to the suitability of the products and funds for the investor's personal investment needs.

Discovery Life Investment Services Pty (Ltd), registration number 2007/005969/07, branded as Discovery Invest, is an authorised financial services provider. All life insurance products are underwritten by Discovery Life Ltd, registration number: 1966/003901/06, an authorised financial service provider and registered credit provider, NCA Reg No NCRCP3555. All boosts are offered through the insurer, Discovery Life Limited. The insurer reserves the right to review and change the qualifying requirements for boosts at any time. Product Rules and Terms and Conditions Apply.