



# NAWIRI INCOME DRAWDOWN FUND

A graphic on the left side of the header image, consisting of a large white circle with a smaller circle inside it, and a white line forming a stylized 'N' or a smiley face.

## NAWIRI INCOME DRAWDOWN FUND

### What is Nawiri Income DrawDown Fund

The Nawiri Income Draw Down Fund is a great alternative to the widely known Insurance Annuity where you give the funds to an Insurance company for an exchange for income. The key objective of Nawiri IDD is to provide retirees with an income in their retirement years, with an opportunity to grow their funds at market performance and have a residual amount after the 10 years contract. The Nawiri IDD gives a lot of flexibility and has over time been the preferred option for members due to the below advantages:

1. Allows freedom to set your income
2. Funds are conservatively invested hence capital preservation is assured.
3. Allows access of the income adjusted surplus after the 10 years period.
4. There is perpetual existence of the fund
5. Retirees above 65 years are not taxed.

A close-up photograph of several stacks of gold coins, with the focus on the top of the stacks.

Income Drawdown contracts give you greater flexibility to do more than you could with a conventional pension plan or annuity.

If you want an income drawdown policy we can make it easy for you by doing all the work

For more information please email [retail-department@octagonafrica.com](mailto:retail-department@octagonafrica.com) or call 0709 986 020



## Characteristics Of An Income Drawdown

1. A series of regular monthly payments provided by your reinvested 2/3 portion of your retirement savings
2. The 2/3 portion is invested in a conservative manner with underlying investments being bonds and bank deposits
3. The retiree will specify the amount on annual income accessible in advance; noting the law permits upto 15% p.a. access
4. The 2/3 portion reinvested remain relatively conserved owing to the long run investment returns it earns

## How Do I join

- 01** Member receives a quote and has a financial discussion.
- 02** Member joins by signing an application form.
- 03** Member initiates transfer into the drawdown fund.
- 04** Member can choose post retirement medical services which premiums are deducted monthly.
- 05** Member shall receive annual statements indicating payouts and annual interest earned.
- 05** Member gets periodic updates on industry changes and how they affect the fund.

Member joining form can be downloaded on [www.octagonafrica.com](http://www.octagonafrica.com)

## REGULATORY FRAMEWORK



- Minimum drawdown period is 10 years after which member shall decide if to continue with the drawdown or purchase an annuity or take the full lump sum.
- Member may draw an Income up to a maximum of 120% of the life annuity that can be purchased
- Member cannot drawdown more than 15% of his annual drawdown amount
- In the event of death, nominated beneficiaries shall opt to either; continue with the drawdown, take the lump sum or have the same placed under a trust.
- At least once in every 3 years, the maximum income that may be taken shall be recalculated to reflect the amount remaining in the fund
- The Administrator of the Drawdown shall reduce the maximum drawdown rate whenever the underlying capital becomes insufficient to guarantee a life Annuity
- Trustees shall ensure that the Scheme has the technical, administrative and systems capacity to manage drawdown funds and handle advisory functions to Members.
- Trustees shall act in a responsible manner by putting in place standards that will help to mitigate the risk of being exhausted during the lifetime of an individual Member.

## TAXATION OF INCOME DRAW DOWN

- Amounts below Kshs.25,000.00 are Tax Free
- Amounts above 25,000.00 are subjected to applicable tax bands
- Individual tax relief of 1,162.00 applicable per month.
- Members aged 65 years and above are not taxed.
- Funds from Unregistered funds will not be taxed



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