



Metropolitan Smoothed Bonus declaration **2023** fact sheet

For the financial year ending 30 June 2023

METROPOLITAN

1. Taxable individual endowments

This business consists mostly of Dynamic Life endowment policies, along with some older smoothed bonus type business. It also consists of FutureChoice Investment Options and FutureChoice Investment Plan endowment policies invested in the smoothed bonus fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	2,50%	6,50%	4,00%
30 June 2020	12	0,40%	1,00%	0,50%
30 June 2021	12	2,50%	7,00%	3,00%
30 June 2022	12	1,50%	4,50%	2,00%
30 June 2023	12	3,50%	8,00%	3,00%
5-year average	-	-	5,37%	-

2. Retirement annuities

This business consists mostly of Dynamic Life retirement annuities, along with some older smoothed bonus type RAs. It also consists of FutureChoice Investment Plan retirement annuities invested in the smoothed bonus fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	3,50%	6,00%	4,00%
30 June 2020	12	0,50%	1,50%	0,50%
30 June 2021	12	4,50%	8,50%	3,50%
30 June 2022	12	3,00%	6,00%	2,50%
30 June 2023	12	4,00%	9,00%	3,00%
5-year average	-	-	6,17%	-

3. Ultimate Retirement Option

This is smoothed bonus living annuity business. All bonuses are declared as vested.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	7,50%	7,50%	4,50%
30 June 2020	12	2,00%	2,00%	0,50%
30 June 2021	12	10,00%	10,00%	4,00%
30 June 2022	12	7,00%	7,00%	2,50%
30 June 2023	12	12,00%	12,00%	4,00%
5-year average	-	-	7,65%	-

4. Taxable institutional endowments

These are policies owned by taxable institutions, as opposed to individuals. This includes FutureChoice Investment Options and FutureChoice Investment Plan policies owned by taxable institutions invested in the smoothed bonus fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	2,50%	6,50%	4,00%
30 June 2020	12	0,40%	1,00%	0,50%
30 June 2021	12	2,50%	7,00%	3,00%
30 June 2022	12	1,50%	4,50%	2,00%
30 June 2023	12	3,50%	8,00%	3,00%
5-year average	-	-	5,37%	-

5. Non-taxable institutional endowments

These are sinking fund policies owned by untaxed institutions, as opposed to individuals. This includes FutureChoice Investment Options and FutureChoice Investment Plan policies owned by untaxed institutions invested in the smoothed bonus fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	2,50%	6,00%	4,00%
30 June 2020	12	0,50%	1,50%	0,50%
30 June 2021	12	4,50%	8,50%	3,50%
30 June 2022	12	3,00%	6,00%	2,50%
30 June 2023	12	4,00%	9,00%	3,00%
5-year average	-	-	6,17%	-

6. Property fund – taxable

The assets backing this fund consist exclusively of property and cash. This includes FutureChoice Investment Options and FutureChoice Investment Plan policies invested in the property fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	3,00%	8,00%	4,00%
30 June 2020	12	0,75%	2,00%	0,50%
30 June 2021	12	0,40%	1,00%	0,50%
30 June 2022	12	0,50%	1,00%	0,50%
30 June 2023	12	0,40%	1,00%	0,50%
5-year average	-	-	2,56%	-

7. Property fund – non-taxable

The assets backing this fund consist exclusively of property and cash. This includes FutureChoice Investment Options and FutureChoice Investment Plan policies invested in the property fund.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	5,00%	8,50%	4,00%
30 June 2020	12	1,50%	2,75%	0,50%
30 June 2021	12	0,75%	1,50%	0,50%
30 June 2022	12	2,25%	4,50%	2,50%
30 June 2023	12	1,50%	3,00%	2,00%
5-year average	-	-	4,02%	-

8. Recurring Cash benefit – less than five years

On these policies, cash can be withdrawn from the policy at the discretion of the client, without the charges that apply on a normal partial surrender, as long as the policy has been in force for more than five years. The policy is treated as a normal smoothed bonus endowment policy for the first 5 years of its term.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	10,00%	10,00%	5,00%
30 June 2020	12	3,50%	3,50%	1,00%
30 June 2021	12	10,00%	10,00%	4,00%
30 June 2022	12	7,50%	7,50%	2,50%
30 June 2023	12	12,00%	12,00%	4,00%
5-year average	-	-	8,56%	-

9. Recurring Cash benefit – older than five years

On these policies, cash can be withdrawn from the policy at the discretion of the client, without the charges that apply on a normal partial surrender, as long as the policy has been in force for more than five years. After five years, all bonuses become vested, and cash can be withdrawn from the policy on demand.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	10,00%	10,00%	5,00%
30 June 2020	12	3,50%	3,50%	1,00%
30 June 2021	12	10,00%	10,00%	4,00%
30 June 2022	12	7,50%	7,50%	2,50%
30 June 2023	12	12,00%	12,00%	4,00%
5-year average	-	-	8,56%	-

10. Voluntary Group retirement savings

This fund consists of several Voluntary Group savings schemes.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	3,00%	5,50%	3,00%
30 June 2020	12	0,70%	1,50%	0,50%
30 June 2021	12	6,00%	10,00%	5,00%
30 June 2022	12	6,00%	8,00%	3,00%
30 June 2023	12	5,00%	13,00%	5,00%
5-year average	-	-	7,53%	-

11. Preservation Plans

This fund consists of Preservation Plan policies.

Declaration period ending:	Number of months	Final bonus		Interim bonus
		Vested	Total	
30 June 2019	12	2,00%	6,00%	3,50%
30 June 2020	12	1,00%	2,50%	0,50%
30 June 2021	12	5,00%	13,00%	5,00%
30 June 2022	12	3,00%	7,50%	3,00%
30 June 2023	12	6,00%	15,00%	7,50%
5-year average	-	-	8,70%	-

Frequently asked questions

What is a smoothed bonus portfolio?

A smoothed bonus portfolio is an investment in which your money is pooled with other policyholders' money. The returns to policyholders are 'evened' out, or smoothed, over a number of years. This means that the bonuses paid in one year may be higher or lower than the actual returns in the stock market.

What is an interim bonus?

An interim bonus is declared at the same time that the final bonus for the previous calendar year is declared. Until the final bonus for the current calendar year is declared and applied, the interim bonus will be used to calculate the value of the investment.

What is the difference between vested and non-vested bonuses?

Vested

The vested bonus is added to the client's investment and will not be taken away unless all or part of the policy is surrendered. The vested bonus will, however, not be reduced or removed when the investment matures or the client passes away.

Non-vested

The non-vested bonus is the difference between the total bonus and the vested bonus. The non-vested bonus may be reduced or removed when the client alters the nature of the original contract, or as a result of poor investment returns.

The non-vested bonus is usually paid out in full if a death claim is made or when a claim is made at the end of the investment period. On partial or full surrender (when you withdraw from or end your investment before the investment period is over), the client will only get a portion of the non-vested bonus.

Notes

- All the figures are based on declared bonuses until 30 June 2023 and the figures and illustrations are accurate as at this date.
- Past performance cannot be used to estimate future values and it is not necessarily an indication of future performance.
- The bonus rates are net of fund management fees and tax on investment returns.
- For FutureChoice Investment Option endowments and RAs the bonus rates are 1% higher for policies written before 2009 and 1.25% higher for policies written since 2009.
- The value of an investment may be reduced or increased by reference to the value of the underlying assets upon surrender of a policy.
- Always contact your financial adviser for a complete financial needs analysis before making any decisions regarding an investment.

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