



# SANLAM OFFICE STAFF RETIREMENT

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# retirement fund

The Sanlam Umbrella Provident Fund (SUF): Sanlam Group is a defined contribution fund. The members of the Sanlam Staff Umbrella Pension and Provident Funds were transferred to this Fund on 1 December 2022.

All permanent office staff in the Sanlam Group appointed become members of the Sanlam Umbrella Provident Fund (SUF): Sanlam Group from 1 July 2022.

# retirement date

Employees employed before 1 May 2011 will retire according to the fund rules that existed for them i.e.

- 31st December\* nearest to normal retirement age in respect of all members who were members of the fund before 1 January 2012, except for those who were transferred in terms of Section 14 in the term 1 May 2011 to 31 December 2011.

- The end of the month in which a member reaches his/her normal retirement age in respect of all members who joined the fund as from 1 January 2012 and also those who were transferred in terms of Section 14 during the period 1 May 2011 to 31 December 2011.

\* *The cut-off point is 1 July i.r.o an employee whose normal retirement date is the 31 December closest to his/her normal retirement age. Normal retirement date for those whose birthday falls before 1 July will be the previous 31 December. The normal retirement date for those whose birthday falls on 1 July and later will be the 31 December after their birthday.*

## For example:

- (a) Date of birth is 18/04/1946. If normal retirement age is 60, the retirement date will be 31/12/2005. If normal retirement age is 65, the retirement date will be 31/12/2010.
- (b) Date of birth is 18/07/1946. If normal retirement age is 60, the retirement date will be 31/12/2006. If normal retirement age is 65, the retirement date will be 31/12/2011.

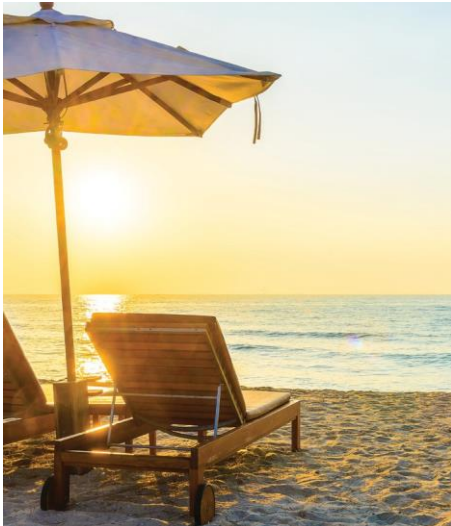
# retirement age

Retirement age is as contracted by the employer  
with the employee (member)



# benefits payable

In the case of members of the Sanlam Umbrella Provident Fund (SUF): Sanlam Group the retirement benefit is equal to the member's accumulated fund value. In the case of early retirement the fund value is less than the benefit at normal retirement date, because the contributing period is shorter.



## Postponement of payment of retirement benefits

As from 1 March 2015 tax legislation allows members to postpone the payment of their retirement benefits by the SUF: Sanlam Group. In other words, on retirement from the employer the member can elect to preserve his/her benefit in the SUF: Sanlam Group until a date elected by the member when the benefit must be paid. The benefit will accrue for tax purposes only when it becomes payable.

- ① The following very important rules apply when the payment is postponed:
- ② The member is not allowed to postpone payment of only part of the benefit. e.g. the member cannot spread the payment of the retirement benefits to take place on different dates.
- ③ The member will not be allowed to make any further contributions to the SUF: Sanlam Group.
- ④ The member will not qualify for any death or other risk benefits. At retirement date the member will have to make use of the continuation or conversion options for risk benefits.
- ⑤ If the member dies during the period of postponement, the accumulated fund values become payable as a death benefit.
- ⑥ The benefit will be invested in the SUF: Sanlam Group portfolios as selected by the member. The member will also be allowed to make investment switches. The same rules apply as for any other active employee who is a member of the SUF.
- ⑦ The monthly administration fee will be payable by the member and such fee will be recovered on a monthly basis from the accumulated fund value of the member.

# early retirement conditions



A member may retire early up to ten years before his/her normal retirement date.

The employer's permission is required, if the employee wants to retire more than five years before his/her normal retirement date.

# late/deferral retirement

In exceptional circumstances, based on a significant business need, a Sanlam Ltd Exco member may grant permission for the retirement date of an individual to be deferred. This is only allowed when other forms of contracting (eg fixed term contract) is deemed to be inappropriate. The maximum period of such an extension is up to age 70 years. It is recommended that such deferral should be no longer than 2 years where after it could be reconsidered should the business still have the need for the skills of the specific staff member. Such staff members will remain members of the SUF: Sanlam Group but their risk cover will be terminated at their normal retirement date (the original contracted retirement date). Please refer page 6 for the continuation/ conversion options available to them at their normal retirement date. After approval by the Sanlam Ltd Exco member, a special agreement for the deferral of the retirement needs to be signed by the employee and his/her line manager. A draft agreement is available on request from the Retirement Fund Manager.

# continuation of group life and family insurance

Group Life and family Insurance lapses at actual retirement or retirement date, whichever happens first. However, if a staff member retires before age 65, he/she has the option of continuing with the death cover on his/her own life and the cover on his/her spouse's life, subject to a certain maximum amount at normal group rates. The cover can be continued for a period of five years, or up to the 31 December closest to the member's 65th birthday, whatever occurs first.

The sum insured may not be increased after retirement.

A similar option also applies to the family cover.

# conversion option

When the cover under the Group Life Insurance lapses, the member has the option of taking out a Sanlam individual death cover policy within two months of the lapse date, up to a certain maximum amount, without submitting proof of good health. This also applies to spouse cover, provided that the spouse is not yet 70 years old.

The family (funeral) cover can be converted to a policy with Sanlam Sky.





# tax-free gratuity

The tax free portion of the retirement benefit will be calculated according to the applicable formula of the tax legislation of SARS (South African Revenue Service). Any amount over and above the tax-free portion that is taken as a cash lump sum will be taxed in accordance with a directive from SARS.

# notice of retirement

An employee must give Human Capital 3 month's written notice before retirement whether early or on normal retirement date. HC Support Service will issue to the employee an information pack containing full particulars about his/her retirement.

Before actual retirement the member must complete the forms to indicate how he/she would like his/her retirement benefits to be paid.



## Disclaimer

This summary does not form part of the official Rules and Policies. In the event of any contradiction between the contents of this summary and the official Rules and/or Policies, the provisions of the Rules and Policies shall prevail. These Rules and Policies are available on request at Alfreda April, Glacier Place, Tel: 021 947 8404.

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