



Staff Umbrella Pension and Providend Funds (SSUF)

**Annual report to members for the period
1 April 2015 to 1 March 2016**

Insurance

Financial Planning

Retirement

Investments

Wealth



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Introduction

Making adequate provision for your retirement is your responsibility. Your employer and the SSUF assist you in this responsibility by making structures available that enable you to tailor your retirement planning according to your and your family's needs.

Saving in your retirement fund is the most cost and tax effective manner of saving for retirement. Furthermore, saving for retirement should be viewed as a long term strategy which can be significantly aided through the power of compound interest.

Example: Fund values which grow at a rate of 12% per year will double every six years. If you preserve R50 000 on resignation from your employer and this money grows at 12% it will be worth R100 000 after 6 years, R200 000 after 12 years, R400 000 after 18 years, R800 000 after 24 years and R1.6 million after 30 years. If the member in this example resigned at age 25 years, he/she would be able to supplement his/her retirement benefit with R1.6 million at age 55 years without any additional contributions to this specific investment.

The two biggest mistakes that members make are:

- Not saving enough; and
- Not preserving their benefits on resignation.

The SSUF structure allows members to select from a wide range of contribution rates. The rates selected by the member can be adjusted annually according to your financial circumstances. To make preservation easy, the SSUF now grants members the option to preserve their withdrawal benefit in the SSUF upon termination of employment, at a very reasonable cost.

In this report we provide important information on the benefits of the SSUF, how the recent legislative changes affect you and how you can save more for retirement. On page 30 we are excited to introduce you to the new member App which will ensure members have the detail of their SSUF benefits at their fingertips at all times. In this way, members will be able to monitor their benefits.

We also encourage you to visit the communication website of the SSUF for more comprehensive information and articles to assist you with your financial planning.

The website address is: <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>



Board of trustees

The Board of Trustees that manages the SSUF comprises of ten trustees.

Five of the trustees are elected by members of the SSUF and five trustees are appointed by the principal employer after consultation with the different participating employers.

In order to ensure a fair representation of all the participating employers, the five member representatives are elected as follows:



Two from Sanlam Personal Finance (SPF) (including Sanlam Sky);



One from Sanlam Investments (SI);



One from Santam; and



One from the remaining businesses that include the Sanlam Group Office, Sanlam Employee Benefits (SEB) and Sanlam Emerging Markets (SEM)

The current member elected trustees are:

Business Unit	Trustee	Alternate	Term of service
Santam	Maryke Kotze	André Lotz	1 March 2014 – 28 February 2017
SPF	Jannie van Zyl	Stefan du Preez	1 July 2015 – 30 June 2018
SPF	Johann de Wet	Arthur Zerf	1 July 2015 – 30 June 2018
SI	Hendrik Scholtz	Rajesh Sukha	1 July 2015 – 30 June 2018
Other/SEB	David Gluckman	PG Marais	1 July 2015 – 30 June 2018

The employer appointed trustees are primarily individuals with the applicable technical skills and experience in fund related matters, i.e. actuarial, risk, finance, investments, governance, legal and human resources.

The current employer appointed trustees are:

Area of expertise	Trustee	Alternate	Term of service
Finance/Investments/Legal	Lizet Murray	Joseph Makgopa	1 March 2014 – 28 February 2017
Actuarial/Investments/Risk	Werner Barnard	Clifton J van Rensburg	1 July 2015 – 30 June 2018
Investments/Finance	Haydn Franckeiss	Jill Rose	1 July 2015 – 30 June 2018
Governance/Investments/Finance	ML Carstens	Ahmed Banderker	1 July 2015 – 30 June 2018
HR/Legal/Governance	Vionne Tregurtha	Robert Goff	1 July 2015 – 30 June 2018

Other Fund Officials

Principal Officer

Chrisna Swart

Tel: 021 947 8404

Email: chrisna.swart@sanlam.co.za

Deputy Principal Officer

Diana Petersen

Tel: 021 947 4853

Email: Diana.petersen@sanlam.co.za

The SSUF is an umbrella fund for employers within the Sanlam Group

List of participating employers in the SSUF

Sanlam Personal Finance

- Sanlam Health
- Sanlam Trust
- Sanlam Personal loans
- Glacier
- Sanlam Sky Solutions – including Safrican

Sanlam Investments

- Sanlam Life Insurance Ltd
- Blue Ink
- Sanlam Capital Markets
- Sanlam Collective Investments
- Sanlam Employee Benefits
- Sanlam Investment Management
- Sanlam Multi Managers
- Sanlam Private Investments
- Infnit
- Denker Capital

Short-term Insurance cluster

- Santam
- Mi-Way
- Mirabilis
- Emerald
- Hospitality & Leisure Underwriters

Developments and changes in the fund

for the period 1 April 2015 to 31 March 2016

Member statistics	1 April 2015	1 April 2016
Active members	10 387	11 422
Occupationally disabled members	95	99



Rule changes

The following rule changes were registered during the year under review.

- Provision was made for members of the African Life Pension Fund who became members of the SSUF on 1 March 2015.
- The rules were changed to allow members at retirement to remain members of the SSUF.
- The rules were amended in line with the Taxation Laws Amendment Act, 2015, specifically to allow members to limit their contributions to the SSUF to the maximum amount deductible in terms of income tax legislation.
- Provision was made for members to preserve their withdrawal benefit in the fund on termination of employment.
- The rules were changed to indicate that the trustees can approve a round robin resolution by e-mail.
- The rules were changed to indicate that the split of cost between the pension and provident fund will be specified in the expenses protocol as adopted by the Board of Trustees.

The above changes were registered to the Rules of both the Pension and Provident Fund.



Investments

Distribution of members' fund values in the various investment portfolios

Investment portfolios	30 June 2015	1 April 2016
Cash	2.65%	1.37%
Monthly Bonus	1.48%	1.47%
Stable Bonus	9.62%	9.68%
Absolute Return	2.01%	2.07%
SIM Moderate	5.96%	5.96%
Sanlam NUR Balanced	0.43%	0.47%
Allan Gray Global Balanced ¹	17.68%	17.86%
Coronation Managed	13.24%	12.90%
SIM Aggressive	5.47%	5.58%
Glacier Option	33.79%	35.57%
Sanlam Life Stage Option²		
- Accumulator Portfolio	6.97%	6.28%
- Capital Protection Portfolio	0.63%	0.61%
- ILLA Preservation Portfolio	0.07%	0.18%
Totals	100.0%	100.0%

With effect from 1 June 2015:

1. The Allan Gray Domestic Balanced Portfolio was replaced with the Allan Gray Global Balanced Portfolio; and
2. the Lifestage Programme was replaced with the Sanlam Lifestage Model/Option. The Board of Trustees continuously monitors and reviews the investment menu to ensure that it is optimal for the members.

The investment performances of the funds' various investment portfolios as at 1 April 2016

Sanlam Staff Umbrella Pension Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2016

Period		SIM Moderate Portfolio	SIM Aggressive Portfolio	Allan Gray	Coronation	Sanlam Absolute Return	Stable Bonus	Monthly Bonus	Cash Portfolio	Sanlam NUR Balanced
3 months	Over the period	3.67%	5.46%	5.63%	4.04%	1.50%	1.75%	1.63%	1.79%	4.49%
6 months	Over the period	5.81%	8.29%	14.13%	7.96%	5.62%	4.14%	3.92%	3.46%	8.53%
9 months	Over the period	6.33%	5.92%	14.03%	3.72%	7.33%	6.60%	6.27%	5.19%	4.19%
12 months	Over the period	5.65%	5.81%	-	5.05%	8.74%	10.36%	9.96%	6.89%	5.07%
24 months	Annualised	11.38%	9.91%	-	8.19%	10.03%	12.46%	12.55%	6.66%	4.11%
36 months	Annualised	13.86%	13.73%	-	12.82%	11.35%	15.01%	13.91%	6.29%	-
Since inception	Over the period	825.64%	560.93%	12.28%	721.16%	279.76%	440.68%	352.75%	352.01%	13.52%
Since inception	Annualised	12.43%	13.18%	n/a	15.82%	11.59%	13.86%	12.32%	8.26%	5.80%
Inception date		01/04/1997	01/01/2001	01/06/2015	01/12/2001	01/02/2004	01/04/2003	01/04/2003	01/04/1997	01/01/2014

Sanlam Staff Umbrella Pension Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2016

Period		Sanlam Lifestage Accumulated	Sanlam Lifestage Capital Protection	Sanlam Lifestage ILLA Preservation Portfolio
3 months	Over the period	2.92%	1.71%	2.96%
6 months	Over the period	6.15%	4.08%	6.95%
9 months	Over the period	3.71%	6.51%	6.14%
12 months	Over the period	-	-	-
24 months	Annualised	-	-	-
36 months	Annualised	-	-	-
Since inception	Over the period	2.56%	7.49%	5.58%
Since inception	Annualised	n/a	n/a	n/a
Inception date		01/06/2015	01/06/2015	01/06/2015



The investment performances of the funds' various investment portfolios

Sanlam Staff Umbrella Provident Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2016

Period		SIM Moderate Portfolio	SIM Aggressive Portfolio	Allan Gray	Coronation	Sanlam Absolute Return	Stable Bonus	Monthly Bonus	Cash Portfolio	Sanlam NUR Balanced
3 months	Over the period	3.67%	5.47%	5.63%	4.03%	1.50%	1.75%	1.63%	1.84%	4.48%
6 months	Over the period	5.81%	8.28%	14.12%	7.93%	5.62%	4.14%	3.92%	3.53%	8.43%
9 months	Over the period	6.31%	5.93%	14.03%	3.69%	7.34%	6.60%	6.27%	5.29%	4.10%
12 months	Over the period	5.63%	5.83%	-	5.01%	8.76%	10.36%	9.96%	6.94%	4.97%
24 months	Annualised	11.39%	9.96%	-	8.18%	10.05%	12.47%	12.57%	6.68%	4.09%
36 months	Annualised	13.87%	13.79%	-	12.78%	11.37%	15.01%	13.92%	6.31%	-
Since inception	Over the period	825.53%	561.29%	12.28%	717.96%	281.09%	440.60%	353.04%	352.35%	13.48%
Since inception	Annualised	12.42%	13.19%	n/a	15.79%	11.62%	13.86%	12.32%	8.27%	5.78%
Inception date		01/04/1997	01/01/2001	01/06/2015	01/12/2001	01/02/2004	01/04/2003	01/04/2003	01/04/1997	01/01/2014

Sanlam Staff Umbrella Provident Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2016

Period		Sanlam Lifestage Accumulated	Sanlam Lifestage Capital Protection	Sanlam Lifestage ILLA Preservation Portfolio
3 months	Over the period	2.91%	1.72%	2.96%
6 months	Over the period	6.11%	4.08%	6.30%
9 months	Over the period	3.65%	6.50%	5.76%
12 months	Over the period	-	-	-
24 months	Annualised	-	-	-
36 months	Annualised	-	-	-
Since inception	Over the period	2.52%	7.48%	5.20%
Since inception	Annualised	n/a	n/a	n/a
Inception date		01/06/2015	01/06/2015	01/06/2015

Please note:

1. The returns above are net of investment manager fees and retirement fund tax. Retirement fund tax has been abolished since 1 March 2007.
2. Published rates are time weighted to remove the effect of cash flows and are gross of investment manager fees and retirement fund tax and may therefore differ from returns reflected in this report.
3. There is currently a two day time lag on member records shown on the administrator's website and the actual position at the fund manager. This means that the investment data for each portfolio, reported on 29 July 2016 (for example) is actually the investment data as at 27 July 2016.
4. This report summarises returns for the funds' total portfolios. Returns for a particular member may differ depending on actual cash flow, investment options and accumulated credits.

Rates for death, trauma and disability benefits

The premium rates for death, trauma and disability benefits offered to Sanlam's office staff by the funds and group insurance are reviewed annually by the insurer.

If necessary, the premium rates will be adjusted depending on the claims experience.

Please see next pages for the full details of the monthly premium rates that came into effect on 1 April 2016.

01 Sanlam Staff Umbrella Provident Fund (SSUF)

The average premium rate in respect of death cover is 0.926% (2015: 0.95%) of pensionable remuneration.

The premiums of members who selected a lower level of cover reduced according to the premium rate applicable to their age band. (See table below). During the annual flex event in May each year, members have the opportunity to elect a lower level of cover.

Age band	Default cover Multiple of PEAR	Maximum cover Multiple of PEAR	Rate per R1 000 cover before 1 April 2016	Rate per R1 000 cover as from 1 April 2016
Younger than 26 years	5	11	R0.159	R0.155
26 - 30 years	7	13	R0.113	R0.110
31 - 35 years	7	12	R0.113	R0.110
36 - 40 years	6	10	R0.132	R0.129
41 - 45 years	6	8	R0.132	R0.129
46 - 50 years	5	7	R0.159	R0.155
51 - 55 years	5	6	R0.159	R0.155
56 years and older	4	6	R0.198	R0.193



02 Income Care insurance

The cost of the income disability cover has remained unchanged on 0.885 % of total guaranteed package (TGP).

As from 1 March 2015 the premium is an after tax deduction, but the benefit payable will no longer be taxable. The tax-free benefit is calculated as follows:

- 75 % of the first R120 000 of annual TGP, plus
- 60 % of the next R360 000 of annual TGP, plus
- 50 % of the annual TGP in excess of R480 000

The minimum benefit applicable to certain members, who were appointed before 1 May 2011, and enjoy limited cover due to the results of their medical assessment, increased from R29 000 p.a. to R56 000 p.a.

The premium for these members is also 0.885 % of TGP. However, the maximum premium payable by them increased from R200.00 per month to R210.00 per month.

03 Group life insurance

Cover on the member's life

The premium rate for group life insurance (lump sum disability and death benefits) was decreased from R0.245 to R0.235 per month per R1 000 cover.

The minimum level of cover in respect of members, appointed before 1 May 2011 and who enjoy limited cover due to the results of their medical assessment, was adjusted to the lesser of:

- the member's elected level of cover (multiple of pensionable remuneration); or
- R540 000 (previously R450 000).

Cover on the spouse's life

The premium rate for spouse's group life insurance remained unchanged at R0.236 per month per R1 000 cover.

04 Trauma insurance

The premium rate for the trauma insurance was increased from R0.257 to R0.272 per month per R1 000 cover. As from 1 April 2016 members have the option to convert this cover to individual insurance on termination of employment.

05 Family insurance

The rates of the family insurance remained unchanged. The level of death benefits payable is as follows:

	Option 1	Option 2
Insured	Benefit	Benefit
Principal member	R27 500	R55 000
Qualifying spouse	R27 500	R55 000
Qualifying children of 14 years and older	R27 500	R55 000
Qualifying children of 6 years and older, but younger than 14 years	R15 125	R30 000
Qualifying children younger than 6 years, or a stillborn child	R10 000	R10 000
Parents (who are insured)	R7 500	R15 000

The premiums for family cover are:

	Option 1	Option 2
Premium for principal member, spouse and children	R8.75 per month	R17.50 per month
Premium for parents	R22.50 per parent per month	R45.00 per parent per month
Premium for additional spouse	R4.00 per spouse per month	R8.00 per spouse per month



important to note

- All existing employees who do not have family cover can no longer apply to participate in this insurance as they previously had a once-off option to take out family insurance and to insure their parents. Only those members who have the basic family cover can add parents-in-law within 3 months of marriage. (The addition of parents is not allowed for current members.) New employees have a once-off opportunity at appointment to select this option.

Proof free limits (PFL)

The death and disability benefits of members who became members of the SSUF from 1 May 2011 are subject to the following proof free limits:

-
- **Death benefits payable by the Sanlam Staff Umbrella Provident Fund and Group Life Insurance (including the lump sum disability benefit)**
 - Combined proof free limit = R14 000 000

Death benefit on your spouse's life (optional)

- R1 250 000

Monthly income disability benefit

- R115 000 pm (Including the 10.7 % employer contributions to the Provident Fund and the member contribution of 7.5 % to the Pension Fund).

Trauma Insurance

- R1 200 000

New members who qualify for benefits that exceed the above amounts need to provide proof of good health for the amount that exceeds the proof free limits.

Please note:

Recoupment of cost/contributions and tax effect:

The cost of the Group Life Insurance, Income Care Insurance and Family Insurance are after-tax deductions from the member's remuneration. The actual premium paid by each member for this insurance will be reflected on his/her pay slip. Because the insurance premiums are paid with after-tax money, the benefits payable, in accordance with current legislation, are tax-free.

The cost of the death benefits provided for by the Provident Fund is recouped from the employer contribution. The actual cost recouped per member is reflected on each member's individual benefit statement.

Benefit statement is your financial guide

Knowledge is power! Make sure you know what your financial situation will be when you retire, become disabled, are dismissed or retrenched or pass away.

You can only plan properly for your own and your family's future if you know exactly how much provision you've already made.

For many employees, the savings they accumulate within the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and the benefits provided by the fund form the foundation of their risk and retirement provision.

For the majority the money you will have saved in the fund by the time you retire will be your biggest asset and it will need to provide for your living expenses for the next 20 to 40 years when you don't earn a salary.

The annual benefit statement shows how well you are positioned relative to your savings goals. It also reflects the cover provided by the SSUF and the related group life insurance schemes.

Where can you find your benefit statement?

Benefit statements are available via the SAP system.
To access your personal benefit statement:

- 1 log on **SAP ESS** (Employee Self Service).
- 2 You'll find your benefit statement under the **Remuneration tab**.
- 3 From the drop-down menu select the **2016 benefit statement**.

All benefits have been calculated based on your pensionable remuneration, as indicated on your personal benefit statement.

What should you do with your benefit statement?

- Read your benefit statement carefully and make sure you understand the detail. If you don't understand any of the terminology, you may contact the principal officer via email, Chrisna Swart, at chrisna.swart@sanlam.co.za.
- Discuss your benefits with your spouse and/or dependants because your financial planning concerns your family too.
- Discuss the benefit statement with your financial adviser and make sure of the following:
 - you have made adequate financial provision for retirement
 - you have invested appropriately, according to your age, risk profile, needs and so forth
 - you contribute the maximum you can afford to save for retirement
 - your death benefit will adequately meet your dependants' needs

- you have nominated beneficiaries to receive the benefits payable should you die.
- Make sure of the additional cover options you qualify for in the event that you have a baby or get married. These options should be submitted to Human Resources within three months of the event.
- Your accumulated fund value will become payable only on termination of your employment due to resignation, retrenchment, dismissal, retirement or death. It will not be payable if you transfer to another participating employer, for example from Sanlam to Santam.





You save more with SSUF

Saving in the SSUF has the following advantages when compared to other savings instruments:

- You save with pre-tax money.
- Within the fund there is no capital gains tax, taxation on interest, or other taxes applicable to your investment growth.
- No administration or intermediary fees are payable if you select an investment portfolio from the fund's investment menu. Make sure of the underlying costs involved in the Glacier and Sanlam Private Wealth investment options that are available to members who meet the qualifying criteria.
- You qualify for one free investment switch per calendar year.

Benefits in a nutshell

Event	Benefit composition	Options	Consider the following
Resignation, dismissal or retrenchment	The benefit consists of your accumulated fund value.	You may: <ul style="list-style-type: none"> • Preserve your benefit in the SSUF • transfer your benefit to an approved fund • select a partial transfer to another approved fund and cash payment • select a full cash payment. 	It will be wise to preserve your accumulated fund value until you retire. A cash payment may be attractive now but it will seriously hamper your financial position at retirement.
Retirement	The benefit consists of your accumulated fund value.	You'll have the option of different types of pensions that will provide an income for life. Should you have a need for a cash lump sum, you may select to have part of your accumulated fund value paid in cash, within the limits of the applicable legislation.	A cash lump sum can be taxable. Consult a financial adviser to understand the tax implications.
Disability	Should you be declared totally or totally and permanently disabled, you may qualify for an income benefit or an income and lump-sum benefit, depending on the nature of your disability.	Should you be declared disabled, you will receive the applicable disability benefits and continue to be a member of the SSUF. You do not have any options.	If your application for a disability benefit does not meet the qualification criteria, you will either have to return to work or opt for voluntary resignation.
Death	Your accumulated fund value, plus any lump-sum insured benefit as selected by you, will be payable.	The beneficiaries of your death benefit may select to either receive the benefit in the form of a pension or lump-sum payment.	Make sure you've completed beneficiary nomination forms. These will inform the trustees of your wishes regarding the benefits should you die.

This summary is for information purposes only and cannot form the basis of any claim against Sanlam, the SSUF, the trustees or your employer. The provisions and conditions of the Funds and Group Insurance are set out in full in the official Rules and Policies. In the event of a discrepancy the official Fund Rules and policies will apply.



Retirement tax changes – how they affect you

New rules with regard to the tax deductibility of contributions to pension, provident and retirement annuity funds came into force as from 1 March 2016 and affects you as follow:

Tax deductibility of contributions					
	Previous position			From 1 March 2016	How it affects SSUF members
	SSUF Pension Fund	SSUF Provident Fund	Retirement annuity (RA) policies	SSUF Pension and Provident Funds, and RA policies	
Employee/member contribution	Maximum 7,5 % of retirement funding income + R1 800 pa for additional voluntary contributions.	n/a	15% of non-retirement funding income.	Maximum 27,5% of the greater of remuneration or taxable income (employee and employer contributions).	Your contributions remain as per the choice you made during the latest Flex event.
Employer contribution	n/a	Maximum 20% of approved remuneration.	n/a	The full contribution is taxed as a fringe benefit in the employee's hands.	No significant impact on salary, as the fringe benefit tax will be offset against the tax deduction, except where contributions exceed R350 000 pa.
Annual cap	n/a	n/a	n/a	R350 000 pa	Contributions in excess of R350 000 can be deducted in following tax years or this will form part of your tax-free portion at withdrawal or retirement, or will be deductible from tax payable on your pension after retirement.

Benefits of the changes

- Simplification of the tax treatment of contributions to retirement funds, as the previous system was complex and confusing.
- It improves equity between high- and low-income taxpayers by imposing a limit on the total allowable deduction of high-income earners
- It gives members the opportunity to save more for retirement and secure a better income after retirement.

These tax changes are reflected on your payslip as from end-March 2016.





Boost your retirement benefits

Additional voluntary contributions to your pension fund will enhance your retirement savings. Here's how it works.

As a member of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF), the law now allows you to make tax-efficient additional voluntary contributions (AVCs) to enhance your retirement savings.

Such contributions will be in addition to the contribution rates applicable to your salary and bonus, as selected from time to time. The AVCs can provide further tax relief and supplement your retirement benefit at no extra cost.

How it works

From 1 March 2016 you qualify for a tax deduction for contributions up to 27,5 % of the greater of your remuneration or taxable income, subject to a maximum of R350 000 per tax year. These limits apply to the total of your employer and employee contributions to all pension, provident and retirement annuity funds.

SSUF rules also allow you to make AVCs in addition to the contribution rates on salary and bonuses elected from time to time. These contributions will also form part of the 27,5 % tax deduction.

Example

If your recurring contributions to the SSUF are less than R350 000 per tax year, you can make additional contributions that will also qualify as a tax deduction:

Member's TGP: R400 000

$80\% \times \text{TGP} = \text{PEAR: R320 000}$

Contributions to SSUF: $\text{R320 000} \times 27,5\% = \text{R88 000}$ per year (maximum assumed)

- This member can make additional tax-deductible contributions, because his/her PEAR is lower than total remuneration or taxable income.
- If we assume the member's TGP is his or her 'total remuneration or taxable income', then he or she will qualify for tax-deductible contributions of $\text{R400 000} \times 27,5\% = \text{R110 000}$.
- This member may therefore make additional tax-deductible contributions of R22 000 per year ($\text{R110 000} - \text{R88 000}$) to the SSUF and/or a retirement annuity.

Note: AVCs will be paid to the SSUF pension fund.

Advantages of AVCs to SSUF

- These extra contributions can provide further tax relief in addition to the normal contributions to the SSUF.
- Any investment returns in the SSUF are tax free (no tax on dividends and capital gains tax are applicable).
- They can easily be suspended temporarily or reduced/increased to suit cash flow.
- They supplement your retirement benefits at no additional cost.
- They can be deducted monthly against your salary or by way of lump-sum deductions, according to your preference.

Process

- If you want to make AVCs, email myretirementfund@sanlam.co.za requesting the necessary form.
- The minimum amount for monthly payments is R150.

Glossary

TGP = Total guaranteed package

PEAR = Pensionable earnings (80% of TGP)

AVC = Additional Voluntary Contributions

SSUF = Sanlam Staff Umbrella Pension and Provident Funds



Personalise your pay package

Your employer provides you with an all-inclusive, market-related total remuneration package, which constitutes your total cost to company and allows you to choose various benefits within set parameters and as allowed by tax legislation.

Once a year during the general Flex event you can restructure your remuneration package to make sure your current benefits best suit your needs and life stage.



01 Your retirement and life cover options

With regard to your retirement fund and group life insurance, Flexpay enables you to:

- Save more every month with pre-tax money when you increase your retirement fund contribution rates. By doing this you'll pay less tax and improve your retirement.
- Allocate a portion of your bonus for retirement savings – this will also result in paying less tax on your bonus and saving more for retirement.
- Make sure the current level of your death cover best suits your needs. If not, you can increase or decrease it.
- Obtain cover on your spouse's life if you're legally married and want to make sure an amount is payable should your spouse pass away.

02 Save more monthly with pre-tax money

Make it a habit to increase your contribution rates every year – and save more for a secure retirement.

Retirement funds are virtual tax havens; you'll not find a more tax-efficient saving vehicle in South Africa. Not only do you save with pre-tax money, but within the fund the growth on your savings is tax-free.

Should you die, your fund value does not form part of your estate and no estate duty is payable on death benefits payable by the fund.

New legislation that came into force on 1 March 2016 allows you a tax-deductible contribution of up to 27,5% of the greater of your remuneration or taxable income, but not more than R350 000 per tax year. This cap only affects members who earn more than R1 270 000 a year and who contribute the maximum of 27,5%.

Make sure you contribute as much as you can afford and indicate your choice on the SAP package modeller. You have the flexibility to increase your contribution rates to the SSUF by as little as 0,5% of your pensionable earnings. As this is a pre-tax contribution, you'll be very surprised to see that a small increase in your contribution will hardly make any difference in your take-home pay.

03 Set part of your bonus aside for retirement

Draw up a proper budget for spending your bonus. Allow yourself the little bit of luxury you can't afford on your monthly salary, but also save part of your bonus for retirement. Make sure that after retirement you'll still be able to spoil yourself with a little luxury from time to time.

04 Choose a death cover level that suits your needs

A high level of cover results in you saving less for retirement. Your level of death cover should match the needs of your dependants. Should you die, it's important that you've made sufficient provision for your dependants. In the case of death a member's accumulated retirement savings plus an assured death benefit (equal to a multiple of annual remuneration) will be payable.

Members can obtain the assured death cover under the SSUF at very affordable rates. The costs of death cover will be deducted from your contributions to the fund and result in a reduction in your saving. This is why you have to do proper financial planning to determine the level of death cover for your needs. Any increase in cover will be subject to proof of good health by you. However, you can also decrease your death cover level, which will result in an increase in your retirement savings. You also have the option to reduce your group life cover. This is an option that should be considered carefully as a reduction in your group life death benefit can also have an effect on your lump sum disability benefit payable.



05 Consider cover on your spouse's life

Will there be a financial need if your spouse dies?

If you're legally married and do not enjoy cover on your spouse's life, you need to consider the impact on your financial planning if your spouse should pass away.

During Flex you can take out cover equal to a level of 1 x your annual remuneration on your spouse's life. This cover will be subject to your spouse providing proof of good health and will be payable to you if your spouse passes away.

New retirement app empowers SSUF members

Do you know what your retirement benefits will be? The Sanlam My Retirement Member App puts all the information you need at your fingertips.

Almost half of South African pensioners can't cover their monthly expenses – because they made little effort to understand their fund benefits and didn't plan for retirement properly.

In the 2016 Sanlam Benchmark Survey, retirement fund members said that a lack of communication and advice is a huge problem.

The new My Retirement Member App will enable members of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) to be more hands-on with their retirement savings. Tech-savvy millennials will especially enjoy the app but members of all ages should explore the app as it will give them a handle on their retirement savings by putting information at their fingertips.



Functionality includes:

- a view of your current retirement savings and benefits, including risk benefits
- a view of where your retirement savings are invested
- your monthly contribution rates
- quick access to the investment fund fact sheets
- contacts and links
- access to educational content that will help ensure a good retirement outcome
- a retirement calculator that gives insight into how well you're doing in saving for retirement.

Members can also:

- email the fund to update their personal info
- request an additional voluntary contribution to boost saving.

The app forms part of Sanlam Employee Benefits' larger digital project to improve retirement outcomes.



How to access the app

Install the app by searching 'Sanlam My Retirement':

- at the Google Play store for all Android phones
- at the Apple App Store for iPhone.

SSUF members can log in to the app using their Retirement Fund Web and Sanlam Secure Service login details.

Also see article on page 32.

SSUF members now have access to a renewed online experience


When members logon to the traditional “Retirement Fund Website”, they will automatically be re-directed to the Sanlam Secure Service page where they will have a unified view of their portfolio of products with Sanlam. Secure Service currently includes products from Sanlam Private Wealth, Glacier, Sanlam Collective Investments, Sanlam Individual Life, Sanlam Reality and Sanlam Employee Benefits. Members will be guided to a once-off registration on the Sanlam Secure Services page, when they visit the Retirement Fund Web.

The process (steps) to access detail of your benefits via Sanlam Secure Services:

- 1 Make sure you have your SSUF membership number ready. You can find your membership number on your “2016 SSUF Benefit Statement” which is available via SAP: Self Service; by selecting Remuneration > SSUF Benefit statement > 2016. Your membership number is reflected under “Personal Details”.
- 2 Log on via the link: <http://www.retirementfundweb.co.za> or alternatively <https://cp.sanlam.co.za>
- 3 Follow the login process for Members.
- 4 If you are already registered on the Secure Services page, then you can login with your existing username or password or if it is the first time that you access the site, then you need to register. If you are unsure of how to register, please see the step-by-step registration guide on the SSUF Retirement Fund website
- 5 Should you experience any problems, phone the helpdesk at 021 916 1500.
- 6 If your SSUF benefits are not reflected on the Secure Service page, phone the helpdesk and provide your SSUF membership number (product number) and request them to link the benefits.
- 7 Once your benefits are reflected on the Secure Service page, then you may click on “view detail” below any of your SSUF benefits, that will take you to the Retirement Fund web where you will have access to full detail of your benefits, including detail of your beneficiaries, investment options etc. Beneficiary details can be found on your benefit statement.



Options in the case of promotion, marriage, death of a spouse, birth/adoption of a child and divorce



Members have the option of increasing their life cover, subject to certain conditions, in the case of promotion, marriage, death of a spouse, birth/adoption of a child and divorce.

The relevant options must be exercised in the prescribed format and submitted to Human Resources along with the required documents, within three (3) months of the event.

Should the required option form and supporting documents not reach Human Resources Support Office within the prescribed time period, the option will lapse and will not be implemented.

The option forms and full details are available on the SSUF website at <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and Related Group Life Insurance

Summary of contributions and benefits

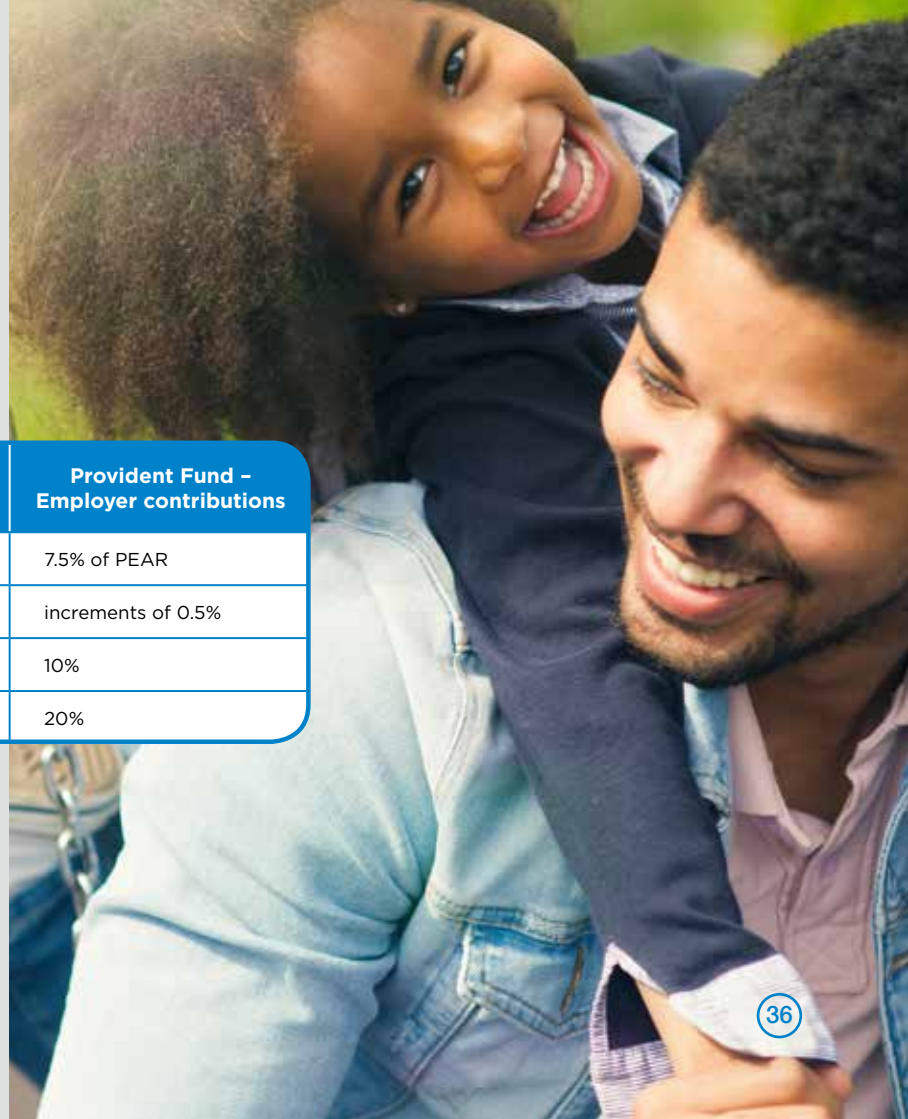
Important:

This summary is for information only. The provisions and conditions of the Funds and Group Insurance are set out in full in the official Rules and Policies. In the event of any discrepancy the official Rules and Policies apply.



01 Contribution rates

	Pension Fund - Member contributions	Provident Fund - Employer contributions
Minimum rate	5% of PEAR	7.5% of PEAR
Choice to increase	increments of 0.5%	increments of 0.5%
Default	7.5%	10%
Maximum rate	7.5%	20%



02 Retirement

2.1 Retirement Age (NRA)

Normal retirement age (NRA) is as contracted between the member (employee) and the employer, and may range between 60 and 65 years old.

2.2 Normal Retirement Date (NRD)

- 31st December nearest to NRA in respect of all members who were members of the funds before 1 January 2012, **except** for those who were transferred to SSUF in terms of Section 14 in the period 1 May 2011 to 31 December 2011.
- The end of the month in which a member reaches his/her NRA in respect of:
 - those members who were transferred to SSUF in terms of Section 14 during the period 1 May 2011 to 31 December 2011;
 - all members who joined the fund as from 1 January 2012; and
 - Santam employees appointed after 1 March 2013.
- Santam members transferred to the SSUF on 1 March 2013 retained their normal retirement date, i.e. 1 April following the date on which they reach their normal retirement age.

2.3 Early Retirement

A member may retire up to 10 years before his/her normal retirement date. The employer's permission is required should a member wish to retire more than 5 years before normal retirement date. Members who retire prior to age 55 should note the tax implications of doing so.

2.4 Late retirement

Late retirement is only allowed with the express permission of a Group Exco Member of the member's employer. The maximum age that a member may belong to the SSUF is 70 years. A member who remains a member of the SSUF after NRD does not qualify for the assured death or disability benefits after attaining his/her NRD (Fund or GLA).

The conversion option for life cover will only be available on early retirement or retirement on normal retirement date.

2.5 Retirement benefit

	Pension Fund	Provident Fund
Benefit	Member's accumulated fund value	Member's accumulated fund value
Manner of payment	Maximum of $\frac{1}{3}$ as a lump sum, balance as pension	Up to 100% can be taken as a lump sum or as a pension



03 Termination of membership

The benefit payable at resignation, retrenchment or dismissal

3.1 Pension Fund – Member's full fund value

3.2 Provident Fund – Member's full fund value

Can be preserved in the SSUF, transferred to another approved fund or taken in cash.

04 Death benefits

4.1 Pension Fund:

- Member's full fund value

4.2 Provident Fund:

- Member's full fund value; plus
- Insured lump sum benefit according to the following table (only payable in case of death before normal retirement date while active in service)

Age band	Default cover Multiple of Pear	Maximum cover Multiple of Pear	Rate per R1 000 cover
Younger than 26 years	5	11	R0.155
26 - 30 years	7	13	R0.110
31 - 35 years	7	12	R0.110
36 - 40 years	6	10	R0.129
41 - 45 years	6	8	R0.129
46 - 50 years	5	7	R0.155
51 - 55 years	5	6	R0.155
56 years and older	4	6	R0.193

Costs:

- $0.926\% \times \text{PEAR}$ for the default benefit (average rate)
- Members with cover only for death due to unnatural causes pay 35% of normal rates

Important notes:

- *The age above reflects the member's current age and not the age at which membership commenced.*
- *At inception members qualify for the default cover according to their age category.*
- *The cover level of members to whom the default applies will be adjusted annually according to the default of their age band.*
- *New members have the option at appointment to increase the default cover level up to the maximum level. However, any increase in excess of 1 x PEAR of the default, in the case of members younger than 55 years, will be subject to proof of good health.*
- *Members 55 years and older at appointment must provide proof of good health for any increase in cover above the default cover level. Also take note of the proof free limits and the application thereof. Any cover amount in excess of the proof free limits is subject to proof of good health.*
- *The opted cover level of a member will be kept unchanged as the member ages, but will always be subject to the maximum of his/her age band.*
- *Annually on 1 May, members are given the option to adjust their cover level up to the maximum level. Any increase will be subject to proof of good health. The additional cost for any increase in the death benefits will reduce the amount available for the member's retirement savings accordingly.*
- *Annually (1 May) and at inception date, a member can choose a cover level less than the default. The saving in the cost of death benefits will be applied for retirement benefits.*
- *Members younger than 55 years will have the option within three months after they get married or a child of theirs is born to increase the cover up to the default or by two times, whichever is the greatest (but not more than the maximum level), in multiples of 0.5. Such an increase will not be subject to proof of good health.*
- *Proof free limits*
 - *Combined for Provident Fund and Group Life: R14 000 000*
- *General conditions*
 - *All current limitations, exclusions and loadings applicable to members appointed before 1 May 2011 will still be applicable to any increased or decreased cover.*
 - *Increases or decreases of cover can be done in multiples of 0.5 x salary. Members may elect to have no cover in the event that their fund value exceeds 1 x annual pensionable remuneration.*
 - *Any increase in the cover will result in a decrease of the member's savings' contribution for retirement benefits. Likewise will any decrease in cover result in an increase in the member's savings' contribution for retirement benefits.*
 - *Members 55 years and older must always provide proof of good health for any increase in cover.*
 - *Conversion option is available to members who terminate employment if they do so before normal retirement age.*



4.3 Group Life Insurance – Death benefit and lump sum disability

- Default/maximum cover level = 2 x PEAR
Minimum cover level = 1 x PEAR
- Existing members with a cover level higher than 2 x PEAR will retain their current level.
- **Rate:** R0.235 per R1 000 cover.
 - The maximum premium in respect of members with limited cover for natural causes and full cover for unnatural causes = R460.00 pm.

Important notes:

- *Members have an option at inception to choose a lower level (1 times).*
- *Members also have an option annually on 1 May to choose a lower level.*
- *Members younger than 55 years, who opted for 1 times cover can, increase it to 2 times within three months of marriage or birth/adoption of a child. Such an increase will not be subject to proof of good health.*
- *Existing members (appointed before 1 May 2011) retain the option to increase cover at divorce, promotion and death of a spouse, but with proof of good health.*
- *The conversion option is available for the death benefits only and not for lump sum disability benefit.*

05 Spouse insurance

Death cover for spouses is not compulsory.

Maximum age of spouse to qualify: 70 years

Continuation and/or conversion option is available on cessation of cover.

Maximum cover = 1 x PEAR

Existing members who have spouse's cover of 2 x PEAR will retain the cover.

Proof free limit

= R1 250 000 for cover granted as from 1 May 2011

= R9 000 000 for cover granted before 1 May 2011

= R3 000 000 in respect of Santam members for whom spouse's cover was granted before 1 March 2013

Rate: R0.236 per R1 000 cover

The following options are available without proof of good health, but subject to the proof free limit:

- New employees get a choice at appointment for death cover on their spouse's life.
- Existing members get a choice within three months of marriage.

Cover for de facto spouses

- A registration form will need to be completed and the application approved before cover commences.
- Medical proof of good health is a requirement.

Annual option with proof of good health

Members will annually be granted the option to take out spouse's cover. Such an option will be subject to proof of good health.

06 Trauma insurance

As from 1 May 2011 trauma insurance is compulsory for all new employees.

No proof of good health is required.

- Cover = 1 x PEAR
- Maximum cover = R1 200 000

When the maximum cover limit increases the cover of existing members will increase accordingly to 1 x PEAR subject to the new maximum.

A conversion option is available on termination of employment.

Rate: R0.272 per R1 000 cover



07 Income disability benefit

- Basic benefit payable after a 3 month waiting period is:
 - 75 % of the first R120 000 of TGP; plus
 - 60 % of the next R360 000 of TGP; plus
 - 50 % of the TGP in excess of R480 000
- Top-up benefit payable for certain conditions are a maximum of 25 % of TGP less the member contribution waiver of 7.5 %.
- Employer contribution waiver = 10.7 % of PEAR after 3 month waiting period. (Contribution to Provident Fund)
- Member contribution waiver = 7.5 % of PEAR after 3 month waiting period. (Contribution to Pension Fund)
- Annual ad hoc increase applies, subject to minimum of 2%.

Proof free limit = R115 000 pm for cover granted on or after 1 May 2011
= R165 000 pm for cover granted before 1 May 2011

Rate: 0.885 % x TGP

Minimum benefit = R67 000 pa

(Minimum benefit applicable as from 1 December 2009 – amount reviewed annually)

Maximum cost for minimum benefit: R210 pm

Conversion option is available.

08 Family cover – optional benefit

- Employees have a once-off option at appointment to become a member and can select to add their parents and parents-in-law. (Maximum age for parents to join is 79 years.)
- Parents-in-law can also be added within 3 months of a member's marriage.
- The waiting period for parents/parents-in-law is six months if death is due to natural causes.
- Members can only make use of one option for cover and cannot have a combination of Option 1 and Option 2. E.g. If Option 2 is selected it will be applicable for the basic benefit, additional spouses as well as the cover of parents who are insured. (Certain conditions apply.)

Benefits payable at death and premiums

Family member on whom benefit is applicable	Option 1	Option 2
<ul style="list-style-type: none"> • Basic benefit <ul style="list-style-type: none"> - Principal member - Qualifying Spouse - Qualifying child aged 14 and over - Qualifying child aged 6 and over but younger than 14 - Qualifying child younger than age 6 and/or still-born child 	<p>R27 500</p> <p>R27 500</p> <p>R27 500</p> <p>R15 125</p> <p>R10 000</p>	<p>R55 000</p> <p>R55 000</p> <p>R55 000</p> <p>R30 000</p> <p>R10 000</p>
<ul style="list-style-type: none"> • Additional spouses (ex-spouse in case of divorce) 	R27 500	R55 000
<ul style="list-style-type: none"> • Legal Parents or parents-in-law 	R 7 500	R15 000
Monthly premiums		
<ul style="list-style-type: none"> • Basic benefit 	R 8.75	R17.50
<ul style="list-style-type: none"> • Additional spouses 	R4.00 per spouse	R8.00 per spouse
<ul style="list-style-type: none"> • Parent cover 	R22.50 per parent	R45.00 per parent

Fund information and other queries

Comprehensive fund information is available on the SSUF website at <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Members can access their fund benefits and related information via the Retirement Fund Web facility at any stage.

The trustees urge members to visit the website on a regular basis and to ensure that they are well informed about their retirement and related benefits.

Please refer to the Web-user manual for step-by-step instructions on how to access the Web and for details about the facilities and information available.

Direct any questions and concerns to Chrisna Swart at:

E-mail: chrisna.swart@sanlam.co.za

Postal address: PO Box 1, Sanlamhof, 7532



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