



Sanlam Staff Umbrella Pension and Provident Funds (SSUF)

**Annual report to members for the period
1 April 2021 to 31 March 2022**
(Including detail of subsequent events up to 1 July 2022)

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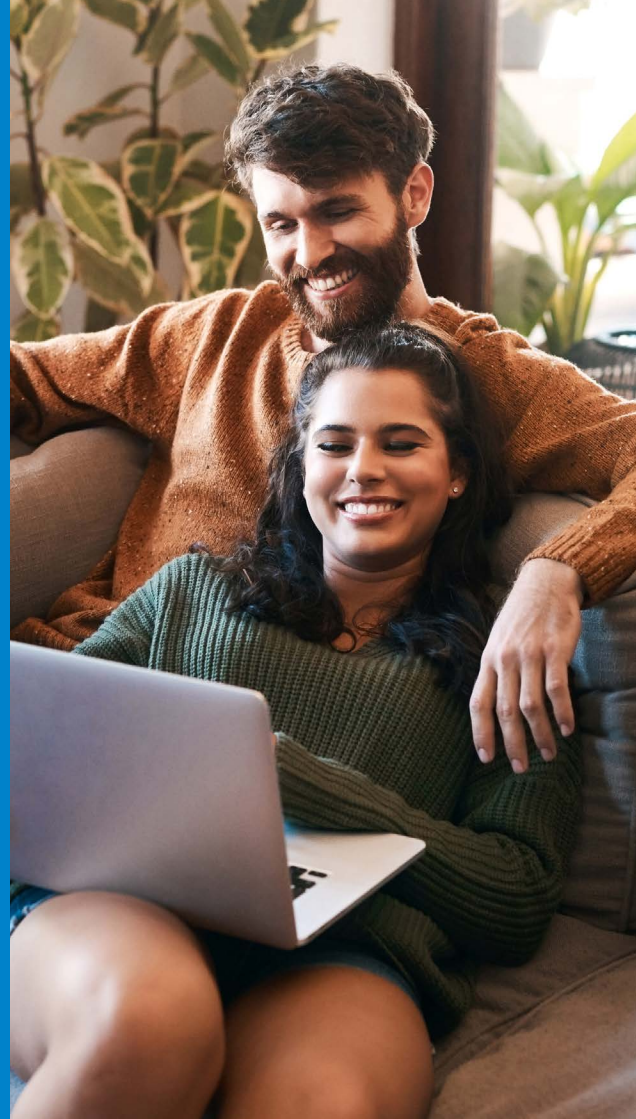


Introduction

Your retirement fund and group life insurance benefits play a very important role in your financial planning. It is therefore important for you to have a sound knowledge of your fund and group insurance benefits and to understand your personal benefit statement. We encourage you to put a proper financial plan in place with the assistance of an accredited financial adviser.

In this report you can read more about the following:

- ① The consolidation of pension and provident fund contributions that was implemented as from 1 November 2021.
- ① The impact of Covid 19 on the death claims experience and risk cover premium rates.
- ① The importance to ensure that you regularly review and update the beneficiaries for the benefits payable upon your death.
- ① The migration of the SSUF to the Sanlam Umbrella Provident Fund (SUF), i.e. the commercial umbrella fund of Sanlam Corporate.
- ① The proposal to amend the law that members can access a portion of their retirement fund benefit while still an active fund member.



Board of trustees

One of the main differences between the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and Sanlam Umbrella Provident Fund (SUF) is the management structure.

SSUF	SUF
<p>The SSUF is managed by a Board of Trustees, 50% of whom are elected by members and 50% are appointed by the employer.</p>	<p>The Board of Trustees that manages the SUF comprises six (6) trustees, 50% of whom are appointed by Sanlam Life Insurance Limited as the sponsor of the SUF, and 50% are professional trustees independent of Sanlam. Although this is not a typical employer- and member-elected trustee structure as under SSUF, a balance of power is still maintained.</p> <p>In addition, each participating employer has a management committee, called a Joint Forum, which is established to represent the interests of the members in the service of that participating employer.</p>

Sanlam Group, as Participating Employer in the SUF, will have its own Joint Forum, which will include representatives appointed by the employer and elected by the employees/members.

Composition of the Joint Forum

A general appointment and election of Joint Forum (JF) Members must be held every three years.

The JF consists of ten Forum Members. Five of the Forum Members will be appointed by the Participating Employer and five elected by the employees in the Sanlam Group who are members of the SUF. All Forum Members must be members of the SSUF Sub-fund in the SUF. The appointed Forum Members will be selected for their relevant technical skills, while the elected Forum Members will represent the members as employed by the different employers. The number of Forum Members that may be elected from one or more employers will be determined from time to time by the Participating Employer after consultation with the chief executives of the different employers.

The current SSUF trustees elected by the members and appointed by the employers, indicated below, will at migration date act as the Joint Forum.

The current SSUF member elected trustees and alternates are:

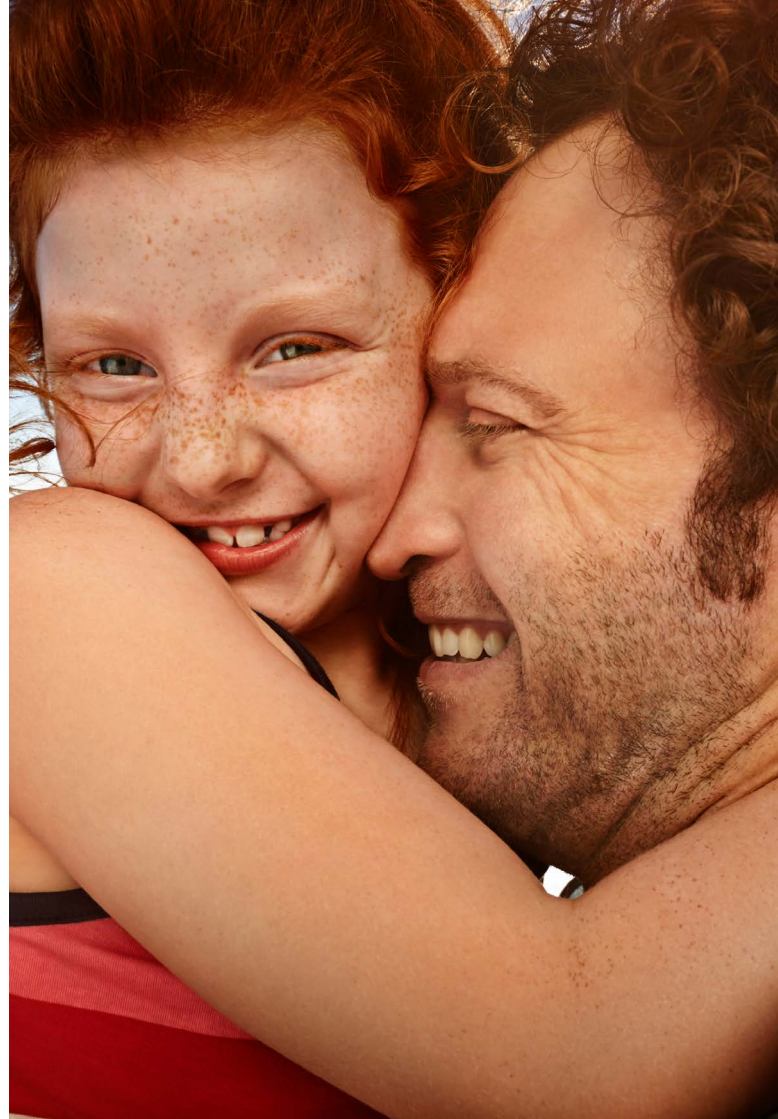
Business Unit	Trustee	Alternate
Santam	Maryke Kotze	Katlego Makgale
SIG	Wayne Hilton	Hendrik Scholtz
Sanlam Life & Savings, SEM, Group Office and the remaining businesses in the Sanlam Group	Jannie van Zyl	Johann de Wet
	Darryl Moodley	Lize de la Harpe
	Tiaan Fourie	Janus Engelbrecht

The current SSUF employer appointed trustees and alternates are:

Area of expertise	Trustee	Alternate
Finance/Investments/Legal	Rust de Jongh	Tinyiko Ribisi-Termark
Actuarial/Investments/Risk	Werner Barnard	Clifton Janse van Rensburg
Investments/Finance	Ralph Thomas	Ferdinand van Wyk
Governance/Finance	Bernice Viljoen	Karla Roux
HR/Legal/Governance	Vionne Tregurtha	Nomzamo Ngqulana-Kasana

Member statistics

Members	1 April 2020	1 April 2021	1 April 2022
Active	13 036	13 289	13 459
Permanent Occupationally disabled	86	97	101
Paid-up	370	422	554
Postponed retirees	53	54	65
In-Fund Living Annuitants	20	19	20



Financial soundness of the SSUF

The SSUF have once again received unqualified audit results from the auditors, PwC, for the 2022 financial statements. In addition, the SSUF is subject to annual actuarial valuations and the latest actuarial valuations confirmed that both the Pension and Provident Funds were 100% funded and were in a sound financial position as on 1 April 2022.

The above can be attributed to the high level of governance, which entails various risk controls, monitoring tools and checks and balances that are in place.

Risk Management Process

The Principal Officer, after consultation with the Fund's Auditors, the Fund's actuary and the Administrator, provide the Board of Trustees with the following assurances that:

- ① Risks are being appropriately managed.
- ② Risk controls operate effectively.
 - The techniques used to identify risks, as well as the categories and the scope of risk assessments are adequate and that the process is dynamic and continuous.
 - The internal control system operates effectively and that weaknesses in internal controls and risk protection are reported upon.
 - Risk reports are credible and offer a balanced assessment of risks. The reliability of risk information, particularly the information regarding controls, are closely scrutinised.
 - The Board of Trustees receives the right quality of assurance and reliable information from management regarding risk.

Rule amendments

For the period 1 April 2021 to 31 March 2022

Amendment date: 1 April 2021 (Provident fund only)

To remove the part from the Rules referring to members whose benefits were determined on a defined benefit basis as there are no longer any such members or dependants in the fund and the fund has no further liability in this regard.

Amendment date: 1 November 2021

From 1 November 2021 all new employees become members of the Provident Fund only.

In respect of existing members, the member contribution to the Pension Fund was added to the Provident fund contributions. Therefore, all existing and new members only contribute to the Sanlam Staff Umbrella Provident Fund from 1 November 2021. (Refer page 7 for more detail.)



Consolidation of pension and provident fund contributions

Change to the SSUF rules as from 1 November 2021

From 1 November 2021 there are no longer separate employer and member contributions to the SSUF's hybrid Pension and Provident Funds, but one single member contribution to the SSUF Provident fund.

From the November 2021 pay run, payslips reflect one consolidated member contribution deduction as the employer and member contributions were added together.

Example of payslip before the change:

Payment information						
Payment to bank account (net take home pay)						25 849.90
Earnings	Date	Taxable	Payable	Deductions	Date	Amount
Cash Salary	2021/10/01	33 525.42	33 525.42	Tax	2021/10/01	4 174.33
ER Provident Fund Tax Ben	2021/10/01	4 143.59		Pension Fund EE contr	2021/10/01	2 260.14
				Disability Income Prem	2021/10/01	264.06
				Group Life own Cover	2021/10/01	300.61
				UIF EE Contribution	2021/10/01	177.12
				Family Insurance	2021/10/01	195.50
				Critical Illness Cover	2021/10/01	303.76
Totals		37 669.01	33 525.42			7675.52

Payslip after implementation of change:

Payment information						
Payment to bank account (net take home pay)						25 849.90
Earnings	Date	Taxable	Payable	Deductions	Date	Amount
Cash Salary	2021/10/01	37 669.01	37 669.00	Tax	2021/10/01	4 174.33
				Retirement Fund Contri	2021/10/01	6 403.73
				Disability Income Prem	2021/10/01	264.06
				Group Life own Cover	2021/10/01	300.61
				UIF EE Contribution	2021/10/01	177.12
				Family Insurance	2021/10/01	195.50
				Critical Illness Cover	2021/10/01	303.76
Totals		37 669.01	37 669.01			11 819.11

Important:

- ① This change has no effect on your tax deduction, or your take home pay based on your contributions before 1 November 2021.
- ① The minimum contribution rate is still 10% of Total Guaranteed Package (TGP) and the maximum 27.5% of TGP. That is the combined of the minimum and maximum rates of the SSUF's hybrid Pension and Provident Funds.

Reasons for the change

- ④ Following the implementation of the retirement reform measures as from 1 March 2021 (T-Day), there is no longer a difference in how pension and provident fund contributions and benefits are treated for tax purposes. Therefore, the reasons why the pension and provident fund hybrid structure was implemented are no longer applicable.
- ④ Consequently, the SSUF trustees and the participating employers agreed to close the SSUF Pension Fund for new contributions from 1 November 2021. Employees appointed as from this date only become members of the SSUF Provident Fund (“the retirement fund”).

The contributions of existing employees from 1 November 2021 are paid to the SSUF Provident Fund (“the retirement fund”). These employees retain their member share (accumulated savings and growth thereon) in the SSUF Pension Fund until a benefit becomes payable in terms of the rules of the fund e.g., at retirement, death or termination of employment, or transfer to the SUF, whichever happens first. (Refer page 31 for detail of the SSUF transfer to the SUF.)

Benefits of the change

Simplification of contribution rate structure	<p>Only one member contribution is made to the SSUF Provident Fund (“the retirement fund”).</p> <p>No longer a separate election and disclosures for member and employer contributions.</p> <p><i>(Employer contributions have the same financial impact for employees as member contributions, as the employer contributions were funded from the TGP of employees. The two types of contributions confused employees and added an unnecessary layer of complexity.)</i></p>
New employees	<p>New employees appointed as from 1 November 2021 are only members of one fund (Provident Fund).</p>
Cost	<p>Reduced administration cost since only one contribution needs to be managed.</p>

Frequently Asked Questions

1 Why was it decided to close the Pension fund of the hybrid structure and not the Provident Fund?

Provident Fund members who were 55 years or older on 1 March 2021 (date of the T-Day legislation) retain the flexibility to take their full accumulated retirement savings as a cash lump sum at retirement (subject to tax).

2 Why are all existing employees/members not transferred to the Provident Fund?

The intention is to finalise the transfer of all SSUF members to the Sanlam Umbrella Provident Fund (SUF) during 2022. (Refer page 31) All members will then become members of a provident fund only.

We want to prevent any delays in the transfer to the SUF by introducing this simplification.

3 Why was a hybrid structure originally implemented in 1997?

As a result of the following legislative changes, the historical reasons for operating a hybrid fund are no longer applicable.



Reasons why the hybrid arrangement was implemented	Historical benefits of hybrid structure	Implications of legislative changes
<p>To maximise tax deductibility of member and employer contributions.</p>	<p>Member contributions to a provident fund were not tax deductible, whereas a deduction was allowed for pension fund contributions. The contributions to the SSUF Provident fund were structured as an employer contribution to grant members maximum tax deductibility.</p>	<p>Since 2016, total member and employer contributions within certain limits (i.e., maximum 27.5% of remuneration up to R350k) are tax deductible. Therefore, pension and provident funds are treated exactly the same in terms of tax deductions.</p>
<p>Providing members with the option of taking the maximum benefit as a lump sum at retirement.</p>	<p>Up to March 2021, the entire benefit from a provident fund could be taken as a cash lump sum at retirement (subject to tax). Retirement benefits from a pension fund is limited to one-third in cash. A full cash lump sum was only applicable if the total member share was less than the minimum amount (R247 500).</p>	<p>Since March 2021, annuitisation rules (T-Day) have been implemented w.r.t. provident funds. Provident fund benefits accruing post March 2021 are subject to annuitisation at retirement, like pension funds. Therefore, pension and provident funds are treated exactly the same. Tax and the minimum amount (R247 500) rules are still applicable.</p>
<p>The ability to purchase or implement separate (different) pensions upon retirement with the pension and provident fund benefit respectively.</p>	<p>GN18 from SARS limited the annuity options upon retirement, i.e. members were not allowed to split their benefit in one fund in two different annuities, for example an In-Fund ILLA and a guaranteed annuity outside the fund. The member had to choose one or the other.</p>	<p>GN18 was withdrawn on 26 February 2021. Retirees are allowed to purchase more than one annuity with the benefit from a single retirement fund.</p>

Investments

Distribution of members' fund values in the various investment portfolios:

Investment portfolios	1 April 2022
SIM Enhanced Cash	1.47%
Monthly Bonus	1.19%
Stable Bonus	6.74%
SIM Moderate Absolute	2.46%
SIM Moderate	5.17%
SMM NUR Balanced	1.07%
Allan Gray Global Balanced	17.15%
Coronation Managed	12.40%
SIM Aggressive	7.48%
Satrix High Equity Balanced	0.68%
SIM Reg28 Property Equity Fund	0.10%
Glacier Option	34.28%
Sanlam LifeStage Strategy	
- Accumulation Portfolio	8.75%
- Capital Protection Portfolio	0.84%
- Living Annuity Target Portfolio	0.01%
- Demutualisation shares held by certain members	0.19%
Total	100.00%

Investment performances of the Funds' various investment portfolios as at 1 April 2022. (See note 1 on page 17):

Sanlam Staff Umbrella Pension Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2022

Period		SIM Reg28 Property Equity Fund	Allan Gray Global Balanced Portfolio	Coronation Managed Portfolio	Satrix High Equity Balanced Portfolio	SIM Aggressive Portfolio	SIM Moderate Portfolio	SIM Moderate Absolute Portfolio	SMM NUR Balanced Portfolio
3 months	Over the period	0.93%	2.23%	-0.48%	-0.25%	-0.16%	-0.36%	-0.75%	0.82%
6 months	Over the period	8.89%	7.12%	6.95%	8.26%	7.31%	6.13%	4.20%	9.07%
9 months	Over the period	12.76%	11.15%	9.77%	11.51%	10.39%	8.84%	7.34%	12.09%
12 months	Over the period	15.12%	12.15%	11.83%	13.97%	11.67%	11.53%	8.78%	13.09%
24 months	Annualised	25.15%	21.47%	28.31%	26.81%	22.46%	19.82%	12.10%	23.23%
36 months	Annualised	-	8.90%	12.00%	10.72%	9.43%	7.97%	8.00%	10.83%
60 months	Annualised	-	7.59%	8.56%	-	8.15%	7.16%	7.77%	8.59%
120 months	Annualised	-	9.76%	11.28%	-	10.68%	10.13%	9.29%	-
Since inception	Over the period	20.42%	1502.32%	1228.83%	34.25%	945.74%	1259.69%	490.35%	79.38%
Since inception	Annualised	8.96%	14.62%	13.57%	7.81%	11.68%	11.00%	10.27%	7.34%
Inception date		01/02/2020	01/12/2001	01/12/2001	01/05/2018	01/01/2001	01/04/1997	01/02/2004	01/01/2014
Maximum drawdown (note 7)	over last 5 years	n/a	14.82%	19.16%	n/a	18.57%	17.06%	7.27%	13.28%
Average monthly drawdown (note 8)	over last 5 years	n/a	2.43%	2.45%	n/a	2.39%	1.98%	1.01%	1.68%
TER (note 9)	as at 31 March 2022	1.07%	0.61%	0.85%	0.30%	0.55%	0.42%	0.48%	1.09%

Sanlam Staff Umbrella Pension Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2022

Period		Sanlam Lifestage Accumulation Portfolio	Sanlam Lifestage Capital Protection Preservation Portfolio	Sanlam Lifestage Living Annuity Target Portfolio	Stable Bonus Portfolio	Monthly Bonus Fund	SIM Enhanced Cash Portfolio
3 months	Over the period	-0.50%	2.07%	-0.04%	2.10%	2.05%	1.07%
6 months	Over the period	8.10%	3.94%	7.20%	4.00%	3.92%	2.27%
9 months	Over the period	10.22%	5.72%	9.13%	5.82%	5.70%	3.54%
12 months	Over the period	11.78%	7.50%	11.47%	7.62%	7.49%	4.77%
24 months	Annualised	24.66%	6.55%	20.31%	6.67%	6.35%	5.24%
36 months	Annualised	10.26%	6.72%	9.28%	6.84%	6.37%	6.31%
60 months	Annualised	8.08%	6.92%	7.60%	7.04%	6.48%	7.03%
120 months	Annualised	10.30%	-	-	10.18%	9.31%	6.77%
Since inception	Over the period	195.07%	62.53%	60.36%	722.88%	567.99%	586.68%
Since inception	Annualised	10.42%	7.37%	7.16%	11.73%	10.51%	8.01%
Inception date		01/05/2011	01/06/2015	01/06/2015	01/04/2003	01/04/2003	01/04/1997
Maximum drawdown (note 7)	over last 5 years	18.83%	n/a	14.83%	n/a	n/a	n/a
Average monthly drawdown (note 8)	over last 5 years	2.83%	n/a	1.94%	n/a	n/a	n/a
TER (note 9)	as at 31 March 2022	0.91%	1.40%	0.88%	1.30%	2.05%	0.15%

Sanlam Staff Umbrella Provident Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2022

Period		SIM Reg28 Property Equity Fund	Allan Gray Global Balanced Portfolio	Coronation Managed Portfolio	Satrix High Equity Balanced Portfolio	SIM Aggressive Portfolio	SIM Moderate Portfolio	SIM Moderate Absolute Portfolio	SMM NUR Balanced Portfolio
3 months	Over the period	0.98%	2.26%	-0.45%	-0.33%	-0.12%	-0.36%	-0.74%	0.79%
6 months	Over the period	8.69%	7.13%	6.97%	8.14%	7.32%	6.11%	4.19%	9.01%
9 months	Over the period	12.46%	11.16%	9.78%	11.36%	10.36%	8.80%	7.32%	12.04%
12 months	Over the period	14.82%	12.15%	11.83%	13.81%	11.64%	11.49%	8.76%	13.04%
24 months	Annualised	24.76%	21.46%	28.29%	26.60%	22.44%	19.79%	12.08%	23.18%
36 months	Annualised	-	8.90%	11.99%	10.70%	9.42%	7.96%	7.99%	10.82%
60 months	Annualised	-	7.60%	8.55%	-	8.15%	7.15%	7.76%	8.59%
120 months	Annualised	-	9.78%	11.26%	-	10.69%	10.14%	9.30%	-
Since inception	Over the period	18.21%	1509.83%	1223.04%	33.33%	946.23%	1259.44%	492.17%	79.36%
Since inception	Annualised	8.03%	14.64%	13.54%	7.62%	11.68%	11.00%	10.29%	7.34%
Inception date		01/02/2020	01/12/2001	01/12/2001	01/05/2018	01/01/2001	01/04/1997	01/02/2004	01/01/2014
Maximum drawdown (note 7)	over last 5 years	n/a	14.83%	19.17%	n/a	18.57%	17.06%	n/a	13.28%
Average monthly drawdown (note 8)	over last 5 years	n/a	2.36%	2.37%	n/a	2.39%	1.98%	n/a	1.68%
TER (note 9)	as at 31 March 2022	1.07%	0.61%	0.85%	0.30%	0.55%	0.42%	0.48%	1.09%

Sanlam Staff Umbrella Provident Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2022

Period		Sanlam Lifestage Accumulation Portfolio	Sanlam Lifestage Capital Protection Preservation Portfolio	Sanlam Lifestage Living Annuity Target Portfolio	Stable Bonus Portfolio	Monthly Bonus Fund	SIM Enhanced Cash Portfolio
3 months	Over the period	-0.57%	2.07%	-0.10%	2.10%	2.05%	1.07%
6 months	Over the period	7.98%	3.94%	7.11%	4.00%	3.91%	2.27%
9 months	Over the period	10.24%	5.72%	9.20%	5.82%	5.69%	3.54%
12 months	Over the period	11.81%	7.50%	11.54%	7.62%	7.48%	4.77%
24 months	Annualised	24.63%	6.56%	20.38%	6.67%	6.35%	5.25%
36 months	Annualised	10.23%	6.72%	9.01%	6.84%	6.37%	6.31%
60 months	Annualised	8.04%	6.92%	7.46%	7.04%	6.48%	7.06%
120 months	Annualised	10.31%	-	-	10.18%	9.31%	6.79%
Since inception	Over the period	195.31%	62.48%	58.72%	722.74%	568.44%	588.10%
Since inception	Annualised	10.43%	7.36%	6.99%	11.73%	10.52%	8.02%
Inception date		01/05/2011	01/06/2015	01/06/2015	01/04/2003	01/04/2003	01/04/1997
Maximum drawdown (note 7)	over last 5 years	18.87%	n/a	15.56%	n/a	n/a	n/a
Average monthly drawdown (note 8)	over last 5 years	2.83%	n/a	1.97%	n/a	n/a	n/a
TER (note 9)	as at 31 March 2022	0.91%	1.40%	0.88%	1.30%	2.05%	0.15%

Please note:

1. For the latest returns, please visit the SSUF website at:
<https://www.sanlam.co.za/campaigns/myretirementfund/stayinformed/Pages/investments.aspx>
2. The returns above are net of investment manager fees. Rates published by the asset managers (such as on their fact sheets) are usually time weighted to remove the effect of cashflows and are gross of investment manager fees. They may therefore differ from returns published 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 1 April 2022 (for example) is actually the investment data as at 30 March 2022.
4. The Allan Gray Global Balanced portfolio is available to members since 1 June 2015. The monthly returns before this date are those of the Allan Gray Domestic Balanced portfolio.
5. The Sanlam Lifestage Accumulation portfolio was opened on 1 June 2015. The monthly returns before this date are those of the Simeka Lifestage Accumulation portfolio.
6. This report summarises returns for the fund's total portfolio. Returns received by a particular member may have small differences depending on actual cashflow, investment options and accumulated credits.
7. The maximum drawdown that is shown above is defined as the lowest cumulative negative return that a member's investment has earned over any period within the last 5 years. For example, if the maximum drawdown is 5%, then it means that over the last 5 years there was a period where a member's investment reduced to 95% of its highest value prior to the period of decrease. This measure is a measurement of how volatile or "risky" a portfolio has been in the recent past, based on the view that the higher the drawdown, the riskier the portfolio.
8. The average monthly drawdown is defined as the average monthly negative return of all the months which the portfolio experienced a negative return.
9. The total expense ratio (TER) is a measure of the total cost associated with managing and operating an investment portfolio. These costs consist primarily of management fees and additional expenses such as platform fees, performance fees etc. The total investment cost of the fund is divided by the fund's total assets to arrive at a percentage amount (using a rolling three-year period if available) which represents the TER.

Investment Policy Statement (IPS)

Regulation 28 of the Pension Funds Act requires each fund to have an Investment Policy Statement that contains detail of the funds' investment philosophy, objectives, strategy, etc

The IPS of the SSUF also contains detail regarding the application of the principles of the Code for Responsible Investing in South Africa (CRISA) and matters relating to sustainability.

The latest updated version of the IPS includes detail of the extent to which the existing default investment portfolio complies with Regulation 37.

The IPS is reviewed annually by the Investment Committee and adopted by the Board of Trustees.

A copy of the latest revised IPS is available on the SSUF website under the Investment pillar.



Revised rates and income disability Benefit

From 1 May 2022

The death and other risk benefit premium rates applicable to SSUF members are revised annually by the insurer based on the claims experience over the past 5 years.



Summary - results of the 2022 premium rate review:

Family/funeral cover	Rates increased
Income Care Insurance	Rates decreased
Critical Illness	Rates unchanged
Group Life insurance (including spouse cover)	Rates increased
SSUF In-Fund Death cover	Rates increased



Factors that were taken into consideration during the premium rate review process:

Over the past 20 months to December 2021 there was a severe increase in the number of death claims (employees and their family members), mainly due to the Covid pandemic. This resulted in a deterioration of the claims experience to 191% for 2020 and 246% for 2021 respectively, if actual claims are expressed as a percentage of the expected claims. This should be compared to the target benchmark range of 95% - 100%. The deterioration has necessitated the insurer to increase the premium rates.

Various options were investigated to limit the negative financial impact of increased premiums on members and to ensure fair and equitable treatment for members during this challenging time.

Given the substantial differential in risk profiles between vaccinated and unvaccinated members and after careful consideration it was decided to apply differentiated premium rates based on vaccination status for death benefits on a member's own life. This decision was informed by the need to treat members equitably and minimise unfair cross-subsidisation.

About the differential premium rates:

- ④ Different premium rates for vaccinated and unvaccinated members are only applicable to the In-Fund and Group Life cover on the member's (employee) own life and not to Spouse and Family cover (due to the administrative complexity of verifying the vaccination status of non-employees). The premium rates for non-life benefit, i.e. Critical Illness and Income Care cover are also not differentiated.
- ④ The vaccinated rates are applicable to all members where proof of their vaccination was captured and verified (on the Employee Hub) as fully vaccinated on 30 April 2022. Unvaccinated rates will be applicable to all other members.
- ④ Those members/employees who were granted vaccination exemption, irrespective of the reason, will be considered as unvaccinated.
- ④ The vaccination criteria is as set out in the employer vaccination policy as at 1 February 2022, and will remain unchanged until 1 April 2023 (next premium rate revision date).
- ④ Should employees capture proof of vaccination after 30 April 2022, but before 30 September 2022 (and be verified as fully vaccinated by 30 September), vaccinated premium rates will become applicable to these employees from 1 October 2022 onwards. This allows employees another opportunity to qualify for vaccinated premium rates for a part of the year until the next premium rate revision date.

Smoothing mechanism to mitigate the impact of the revised premium rates:

With remaining unknowns about how the pandemic will evolve and differentiation based on vaccination status being new, it is appropriate to consider other mechanisms as well. We wish to provide members in each vaccination category the comfort that they are being treated fairly and not unduly penalised (or rewarded) for their vaccination decision. To this end, separate risk pools to monitor the claims experience of the vaccinated and unvaccinated groups are created (in addition to analysing the overall claims experience).

Based on the actual claims experience for each of the groups, a net surplus (if the actual claims experience is better than that assumed) or net loss will accrue each year into a status-specific smoothing reserve pool.

At the next premium rate review date:

- ④ Should the risk pool have a positive reserve (i.e. the actual claims experience is better than assumed) then 50%* of this reserve will be used to subsidise the premium rates of the next year.
- ④ Conversely, if the pool has a negative reserve, then 50%* of the shortfall will be added to the required premium rates for the next year.

**With the intention to apply the remaining 50% in the year thereafter.*

In this way, all members get the benefit of the experience of their risk pool and, over a relatively short period of 2 to 3 years, pay premium rates commensurate with the risk of the underlying risk pool to which they belong.

Some questions which may come to mind:

1 Why are unvaccinated individuals targeted and not employees with other (non-Covid) medical conditions?

The increase in the mortality claims experience because of Covid has been multiple times higher than previous experience, indicating that the mortality risk associated with Covid is substantially higher than other medical and lifestyle risk factors.

2 Can individuals with natural immunity be included in the vaccinated category?

The level of natural immunity varies greatly based on the person, the variant they had and the timing of their infection (since natural immunity is known to wane over time). Therefore, it is almost impossible to obtain reliable evidence to measure and quantify an individual's level of immunity. Unvaccinated members who have previously had Covid will therefore be categorised as unvaccinated.



The revised premium rates effective 1 May 2022, as approved by the Sanlam Group Exco, are set out below:

01 Family/Funeral insurance

The benefits payable are:

	Option 1	Option 2
Principal member	R29 000	R58 000
Qualifying spouse	R29 000	R58 000
Qualifying children of 14 years and older	R29 000	R58 000
Qualifying children of 6 years and older, but younger than 14 years	R15 950	R31 900
Qualifying children younger than 6 years, or a stillborn child	R10 000	R20 000
Parents (who are insured)	R7 500	R15 000
Additional Parent cover	R10 000	R10 000

The rates for family/funeral insurance **increased** as set out below:

	Option 1		Option 2		Additional parent cover	
	Premium before 1 May 2022	Premium from 1 May 2022	Premium before 1 May 2022	Premium from 1 May 2022	Premium before 1 May 2022	Premium from 1 May 2022
Monthly premium for basic benefit applicable to principal member, spouse and children	R8.75	R11.40	R17.50	R22.75	-	-
Monthly premium for per parent, per month	R22.50	R29.25	R45.00	R58.50	R40.00	R52.00
Monthly premium for additional spouse	R4.00	R5.20	R8.00	R10.40	-	-

Options/choices available to members: *There is no option available to make any changes to the family cover. It is also not an option to add parents or to become a member of this insurance if you are not currently a member.*

02 Income Care insurance

The rate payable for the income disability benefit **decreased** from 0.701% to 0.648% of TGP.

The proof free limit is R130 000 per month. (A limit of R165 000 is applicable to members who entered before 1 May 2011.)

Options/changes available to members: *This is a compulsory benefit in terms of each employee's employment contract and members cannot make changes to this benefit.*

03 Critical Illness

The rates for critical illness insurance:

- ① **Standard cover option:** The rate per month **remained unchanged** at R0.280 per month per R1 000 cover;
- ① **Comprehensive cover option:** The rate per month **remained unchanged** at R0.448 per month per R1 000 cover.

The maximum allowable cover (as well as the proof free limit) is R1.5 million.

Options/changes available to members: *The only option available to members is to reduce the cover level to a minimum of 0.5x TGP during the annual flex event. There is not an option to change the cover option, to increase the cover level or to become a member of this insurance if you are not a member of this insurance.*

04 Group life insurance

① Cover on the member's life

The rate for group life insurance on the member's own life **increased** as set out below:

Rate per R1 000 cover		
Rate before 1 May 2022	Rate from 1 May 2022 for vaccinated members	Rate from 1 May 2022 for unvaccinated members
R0.266	R0.318	R0.556

The combined proof free limit for Group Life Insurance and SSUF death benefits on the member's life is R15m.

Options/changes available to members: *Members can either increase the cover to a maximum level of 3x TGP, subject to providing proof of good health, or they can decrease the benefit to a minimum of 0.5x TGP, during the annual flex event.*

① Cover on the member's spouse's life

The rate for group life spouse insurance **increased** from R0.295 to R0.472 per month per R1 000 cover.

Options/changes available to members: *Members can decrease or cancel this cover during the annual flex event. Members also have the option to obtain cover on their spouse's life, subject to proof of good health, during the annual flex event.*

The proof free limit for member's spouse's life insurance is R1.4m.

05

Sanlam Staff Umbrella Provident Fund (SSUF – In-fund death benefits)

The premium for this cover is calculated at a rate per R1 000 cover according to the age of the member.

The rates increased as set out on the summary below:

Age band	Rate per R1 000 cover		
	Rate before 1 May 2022	Rate as from 1 May 2022 for vaccinated members	Rate as from 1 May 2022 for unvaccinated members
Younger than 26 years	R0.213	R0.24	R0.47
26 – 30 years	R0.159	R0.18	R0.35
31 – 35 years	R0.166	R0.19	R0.36
36 – 40 years	R0.185	R0.21	R0.41
41 – 45 years	R0.193	R0.22	R0.42
46 – 50 years	R0.222	R0.25	R0.49
51 – 55 years	R0.222	R0.25	R0.49
56 years and older	R0.277	R0.31	R0.61

The combined proof free limit for Group Life Insurance and SSUF death benefits on the member's life remained unchanged at R15m.

Options available to members: *The annual flex exercise presents members with the opportunity to either increase or decrease their level of cover (Minimum: 0.5x TGP/ Maximum: 3x TGP).*

Important: *Any increase in cover will be subject to proof of good health.*

Scenarios of how the revised premium rates impacted on a members' take-home pay and savings for retirement are set out on the next page:

Scenarios (based on TGP examples) illustrating the monthly impact of the rates applicable from 1 May 2022 in respect of a 40-year old member with the following cover levels. The cover levels chosen for the example provide for competitive (or better) cover and do not reflect minimum cover levels:

- ⤵ In Fund death benefit: 3 x TGP
- ⤵ Group Life: 2 x TGP
- ⤵ Spouse Cover: 1 x TGP
- ⤵ Comprehensive Critical Illness: 1 x TGP
- ⤵ Basic Family/funeral cover: Option 2
- ⤵ Income disability benefit – compulsory benefit

The net effect of the new rates will be less where members choose lower or minimum cover levels.

TGP per year	R200 000			R500 000		
	Current premium p.m.	New premium p.m.		Current premium p.m.	New premium p.m.	
		Vaccinated	Unvaccinated		Vaccinated	Unvaccinated
SSUF- In-Fund death Cover level = 3 x TGP IMPORTANT: See note below	R111.00	R125.99	R246.00	R277.50	R314.96	R615.00
Example: Age 40 (Rate per R1 000 cover)	0.185	0.21	0.410	0.185	0.21	0.41
GLA death & lump sum disability Cover level = 2x TGP	R106.40	R127.26	R222.26	R266.00	R318.15	R555.64
Rate per R1 000 cover	0.266	0.318	0.556	0.266	0.318	0.556
Income Disability	R116.83	R108.07		R292.08	R270.18	
% of TGP	0.701	0.648		0.701	0.648	
Spouse Cover Cover level = 1 x TGP	R59.00	R94.40		R147.50	R236.00	
Rate per R1 000 cover	0.295	0.472		0.295	0.472	
Comprehensive Critical illness Cover level = 1 x TGP	R89.60	R89.60		R224.00	R224.00	
Rate per R1 000 cover	0.448	0.448		0.448	0.448	
Basic Family/Funeral Cover Option 2	R17.50	R22.75		R17.50	R22.75	
Totals for unapproved cover = deduction from pay	R389.33	R442.08	R537.08	R947.08	R1 071.18	R1 308.57
Impact on take-home pay (per month)		-R52.75	-R147.74		-R123.99	-R361.48
The actual premiums that each employee pay for the Income Care, Group Life and Family insurance cover, are indicated on their payslip. As the premiums for the insurance are paid with after-tax money, the benefits payable are tax-free in terms of current legislation.						
Impact on saving for retirement (per month)		-R14.99	-R135.00		-R37.46	-R337.50

Note regarding impact of the increased rate for SSUF In-Fund death cover

The costs of the death benefits provided by the SSUF are recovered from the member's **contributions to the Sanlam Staff Umbrella Provident Fund**. Members will therefore not experience any decrease in their take-home pay due to the increase in the rates, but **less money will be saved for retirement**.

Total net effect (per month)	-R67.73	-R282.74		-R161.46	-R698.98
% TGP	0.41%	1.70%		0.39%	1.68%

* This impact will be similar for all TGP categories above R500 000, i.e. roughly 0.4% for vaccinated and 1.7% for unvaccinated.

Nominating beneficiaries for the benefits payable upon your death

From 1 January 2022 the employer or fund trustees can no longer exercise any discretion regarding the payment of a member's unapproved Group Life insurance benefits owing to changes in the governing regulations.

As a member of the Sanlam Staff Umbrella Fund (SSUF) and Group Life insurance scheme (GLS), when you die, the payment of the death benefit will be made as follows:

① **SSUF benefits – approved risk benefits**

In terms of the stipulations of the Pension Funds Act, if you die, the Board of Trustees are responsible for the allocation and payment of death benefits. Although the Board of Trustees will consider your wishes as specified in a nomination form, they are not bound by them if you have other dependants as well, or where fairness necessitates a different distribution.

② **GLS benefits (including family/funeral cover) – unapproved risk benefits**

The unapproved Group Life death benefits will be paid according to your nomination. In the absence of beneficiary nominations, the new regulations require that the death benefit be paid to your estate, causing a delayed pay-out to any eligible dependants identified during the settlement of your estate. Such a delay may have an adverse financial impact on your dependants and/or those responsible for any funeral and memorial arrangements.



It is therefore critical that you note the following:

- ④ You are required to specify separate nominations for your SSUF (fund) benefits, Group Life benefits and Family/Funeral cover benefits (even if the beneficiaries are the same). Your SSUF beneficiary nominations cannot be accepted as an instruction for the payment of your Group Life or Family/Funeral benefits.
- ④ You only need to specify nominations for the benefits payable upon your own death.
- ④ Please review your nominations annually to ensure that the information is accurate and up to date. Also update your nominations to accommodate life events such as getting married or divorced, birth or adoption of a child; and when a beneficiary's contact information changes.
- ④ For details of your current death benefit nominations, please access the [Member Portal](#) or the My Retirement app at any stage.
 - Please also capture or update your nominations via the Member Portal.



The proposal to amend the law that members can access a portion of their retirement benefit while still an active fund member.

Withdrawing part of your benefit while you are a fund member

Many South Africans find themselves in financial difficulty due to the Covid-19 pandemic and have requested that Government allow withdrawals from retirement funds. Even though retirement savings should preferably only be used for retirement provision, Government recognises that there might be a need to allow limited withdrawals prior to retirement. Only allowing members access to their retirement savings when they terminate service with their employer, creates an incentive for employees to resign, making them vulnerable to financial problems should they be unable to find employment again.

Even if withdrawals from retirement funds are allowed, retirement savings still need to be safeguarded. Government is therefore considering a “two-pot” system. Contributions made by employees to their retirement funds will be channeled to two pots, where one pot of two-thirds is to be preserved until retirement, while the other one-third can be accessed prior to retirement. This means that going forward one-third of your contributions to your retirement fund may be accessible from the date such a change to legislation is implemented.

In terms of current proposals, you will be able to make such a withdrawal at any time, but only once a year and it might be subject to a minimum amount. Members should not feel compelled to make a withdrawal every year, as the option will still be available to them in future. The cost of such a withdrawal would be paid by the member making the withdrawal to avoid other members having to pay for it. Members may also need to undergo retirement benefit counselling before a withdrawal may be made and members would be encouraged to increase contributions to make up for the amount withdrawn.

The proposed effective date is March 2023. The taxation of such a withdrawal is still being considered.

Preserving two-thirds of your benefit for retirement

If such a two-pot system is introduced to allow partial access to retirement savings, Government has stated that preservation must then accompany such access, to ensure sufficient retirement provision and avoid old-age poverty and reliance on the state. Many members of retirement funds do not preserve their benefits, but rather “cash out” every time they change jobs. It is proposed that the two-third pot will have to be preserved until retirement.

Note that the proposed two-pot system is still under consideration and the draft proposal is being consulted on with the retirement funds industry and other stakeholders.





Transfer of the SSUF to SUF

The Sanlam Group as employer (Sanlam Limited and all its subsidiaries and associated institutions), has decided to become a participating employer within the commercial Sanlam Umbrella Provident Fund (SUF). This means that all permanent office staff in the Sanlam Group will become members of the SUF.

The necessary documentation in this regard was submitted and registered with the Financial Sector Conduct Authority (FSCA) and from 1 July 2022, all new permanent office staff will become members of the SUF. After careful consideration, the Board of Trustees of the SSUF has in principle agreed to the request by the employer to transfer SSUF members to SUF. The transfer of existing SSUF members to the SUF is subject to regulatory approval and once the necessary regulatory approval is obtained, existing SSUF members can be transferred to the SUF.

Comparison of the benefit structure, options and costs: SSUF vs SUF

Retirement Fund detail	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Type of retirement fund	Defined Contribution Pension Fund and Provident Fund	Defined Contribution Provident Fund
Fund registration number	Pension Fund: 12/8/34380 Provident Fund: 12/8/34381	Provident Fund: 12/8/36813
Fund rule number allowing transfer out SSUF and transfer in SUF	Pension Fund: Rule 14.3 Provident Fund: Rule 16.3	Provident Fund: Rule 14.1
Fund SARS number	Pension Fund & Provident Fund: 18/20/4/38350	Provident Fund: 18/20/4/41147

Eligibility	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Who may join	<p>Membership is compulsory for all permanent office staff employees who are in the full-time service of a participating employer or join a participating employer.</p> <p>Note: All employees appointed as from 1 November 2021 are members of the SSUF Provident Fund only.</p>	Remain the same as in SSUF.

Remuneration basis	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Total Guaranteed Package/Pay (TGP)	The TGP reflects the sum that your employer pays in direct cost for your employment, excluding any 13th cheque and any performance related bonuses. Your TGP includes elements such as member contributions to the retirement fund, medical aid and allowances such as travelling allowance, etc.	Remain the same as in SSUF.
Basis for calculation of benefits and contributions	<ul style="list-style-type: none"> • All contributions to the retirement fund are a % of TGP • Death benefits are calculated as a multiple of TGP 	Remain the same as in SSUF.

Retirement Age		Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Retirement age	Normal retirement age (NRA) is as contracted between the member (employee) and the employer and may range between 60 and 65 years old.		Remain the same as in SSUF.
Early retirement	You may retire up to 10 years before your normal retirement date. The employer's permission is required should you wish to retire more than 5 years before your normal retirement date.		Remain the same as in SSUF.

Contributions		Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)								
Member contribution rate	<p>Employees can elect their contribution rate within certain limits.</p> <p style="text-align: center;">Provident Fund - All contributions</p> <table border="1"> <tr> <td>Minimum rate</td> <td>10% of TGP</td> </tr> <tr> <td>Choice to increase</td> <td>increments of 0.5%</td> </tr> <tr> <td>Default</td> <td>17.5%</td> </tr> <tr> <td>Maximum rate</td> <td>27.5%</td> </tr> </table>	Minimum rate	10% of TGP	Choice to increase	increments of 0.5%	Default	17.5%	Maximum rate	27.5%		Remain the same as in SSUF.
Minimum rate	10% of TGP										
Choice to increase	increments of 0.5%										
Default	17.5%										
Maximum rate	27.5%										

Member share		Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Your accumulated savings for retirement	<p>This is made up of your contributions plus any transfers from previous funds (if applicable), plus investment returns, less costs for In-Fund Death benefit.</p> <p>From 1 March 2021 your Member Share is split between a vested and non-vested portion. Please refer the "Retirement Benefits" part of this document for detail on how this will impact your options at retirement.</p>		Remain the same as in SSUF.

Member share	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Benefit payable	Your full Member share (as defined above) in both funds to the date of termination of service. The benefit can be preserved in the SSUF, taken in cash (subject to tax) or transferred to another approved fund.	Your full Member share (as defined above) to the date of termination of service which will include the total value transferred from SSUF. The benefit can be preserved in the SUF, taken in cash (subject to tax) or transferred to another approved fund.
In-fund preservation option (as per Regulation 38)	Paid-up membership as per Regulation 38 to the Pension Funds Act. If you do not inform the retirement funds of your payment choice, your benefit will automatically become paid-up until you elect payment.	Remain the same as in SSUF.

Fees and Charges	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Administration fee	Only members employed by Santam pay administration fees in SSUF. The Employers pays the administration fees on behalf of the other members.	The Employers will pay the administration fees in SUF on behalf of all members. (The administration fee will no longer be deducted from the contributions of Santam members.)
Fund expenses fee	No change, the fund expenses fees are paid by the employer.	Remain the same as in SSUF.
Changes to Investment portfolio selection (switches) and associated fees	Members are allowed one free switch per fund year. However, any other switches thereafter will cost R1 162 (including VAT) and will be recovered from your fund value.	Members are allowed to switch at any stage at no cost i.e. there are no switching fees.
	A change in the way in which future monthly contributions must be invested, is free of charge.	Remain the same as in SSUF.

Retirement Benefits	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
<p>Benefit payable [At retirement you have different options in respect of the vested and non-vested portions of your member share]</p> <p>In short: Vested = is the benefit that you can take in cash at retirement (subject to tax).</p>	<p>Your benefit at retirement will be your full member share as defined earlier.</p> <p>① SSUF Pension Fund Vested member share: No value Non-vested member share: full fund value</p> <p>② SSUF Provident Fund Vested member share: The sum of the following</p> <ul style="list-style-type: none"> • The member share on 1 March 2021 (if any); and • Transfers from other funds after 1 March 2021 where you might have had a value in a vested account; and • Investment return on the above. <p>You may take the vested member share portion in cash when you retire (subject to tax).</p>	<p>Your benefit at retirement will be your full member share as defined earlier. Your SSUF transfer values are included in the member share.</p> <p>SUF Provident Fund Vested member share: The sum of the following:</p> <ul style="list-style-type: none"> • Transfers from the vested member share accounts from the SSUF; and • Future transfers from other funds where you might have a value in a vested account; and • Investment return on the above. <p>You may take the vested member share portion in cash when you retire (subject to tax).</p>
<p>Non-vested benefit has a *restriction that you can take maximum one-third of this benefit in cash at retirement (subject to tax).</p> <p>*Restriction on non-vested portion not applicable if it is less than R247 500 at retirement, then you may take the full non-vested portion in cash.</p>	<p>Non-vested member share: *The sum of the following:</p> <ul style="list-style-type: none"> • All net contributions after 1 March 2021; and • Any non-vested account transfers from another fund after 1 March 2021; and • Investment return on the above. 	<p>Non-vested member share: The sum of the following:</p> <ul style="list-style-type: none"> • Transfers from the non-vested member share accounts from the SSUF; and • Contributions from date of transfer onwards; and • Future transfers from other funds where you might have a value in a non-vested account; and • Investment return on the above; and • If you were 55 years or older on 1 March 2021, please refer special note below.
<p>Special note applicable to members 55 and older on 1 March 2021</p>	<p>You will only have a vested member share in the provident fund.</p>	<p>The vested member share held in the SSUF will be transferred to vested member share account in SUF. All future contributions in SUF will however be allocated to the non-vested member share in SUF.</p>

*If the **non-vested member share** is more than R247 500, then you may only take one-third of this benefit in cash at retirement (subject to tax).

Death Benefits (Retirement Fund)	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Death benefit before retirement	<p>Pension Fund: Your full member share is payable.</p> <p>Provident Fund: Your full member share is payable; plus A lump sum insured benefit, according to the option you exercised and whether you became a member of the Fund before 1 July 2019 or on or after 1 July 2019.</p>	<p>Your full member share is payable; plus A lump sum insured benefit, according to the option you exercised and whether you became a member of the SSUF before 1 July 2019 or a member of SSUF or SUF on or after 1 July 2019.</p>
Other policy conditions	<p>The transfer from SSUF to SUF has no effect on the design or the cost for the insured death benefit.</p> <p>None of the policy conditions are affected by the transfer from SSUF to SUF. For example, the conditions around the conversion option and the free cover limit remain unchanged.</p>	



Questions and answers

1 What are the main differences between the SSUF and the SUF?

Retirement Fund detail	Sanlam Staff Umbrella Pension and Provident Funds (SSUF)	Sanlam Umbrella Provident Fund (SUF)
Stand-alone versus Umbrella structure	The SSUF is registered as a Type B umbrella fund that was established for the Sanlam Group, i.e. the eligible employees of Sanlam Limited and all its subsidiaries and associated companies.	The SUF is registered as a Type A umbrella fund. An umbrella fund allows many unrelated employers to participate in one fund (as participating employers). The eligible employees of all these unrelated employers are all members of the same fund.
Board of Trustees	The SSUF is managed by a Board of Trustees, 50% of whom are elected by members and 50% are appointed by the employer.	<p>The Board of Trustees that manages the SUF comprises six (6) trustees, 50% of whom are appointed by Sanlam Life Insurance Limited as the sponsor of the SUF, and 50% are professional trustees independent of Sanlam. Although this is not a typical employer- and member-elected trustee structure as under SSUF, a balance of power is still maintained.</p> <p>In addition, each participating employer have a management committee, called a Joint Forum, which is established to represent the interests of the members in the service of that participating employer.</p> <p>Sanlam Group will have its own Joint Forum, which will include representatives appointed by your employer and elected by the members of the SSUF as a sub-fund in the SUF, thus giving you a level of representation via the Joint Forum who will liaise with the Board of Trustees of the SUF on behalf of the members.</p>
Rules	The SSUF has one set of registered rules that regulates the management of the SSUF.	<p>The SUF has two sets of rules:</p> <ul style="list-style-type: none"> • A set of General Rules, which applies to all the participating employers and their employees, who are members of the SUF; and • Every participating employer also has a set of Special Rules that applies only to their employees. <p><i>Sanlam Group have its own Special Rules that outline your fund structure, including contribution options, benefits, etc., and which is similar to the existing SSUF rules.</i></p>

2 Will my contributions and benefits be affected by this transfer?

When you transfer to the SUF, practically everything will remain the same with the only significant change being that **your member share of the SSUF Pension Fund will be transferred together with your member share of the SSUF Provident Fund to the SUF Provident Fund**. All future contributions will with effect from transfer date be paid into the SUF Provident Fund and will be allocated to the **non-vested portion of your member share**. As the result of the transfer this would now also apply to SSUF members who were 55 and older on 1 March 2021.

3 Will there be any changes to the investment portfolio menu?

As on the date of transfer all the investment portfolios available via the investment menu of the SSUF will remain available and **unchanged** as investment options under SUF, at the **same investment fees**. The **Sanlam Lifestage Portfolio** will remain as the default investment portfolio.

4 What will happen to my member share in the SSUF?

The transfer of your membership and full member shares in the SSUF must be approved by the FSCA. This is generally referred to as Section 14 approval. Until such time as approval is obtained your retirement savings (member share) will remain invested in the SSUF.

After FSCA approval has been obtained, your member shares in the SSUF will be transferred to the SUF. Your member shares in Sanlam Staff Pension Fund and Sanlam Staff Provident Fund will be paid to the SUF Provident Fund.

5 How will my contributions be affected?

Your contributions to the SSUF will cease at the end of the month prior to the transfer date. From the transfer date you will start making contributions to the Sanlam Umbrella Provident Fund.

6 How will my insured benefits be affected?

The same in-fund insured death benefit will continue to be provided by the SSUF until the approved transfer date and will be provided by the SUF thereafter, with no difference in the benefit structure.

The Income Care, Critical Illness, Family (funeral) and Group Life Cover, which are provided via insurance policies issued to the Employer (commonly referred to as unapproved insured benefits) are not reported on since they are unaffected by the transfer and everything related to those insurance arrangements remain unchanged.

7 What will happen if I resign or retire?

If you resign or retire before or on the transfer date, your retirement savings (member share) will be payable from the SSUF and all existing options will apply.

If you resign or retire after the transfer date, your member share will be payable by the SUF and the options applicable to the SUF will apply.

8 Will I still receive fund communication?

All communication you currently receive, e.g. benefit statements, member newsletters and the Sanlam My Retirement App, will be maintained with access provided by the SUF to additional information such as the annual SUF trustee report, a member call centre, etc.

In addition to the above you will have access to telephonic retirement benefit counselling at no cost. This facility has been set up by the SUF as part of meeting the requirements of the default regulations that became effective on 1 March 2019.

Should you require financial advice, you will be put in contact with an accredited SFA financial adviser, who will assist you in the proper planning of your portfolio, or you may contact your own financial adviser.

9 Will I be able to view my benefit statement online?

You can still access your personal information and latest benefit statement at the member portal.

10 Service Providers

The same service providers will provide ongoing services, e.g. Sanlam Corporate will remain the Fund Administrator and Simeka will still provide benefit consulting, investment consulting and actuarial services to the Sanlam Group as participating employer in the SUF.

11 Will I pay tax as a result of the transfer?

No. However, the transfer process is subject to income tax clearance and the administrator will need to apply for individual tax directives from SARS before transferring your fund values from the SSUF to the SUF. The transfer of your fund values may be delayed and not form part of the planned “book-over” of assets if SARS does not issue a tax directive in respect of the transfer of your fund values from the SSUF to the SUF.

If you have not registered with SARS or if you have outstanding tax matters, you are urged to register with SARS and/or attend to your outstanding tax matters to avoid undue delays when the transfer takes place.

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>

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 detail of their fund benefits and related information via the member online facilities 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.

Direct any questions and concerns to Chrisna Swart at:

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

Postal address: PO Box 1, Sanlamhof, 7532



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 Contributions rates



	Provident Fund
Minimum rate	10% of TGP
Choice to increase	increments of 0.5%
Default	17.5%
Maximum rate	27.5%

02 Retirement



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.



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 term 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.



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.



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 as an active member is 70 years. A member who remains a member of the SSUF after NRD does **not** qualify for the insured death or disability benefits after attaining his/her NRD (Fund and GLA).

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



Retirement Benefit

The retirement benefit will be equal to all your members and employer contributions, plus the net investment returns earned thereon, i.e. your Member Share.

➤ **Member whose membership commenced 1 March 2021 or later**

A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

➤ **Members whose membership commenced before 1 March 2021:**

- If you were younger than 55 years on 1 March 2021

Pension Fund benefit: A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

Provident Fund benefit: Your Member Share as on 28 February 2021 (Vested Member Share), plus investment returns on this portion may be taken in cash at retirement; and

All your contributions from 1 March 2021 and investments returns on these contributions, are referred to as your "Non-Vested" Member Share. If this portion is less than R247 500 then you can take the full portion in cash at retirement. However, if this portion is more than R247 500 then you may only

take one-third of this in cash and you must use at least two-thirds to buy a pension when you retire.

- If you were 55 years or older on 1 March 2021

Pension Fund benefit: A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

Provident Fund benefit: You may take any portion of your Members Share in the provident fund in cash at retirement.

Please consult with your financial advisor regarding the taxability of benefits payable.

03

Termination of membership

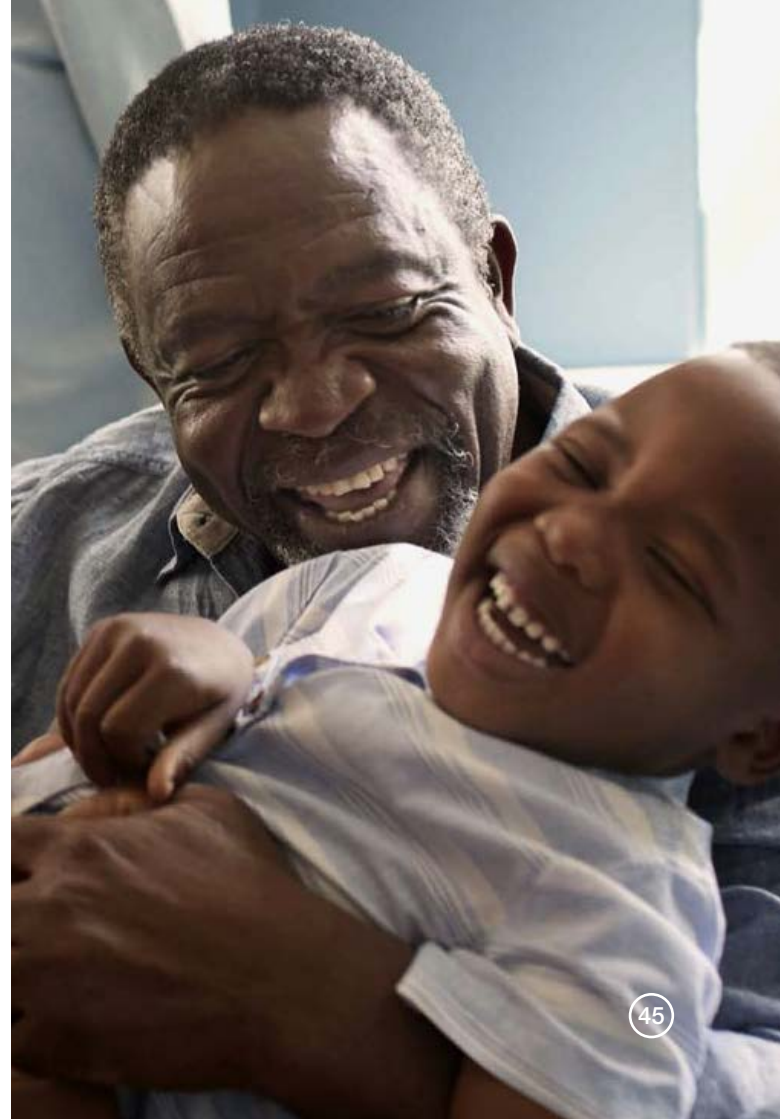


The benefit payable at resignation, retrenchment or dismissal

Pension Fund - Member's full member share

Provident Fund - Member's full member share

The member share can be preserved in the SSUF, transferred to another approved fund or taken in cash (subject to tax).



04

Death benefits



Pension Fund:

- Member's full member share is payable.



Provident Fund:

- Member's full member share is payable; **plus** a lump sum assured benefit (according to the option the member exercised) and subject to a certain maximum, as explained hereafter:



- In respect of members appointed as from 1 July 2019 the maximum level is 3x annual TGP.
- Different maximum cover levels are applicable to members appointed before 1 July 2019:
 - Members who selected the default at appointment:**
The default multiples as indicated in the table below remain applicable.
 - Members who selected a cover level higher than the default:**
The maximum multiples as indicated in the table below will be applicable to them.

- Members who as a result of their employment conditions enjoy a cover level that is higher than the maximum multiple:**

The Special Maximum Multiples in the table below are applicable to them. As the members in the 3 categories above, move through the age bands their cover will be reduced according to the applicable default or maximum multiple, that is applicable to them.

Age band	Default Multiple	Maximum Multiple	Special Maximum Multiple
-25	4	9	9
26 - 30	6	10.5	11
31 - 35	6	10	12
36 - 40	5	8	13.5
41 - 45	5	6.5	12
46 - 50	4	6	9.5
51 - 55	4	5	9
56+	3.5	5	7.5

Options and conditions to decrease or increase cover applicable as from 1 July 2019

- ⤷ Only members who enjoy less than 3x TGP cover may increase their cover.
- ⤷ Annually on 1 May, you will be given the option to either **increase or decrease** your level of cover. The new cover level may not be more than the maximum level of 3x TGP. Any increase will be subject to proof of good health.
- ⤷ A member can also **increase** his/her death cover up to the maximum of 3x TGP, within 3 months of the following events:
 - when he/she marries, and/or
 - when a child is born or legally adopted.

In the case of members younger than 50 years an increase of 1x TGP will be allowed without proof of good health at the said events.

To qualify for the above option to increase cover, the member must submit his/her option form to the SSUF within three (3) months of said event.

- ⤷ In the case of members who are 50 years and older any option to increase cover will be subject to proof of good health.
- ⤷ With respect to reducing your insured death benefit under the SSUF you may annually on 1 May, select a lower level of cover. The minimum level is 0.5x TGP, but you may select 0x TGP, subject to your fund value being at least 0.5x TGP or more.

- ⤷ If you choose to reduce your insured death benefit, the saving in the cost of death benefits will be applied for your retirement benefits. Alternatively, if you choose to increase your insured death benefit your savings for retirement will be reduced accordingly.

- ⤷ Formula for calculating the saving or extra cost for reducing or increasing your insured death benefit:

Amount by which benefit is decreased/increased

1 000

x Rate = Saving / extra cost

- ⤷ Rate for insured lump sum death benefit:

Age band	Rate per R1 000 cover		
	Rate before 1 May 2022	Rate as from 1 May 2022 for vaccinated members	Rate as from 1 May 2022 for unvaccinated members
Younger than 26 years	R0.213	R0.24	R0.47
26 – 30 years	R0.159	R0.18	R0.35
31 – 35 years	R0.166	R0.19	R0.36
36 – 40 years	R0.185	R0.21	R0.41
41 – 45 years	R0.193	R0.22	R0.42
46 – 50 years	R0.222	R0.25	R0.49
51 – 55 years	R0.222	R0.25	R0.49
56 years and older	R0.277	R0.31	R0.61

Notes:

- ④ The age in the table reflects the member's current age and not the age at which membership commenced.
- ④ At inception members qualify for the default/maximum cover level of 3x TGP.
- ④ Proof free limits

Combined for Provident Fund and Group Life:
R15 000 000

Any cover amount in excess of the proof free limits is subject to proof of good health.



Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018 some members enjoy a cover level higher than 3x TGP. They will retain their converted cover level and may opt to decrease it during the annual flex event.

- ④ **Rate:** The rate for group life insurance on the member's own life increased as set out below:

Rate per R1 000 cover		
Rate before 1 May 2022	Rate as from 1 May 2022 for vaccinated members	Rate as from 1 May 2022 for unvaccinated members
R0.266	R0.318	R0.556

Option to decrease or increase benefit



- ④ Members may decrease their group life insurance on 1 May annually, provided that the death cover may not be less than 0.5x TGP on their own life.
- ④ Members who have less than 3x TGP cover may increase their level of death cover annually during the flex event, subject to proof of good health and a maximum of 3x TGP.



Group Life Insurance - Death benefit and lump sum disability

- ④ Default death cover level at appointment = 1x TGP
- ④ Minimum death cover level = 0.5x TGP
- ④ Maximum death cover level = 3x TGP

The lump sum disability benefit is calculated as follows:

- ① In the case of members appointed before 1 July 2019 the lump sum disability benefit is equal to the group life death cover, but subject to a maximum of 2x TGP.

Note: As a result of the conversion of cover to a multiple of TGP on 1 August 2018 some members may enjoy lump sum disability cover of more than 2x TGP.

- ② In the case of members appointed as from 1 July 2019 or members who increase their group life death cover to a multiple higher than 1x TGP after 1 July 2019, the lump sum disability benefit is calculated as follows:
 - Equal to group life death cover, if the death cover is 1x TGP or less; or
 - If the group life death cover is more than 1x TGP the disability benefit is, 1x TGP plus 50% of the death cover that exceeds 1x TGP.

Examples:

Group life death cover	Lump sum disability benefit
1x TGP	1x TGP
2x TGP	1½ x TGP
3x TGP	2x TGP

05 Spouse insurance



- ① Death cover for spouses is not compulsory.

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

- New employees who are legally married are granted an option at appointment to take out spouse cover.
- Existing members have an option within three months of marriage to take out spouse cover.

Annual option subject to proof of good health

Members who are legally married will annually be granted the option to take out spouse cover. Such an option will be subject to proof of good health.

Cover for de facto spouses (if not legally married)

- A registration form will need to be completed and the de facto marriage application approved, whereafter the member will be granted the option for spouse cover.
- Medical proof of good health is a requirement, before the cover commences.



⌵ Maximum age of spouse to qualify:
70 years

⌵ Maximum cover = 1x TGP



Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018, some members enjoy a cover level higher than 1x TGP. They will retain the higher cover level and may opt to decrease it during the annual flex event.



⌵ Proof free limit

= **R1 400 000** 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:** R0.472 per R1 000 cover

06

Critical illness insurance



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



As from 1 May 2017 members have a choice between a standard or comprehensive critical illness benefit.

No proof of good health is required.

⌵ Cover levels: 0.5x or 1x TGP

⌵ Maximum cover = R1 500 000

When the maximum cover limit increases the cover of members who are limited to the maximum will increase to the new maximum.

Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018 some members enjoy a cover level higher than 1x TGP. They will retain the higher cover level and may decrease it during the annual flex event.

⌵ **Rates:**

Standard option : R0.280 per R1 000 cover

Comprehensive option : R0.448 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
- ⌚ Member contribution waiver = 14.56% of TGP after 3 month waiting period. (Contribution to Provident Fund)
- ⌚ Annual ad hoc increase applies, subject to minimum of 2%.
- ⌚ **Proof free limit**
 - = R130 000 pm for cover granted on or after 1 May 2011
 - = R165 000 pm for cover granted before 1 May 2011
- ⌚ **Rates:**
 - 0.648% x TGP

08

Family cover - optional benefit



- ⌚ Employees have a once-off option at appointment to become a member and can select to add their legal 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 select either Option 1 or Option 2 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.)
- ⌚ The additional parent cover, if selected, will be applicable to all parents who are insured.

Benefits payable at death and premiums

	Option 1	Option 2	Additional parent cover
Family member to whom benefit is applicable			
Basic benefit			
• Principal member	R29 000	R58 000	
• Qualifying Spouse	R29 000	R58 000	
• Qualifying child aged 14 and over	R29 000	R58 000	
• Qualifying child aged 6 and over but younger than 14	R15 950	R31 900	
• Qualifying child younger than age 6 and/or still-born child	R10 000	R20 000	
Additional spouses (ex-spouse in case of divorce)	R29 000	R58 000	
Legal Parents or parents-in-law	R7 500	R15 000	R10 000
Monthly premiums			
Basic benefit	R11.40	R22.75	
Additional spouses	R5.20	R10.40	
Parent cover	R29.25	R58.50	R52.00

09

Cover conversion options at termination of service



Members are entitled to, within two months from the date of termination of employment, take out individual insurance with Sanlam up to a certain maximum amount without having to submit proof of good health.

This option is applicable to the following cover:

- ④ In-Fund Insured Death Cover (See point 4)
- ④ Group Life Death Cover. (See point 4)
Please note that the lump sum disability cover cannot be converted.
- ④ Spouse Insurance (See point 5)
- ④ Critical Illness Insurance (See point 6)
- ④ Income Disability Benefit (See point 7)
- ④ Family Cover (Funeral benefit) (See point 8)

Details of the conditions and convertible amounts are provided to members at termination of employment.





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Sanlam Employee Benefits is a division of Sanlam Life Insurance Limited.
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