

Sanlam Umbrella Provident Fund (SUF): Sanlam Group and Related Group Life Insurance

Summary of contributions and benefits

IMPORTANT:

- i) This summary is for information only. The provisions and conditions of the Fund 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.*
- ii) On 1 December 2022 all members of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) were transferred to the Sanlam Umbrella Provident Fund - Participating Employer: Sanlam Group.*

1. CONTRIBUTIONS RATE

	Member contributions
Minimum rate	10% of TGP
Choice to increase	increments of 0.5%
Default	17.5%
Maximum rate	27.5%

2. 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 Sanlam Staff Umbrella Pension and Provident Funds (SSUF) (old funds) 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 (old funds) 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 (old funds) 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 SUF: Sanlam Group as an active member is 70 years. A member who remains a member of the SUF: Sanlam Group after NRD does not qualify for the insured 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

The retirement benefit will be equal to all your 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:

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

Unvested 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.

If the unvested benefit is less than R247 500 then you can take the full portion in cash at retirement. However, if the unvested benefit 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.

Vested benefit. You can use the vested portion to purchase a pension of your choice or you have the flexibility to take the full benefit or part thereof as a cash lump sum.

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

3. TERMINATION OF MEMBERSHIP

The benefit payable at resignation, retrenchment or dismissal:

- Member's full member share.

Can be preserved in the SUF: Sanlam Group, transferred to another approved fund or taken in cash.

4. DEATH BENEFITS

- 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 SUF: Sanlam Group 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 SUF: Sanlam Group 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:

$$\frac{\text{Amount by which benefit is decreased/increased}}{1\ 000} \times \text{Rate} = \text{Saving / extra cost}$$

- Rate for insured lump sum death benefit:

Age band	Rate per R1 000 cover as from 1 May 2023
Younger than 26 years	R0.173
26 – 30 years	R0.129
31 – 35 years	R0.135
36 – 40 years	R0.150
41 – 45 years	R0.157
46 – 50 years	R0.180
51 – 55 years	R0.180
56 years and older	R0.225

Notes:

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

Combined for Provident Fund and Group Life: R17 000 000

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

4.2 Group Life Insurance – Death benefit and lump sum disability

- Default death cover level at appointment = 1x TGP
- Minimum death cover level = 0.5x TGP
- Maximum death cover level = 3x 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 3x TGP. They will retain their converted cover level and may opt to decrease it during the annual flex event.*

- **Rate:** R0.318 per R1 000 cover

Option to decrease or increase benefit

- 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.
- 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.

The lump sum disability benefit is calculated as follow:

- 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.*

- 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 follow:
 - 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	1½x TGP
3x TGP	2x TGP

5. SPOUSE INSURANCE

- 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
 - = R2 000 000 for cover granted as from 1 May 2023
 - = R1 400 000 for cover granted between 1 May 2011 and 30 April 2023
 - = 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:** R0.327 per R1 000 cover

6. 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 trauma option : R0.266 per R1 000 cover
 Comprehensive trauma option : R0.426 per R1 000 cover

7. 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

Rate: 0.648% x TGP

8. 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 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 on whom benefit is applicable			
• Basic benefit			
- Principal member	R35 000	R70 000	
- Qualifying Spouse	R35 000	R70 000	
- Qualifying child aged 14 and over	R35 000	R70 000	
- Qualifying child aged 6 and over but younger than 14	R19 250	R38 500	
- Qualifying child younger than age 6 and/or still-born child	R10 000	R20 000	
• Additional spouses (ex-spouse in case of divorce)	R35 000	R70 000	
• Legal Parents or parents-in-law	R 7 500	R15 000	R10 000
	Monthly premiums		
• Basic benefit	R11.40	R22.75	
• Additional spouses	R 5.20 per spouse	R10.40 per spouse	
• Parent cover	R29.25 per parent	R58.50 per parent	R52.00 per parent

9. 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:

- In-Fund Insured Death Cover (See point 4.2)
- Group Life Death Cover (See point 4.3) Please note that the lump sum disability cover cannot be converted.
- Spouse Insurance (See point 5)
- Critical Illness Insurance (See point 6)
- Income Disability Benefit (See point 7)
- 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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