



Sanlam Umbrella Provident Fund (SUF): Sanlam Group

Phased Retiree
Member Guide



Updated: April 2023

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What is a Phased Retiree?

You became a Phased Retiree when you retired from your employer, but chose to postpone the payment of your retirement benefit.

Leaving your money invested in the SUF: Sanlam Group could have the following advantages for you, like:

- You don't have to withdraw your fund value immediately and possibly lose out in bad market conditions.
- You have time to think about what it is you will be doing with your SUF: Sanlam Group fund value.
- Your SUF: Sanlam Group retirement savings can continue to grow.
- You continue to benefit from the favourable tax treatment of your retirement savings within the SUF: Sanlam Group.
- You may decide to retire from the SUF: Sanlam Group at any stage in the future.

You remain a member of the SUF: Sanlam Group

Although you have retired in terms of your employment contract from the service of your employer, you have not retired from the SUF: Sanlam Group and therefore you will still be a member of the SUF: Sanlam Group.

Your retirement savings (your entire fund value), remains invested in the SUF: Sanlam Group and it continues to earn investment income.

The SUF: Sanlam Group Rules still apply to you.

What benefits will you have?

As a Phased Retiree of the SUF: Sanlam Group, the following benefits apply to you:

1. Retirement benefit
2. Death benefit

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Your retirement benefit

There are many annuity products available and making this decision can be complex. It is therefore strongly recommended that you seek the assistance of a financial adviser before you make any decisions regarding your retirement benefit payment from the SUF: Sanlam Group.

You may decide to retire from the SUF: Sanlam Group at any stage. At that time, your entire investment (member share) will be paid as a retirement benefit and you would have the following choices:

- Use your entire retirement benefit to draw a monthly pension from the SUF: Sanlam Group.
- Use your entire retirement benefit to purchase an annuity (monthly pension) from Sanlam or another provider.
- Take a portion of your retirement benefit in cash and use the rest to buy an annuity (monthly pension) from Sanlam or another provider. Your vested member share may be taken in cash. If your non-vested benefit is less than R247 500, your non-vested member share may also be taken in cash. If your non-vested benefit is more than R247 500, then only one-third of the benefit may be taken in cash. The balance must be used to buy a pension.
- Transfer your benefit to a preservation fund. Members must transfer their full retirement benefit to a preservation fund and will not be allowed to take a portion in cash.

What are the tax implications?

Should you decide to buy an annuity (monthly pension), the amount used to buy the pension will not be taxed, but the pension paid to you on a monthly basis will be taxed as income.

Benefits paid in cash lump sums will be taxed according to the relevant tax tables at the time the benefit is paid to you.

Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a tax/financial adviser before you decide on any benefit payment from the SUF: Sanlam Group.

How to claim your retirement benefit

Once you are ready to retire from the SUF: Sanlam Group you need to complete the relevant benefit claim forms. The forms can be obtained from Human Capital Shared Services via JIRA

<https://jirasm.sanlam.co.za/servicedesk/customer/portal/3/group/32>

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Your death benefit

In the event of your death while you are still a member of the SUF: Sanlam Group, your entire investment (member share) will be allocated to your dependants and/or nominees.

Your family should notify the SUF: Sanlam Group and complete the relevant forms in order to have your death benefit paid out.

Your investment must work for you

Consider the investment risk

When it comes to investing, there is a direct relationship between the risk taken and the returns achieved. The higher the risk the higher the potential returns, but also the greater the volatility of returns (tendency of markets to move up and down suddenly).

The investment menu available to you

At the time you become a Phased Retiree, your investments will either stay in the same portfolios as they were prior to your termination from employment, or be transferred to another portfolio(s) selected by you.

You have further investment options. Refer the Investment Information Brochure for information on the investment menu available to you.

Keep in touch

Since you are no longer part of the communication channels of your previous employer, it is vitally important that you ensure Sanlam always has your latest contact details on record.

Please logon to www.retirementfundweb.co.za and update your personal details without delay or send an email to myretirementfund@sanlam.co.za.

The trustees and Sanlam will make use of the Retirement Fund Web facility as the main communication tool to keep you informed of Fund matters.

You are automatically granted access to this facility.

What does it cost to be a Phased Retiree member?

The following fees are payable and these are automatically deducted from your fund value on a monthly basis.

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| Admin fees | There is an administration fee payable per month. The current fee will be reflected on your online benefit statement. |
| Investment management fees | Investment management fees are calculated and charged on a monthly basis. The latest investment management fees can be obtained on the Investment Fund Fact Sheets. |

If you experience any access problems, you may contact the web team for your access details via email:

retirementfundweb@sanlam.co.za

You can also access the SUF: Sanlam Group website at

<http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx> for other SUF: Sanlam Group related detail, including:

- Information on investment returns and investment portfolios
- Documentation relating to the SUF: Sanlam Group

Should you have any enquiries, please send it by email to myretirementfund@sanlam.co.za