

# **SANLAM UMBRELLA PROVIDENT FUND (SUF): SANLAM GROUP AND GROUP LIFE INSURANCE FOR OFFICE STAFF**

***Fund and Group Life options as on 1 May 2023***

**Important: The closing date for options is 9 May 2023.**

Members have the following options in respect of their SUF: Sanlam Group (retirement fund) and Group Life Insurance benefits during the flex event 24 April 2023 to 9 May 2023.

## **SUF PROVIDENT FUND (SUF): SANLAM GROUP**

- **Contribution rate can be increased or reduced.** See point 1.1
- **In-Fund Death Cover level can be reduced or increased.** See point 1.2.

## **GROUP LIFE INSURANCE** (See point 2)

- **Death Cover on the member's own life can be increased or reduced**
- **Death benefit on a member's spouse's life can be reduced or spouse cover can be obtained.**
- **Critical Illness cover on member's own life can be reduced.**

Please check your 2022 SSUF benefit statement on myWorkspace for detail of your current contribution rate and cover levels:

- **Contribution rate:**

On 1 December 2022 all members of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) were transferred to the Sanlam Umbrella Provident Fund (SUF): Sanlam Group. Your contribution rate as reflected on the Package Modeller on myWorkspace will be the contribution rate as indicated under your **provident fund** details on your 2022 SSUF benefit statement.

- **Cover levels**

Your cover levels are indicated on your SSUF benefit statement under the heading:

"Your group insurance cover"

Flexible Life Insurance (approved) = your insured death cover under the Sanlam Provident Fund (SUF): Sanlam Group

Life Insurance (unapproved) = your group life death benefit on your own life.

***Full details of the options available during the flex event are set out in this document at the points referred to above.***

## **ENQUIRIES**

If you have any questions, please send them in writing to [alfreda.april@sanlam.co.za](mailto:alfreda.april@sanlam.co.za)

## 1. SANLAM UMBRELLA PROVIDENT FUND (SUF): SANLAM GROUP

### 1.1 OPTION TO INCREASE/REDUCE YOUR CONTRIBUTION TO THE SANLAM UMBRELLA PROVIDENT FUND (SUF): SANLAM GROUP

Minimum rate	10% x *TGP
Option to increase/reduce	Increments of 0.5% x TGP
Maximum rate	27.5% x TGP

\*TGP = Total Guaranteed Package/Pay (your pensionable salary)

#### **PROCEDURE - How can you change your contribution rate?**

You have to indicate the contribution rate of your choice on the package modeller via the payroll system, myWorkspace.

It is important that members bear the following in mind before they decide to reduce their contribution rates:

1. Contributions paid to the SUF: Sanlam Group will directly affect the benefit you will receive at retirement/termination of service. Lower contributions will therefore mean a lower benefit, which would possibly not be sufficient to provide in your needs at retirement/termination of service.
2. The contributions towards the SUF: Sanlam Group are deductible for tax purposes. This means a greater part of your income will be taxable if your contribution rate decreases.
3. If your contribution rate is reduced, the cash portion of your remuneration will increase, BUT the amount by which your contributions are reduced will be taxable and the cash portion of your remuneration will therefore merely be increased by the net amount (after tax has been recovered).
4. Contribution rates can be revised only in the event of a salary revision.
5. **Members are advised to discuss the implications of reducing their contribution rate with a financial adviser before deciding to do so.**

### 1.2 OPTION TO REDUCE/INCREASE YOUR DEATH BENEFIT PROVIDED BY SUF: SANLAM GROUP AS FROM 1 MAY 2023

#### **CONDITIONS FOR CHANGING YOUR COVER LEVEL**

*(During 2023 flex event: 24 April 2023 – 9 May 2023)*

- You may decrease/increase your level of insured death cover payable by the SUF: Sanlam Group, in multiples of 0.5 times.
- **You only qualify to increase this flexible life insurance if you currently enjoy a level of cover that is less than 3x TGP.**
- Any increase will be subject to proof of good health and a maximum level of 3 x TGP. **The underwriter will send you the details of the required medical reports within one month after closing date of the options.**
- The compulsory minimum level of total death cover (insured benefit plus member share) is 0.5 x TGP. This minimum is required in terms of the Rules of the Sanlam Umbrella Provident Fund (SUF): Sanlam Group.

Should your total death benefit (insured benefit plus member share), calculated according to your new cover multiple, be less than 0.5 x your annual TGP, your insured death benefit will be increased automatically so that your total death benefit equals at least 0.5 x TGP.

The total current value of your insured death benefit in terms of the SUF: Sanlam Group, **“Flexible life insurance (approved)”**, is indicated under the heading **“Your group insurance cover”** on your 2022 SSUF benefit statement that is available on the myWorkspace payroll system. (*This is separate from the cover you have under Group Life Insurance – See point 2 of this document.*) The amount of cover is a multiple of your TGP (pensionable salary).

The cost of the flexible life insurance is deducted from your contributions for retirement savings in the Sanlam Umbrella Provident Fund (SUF): Sanlam Group. Therefore, if you opt to have a lower/higher level of flexible life insurance, a bigger/smaller part of your contributions will be invested for your retirement benefits. (See examples below.)

The rates per age band for this life insurance are:

*Age band	Rates 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 – 55 years	R0.180
56 years and older	R0.180
Younger than 26 years	R0.225

**\*Important note:** *The age refers to your current age and not the age at which you entered the SUF: Sanlam Group.*

- **COST**

The cost for the flexible life insurance is calculated as follows:

*Formula for calculating the saving or extra cost for reducing or increasing your death cover:*

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

### Examples

*These are examples for a hypothetical member and should in no way be construed as advice. Each member has specific life cover needs. You are strongly advised to consult an accredited financial advisor before you make any decision regarding your life cover.*

Let’s look at a 32-year-old member with a TGP of R350 000 and flexible life insurance of 6 x TGP.

### Example 1 – Member reduces death cover

We quantify the new level of cover and the reduction in the cost of death cover, which will result in an additional monthly saving for retirement:

Rate per R1 000 for death cover under the SUF: Sanlam Group	R0.135
Current cover = 6 x TGP	R2 100 000
Current cost deducted from your savings for retirement	R283.50 p.m.
Decreased cover selected (4 x TGP)	R1 400 000
Additional contribution for retirement savings towards the SUF: Sanlam Group due to decrease in cover (R2 100 000 – R1 400 000 = R700 000 ÷ 1 000 x R0.135)	R 94.50 p.m.
Total cost for decreased cover (R1 400 000 ÷ 1 000 x R0.135)	R189.00 p.m.

*The example above can be extended to members of any age who select a decreased cover level, to calculate the additional savings for retirement that will be redirected to the Sanlam Umbrella Provident Fund (SUF): Sanlam Group.*

### Example 2 – Member increases death cover

**Only members with cover levels lower than 3 x TGP will be allowed to increase their cover, subject to proof of good health and a maximum cover level of 3 x TGP.**

We quantify the new level of cover and the increase in the cost of death cover, which will be deducted from the member's monthly contribution for retirement savings towards the Sanlam Umbrella Provident Fund: Sanlam Group

Rate per R1 000 for death cover under the SUF: Sanlam Group	R0.135
Current cover = 1 x TGP	R350 000
Current cost deducted from your savings for retirement	R 47.25 p.m.
Increased cover selected with proof of good health (3 x TGP)	R1 050 000
Reduction in contribution for retirement savings towards the SUF: Sanlam Group due to increase in cover (R1 050 000 – R350 000 = R700 000 ÷ 1 000 x R0.135)	R 94.50 p.m.
Total cost for increased cover (R1 050 000 ÷ 1 000 x R0.135)	R141.75 p.m.

*The example above can be extended to members of any age who select an increased cover level, to calculate the additional costs that will be deducted from the retirement saving contribution towards the Sanlam Umbrella Provident Fund (SUF): Sanlam Group.*

### PROCEDURE

#### **How must you exercise the option to reduce/increase your insured death benefit payable by the SUF: Sanlam Group?**

If you wish to exercise the option to decrease/increase your insured death cover, "**Flexible life insurance (approved)**", you must indicate your new required level of death cover (multiple of TGP) at paragraph C of the attached option form, Annexure A.

**Please keep a copy of the option form for your records.**

## 2. GROUP LIFE INSURANCE

Members have options to make changes to the following cover levels indicated on their 2022 SSUF benefit statement under the heading: "Your group insurance cover"

Cover	What is this?	Monthly premium rate per R1000 cover
<b>Life insurance (unapproved)</b>	<i>Death cover on own life, that also include a lump sum disability benefit.</i>	R0.318
<b>Spouse's Life insurance</b>	<i>Death cover on spouse's life</i>	R0.327
<b>Critical illness Insurance</b>	<i>Cover on own life payable in the event of you being diagnose with a qualifying critical illness.</i>	Standard cover: R0.266 Comprehensive Cover: R0.426

The cover amounts are calculated as a multiple of TGP and the premiums for the above cover are separate deductions from your after-tax remuneration. If the cover is increased, the deduction from your salary will also increases, which means you will have less cash salary.

**Formula for calculating the monthly premium:**  $Cover\ amount \div 1\ 000 \times\ premium\ rate$

**If you require another level of cover, please see point 2.1 for the procedure and conditions.**

### 2.1 OPTIONS, PROCEDURE AND CONDITIONS

Cover	Options	Procedure	Conditions
<b>Life insurance (unapproved)</b>	Increase of cover	Indicate increased cover level at point C of Annexure A.	Maximum level: 3 x TGP <b>Increase subject to proof of good health.</b>
	Decrease of cover	Indicate reduced cover level on package modeller via the payroll system.	Minimum level: 0.5 x TGP Disability lump cover will be reduced accordingly.
<b>Spouse's Life Insurance</b>	Decrease of cover	Indicate reduced cover level on package modeller via the payroll system.	No minimum cover level. Cover can be cancelled.
	Take out spouse cover	Refer point 2.1.1 below and Annexure B.	Conditions as set out at point 2.1.1
<b>Critical illness Insurance</b>	Decrease of cover	Indicate the reduced cover level on the package modeller via the payroll system.	Minimum cover level 0.5 x TGP. No option to increase cover in future again.

#### 2.1.1 ANNUAL OPTION TO TAKE OUT COVER ON YOUR SPOUSE'S LIFE

Married members, who have cancelled the cover on their spouse's life or who, as a result of an option they have exercised, do not enjoy spouse cover, annually have the option to take out spouse cover.

This option is subject to the following conditions:

1. The spouse needs to provide proof of good health. On receipt of Annexure B, Sanlam will send you details of the required medicals. Sanlam reserves the right to request further medical reports at the member's expense if the medical information provided is not sufficient according to Sanlam's requirements.
2. The maximum age in respect of a spouse to qualify for death cover is 69 years.
3. The cover level that can be selected will be equal to either 0.5 or 1 times the member's annual TGP.

#### **PROCEDURE**

##### **How can you make use of this annual option to take out cover on your spouse's life?**

You have to complete the option form (Annexure B). Annexure B together with your marriage certificate must then be emailed to the address indicated on the form.

**ALFREDA APRIL**

***April 2023***

Return completed form to:

Email: [tania.abrahams@sanlam.co.za](mailto:tania.abrahams@sanlam.co.za)

## SANLAM UMBRELLA PROVIDENT FUND (SUF): SANLAM GROUP AND GROUP LIFE INSURANCE

DEATH COVER OPTION FORM: 1 MAY 2023

Date of Return: 9 May 2023

- A. This form must be completed only if you wish to reduce/increase the level of your insured death benefit under the Sanlam Umbrella Provident Fund (SUF): Sanlam Group and/or if you want to increase your group life cover as from 1 May 2023. It serves as an official instruction to the SUF: Sanlam Group and Employer.

**You must email the completed form as indicated on the top of the form.**

Initials and surname: .....	
Pay-code: .....	Date of birth: .....
Telephone number: .....	Fax number: .....
Email address: .....	

**B. PLEASE NOTE THE FOLLOWING IMPORTANT POINTS:**

1. The completed form must reach the Sanlam Umbrella Provident Fund (SUF): Sanlam Group on or before 9 May 2023. *(Please keep a copy for your records.)*
2. You will receive acknowledgement of receipt by 16 May 2023. **If you do not receive acknowledgement of receipt by that date, please contact Tania Abrahams by email: [tania.abrahams@sanlam.co.za](mailto:tania.abrahams@sanlam.co.za)**
3. Your amended choice will only be implemented if receipt of your option form has been confirmed and also only after your medical proof of good health has been approved.

**C. MY NEW CHOICE FOR DEATH BENEFITS (Mark your choice with )**

I prefer to reduce/increase my insured death benefit to the following multiple of TGP:

- **Flexible Life Insurance (Approved)** - Refer point 1.2 of communication document

0	0.5	1	1.5	2	2.5	3
<input type="checkbox"/>						

- **Group Life Insurance (Unapproved)** - Refer point 2.1 of communication document

0	0.5	1	1.5	2	2.5	3
<input type="checkbox"/>						

- D. I hereby declare that my Employer, Sanlam or the SUF: Sanlam Group did not influence my choice and that I will not hold my Employer, Sanlam and/or Joint Forum of the SUF: Sanlam Group responsible for any eventuality that may result from my choice.

SIGNED AT ..... ON ..... 20.....

.....  
SIGNATURE

TO : EMAIL: [tania.abrahams@sanlam.co.za](mailto:tania.abrahams@sanlam.co.za)

## SANLAM OFFICE STAFF GROUP LIFE INSURANCE

### OPTION FORM FOR SPOUSE COVER

Date of Return: 9 May 2023

This form must be completed only if you are a **married** employee who cancelled your spouse cover or who, as a result of an option you exercised, do not enjoy spouse cover and now wants death cover on your spouse’s life. **Please enclose a copy of your marriage certificate.**

#### A. PERSONAL DETAILS

Full names and surname : .....

Pay-code : ..... Identity number : .....

Telephone number : .....

Email address : .....

Date of permanent appointment : .....

#### B. OPTION

1. I want death cover on my spouse’s life.

Selected cover level (multiple of TGP):

0.5	1

(The cover will come into effect on the first day of the month following the date on which the medical proof of good health was approved. Human Capital will inform you.)

#### Details of spouse

Full names and surname: .....

Identity number: ..... Date of marriage: .....

2. Your choice will be implemented only if you received acknowledgement of receipt of your option form. **If you do not receive acknowledgement of receipt by 16 May 2023, please contact Tania Abrahams by email: [tania.abrahams@sanlam.co.za](mailto:tania.abrahams@sanlam.co.za)** (Please keep a copy of the completed form for your records.)

3. I want to **cancel** my spouse cover.  Yes

C. I hereby declare that the option I have exercised was in no way influenced by my employer, Sanlam or the management of the insurance and that I will not hold my employer, Sanlam or the members of the Management Committee of the insurance responsible for any eventuality arising from my choice.

SIGNED AT ..... ON ..... 20.....

.....  
SIGNATURE