

Group Risk

# New Generation Benefits

Companies are looking for group risk and health insurance solutions that meet the real life needs of their employees particularly during difficult times, which is why Sanlam Employee Benefits: Group Risk is excited to offer the following products to cater for these specific needs.

Universal Education Protection		Medical Aid Premium Waiver	
Traditionally, in the event of a member's death, the education liability had to also be funded out of the member's death benefit. This <i>rider</i> benefit assists you in providing the very best possible education for your children by helping you to protect your children's future education. The children are covered from pre-primary school right through to the attainment of an undergraduate degree. The benefit also provides for (over and above the benefit payments in respect of a year of education to the educational institution), the following costs:		Medical aid is one of the most important costs in anyone's budget and whilst a 75% income replacement is a sound benefit, it nevertheless causes financial strain for the disabled employee in that it results in at least a 25% reduction in income This <i>rider</i> benefit effectively takes the financial responsibility and burden away from the affected employee and their family by funding the disabled employee's medical aid premiums for up to 24 menths (subject to cartain maximums) for	
		book allowance, and	
o university or technikon residence		<ul> <li>any medical savings premium</li> </ul>	
There is no restriction on the number of children covered.		Hence, neither the company nor the employee has to meet the expense.	
The rider benefit is available on unapproved group life schemes. The benefit can be selected only at scheme level.		The rider benefit is available on standard and managed disability income schemes. The benefit can be selected only at scheme level.	
<i>How does it work?</i> The cost of the children's education is paid in addition to the death benefit (in place):		<i>How does it work?</i> The benefit is paid from the end of the waiting period for the duration of the initial period to the employer, who will be responsible for:	
it is paid directly to the childr	en's education	all the claimant's PAYE requirements;	
<ul> <li>institution, and</li> <li>it may be claimed for each year of education the start of that year</li> </ul>		issuing an IRP5 tax certificate reflecting this benefit and deduction codes, and	
	G	paying the premium to the medical scheme (all registered Medical Aids are covered)	
Exclusions:	L	Exclusions:	
• No benefits are available in respect of home-	spect of home-	No cover for adult dependants.	
<ul> <li>schooling;</li> <li>If fees levied by an educational already been paid, benefits will respect of any outstanding education has become payable after the othe insured. (Overdue fees with paid).</li> </ul>	institution have be paid only in ational fees that late of death of	Not available to limited/temporary disability	



#### O Universal Education Protection-benefit

Features	Advantages
No medicals	Reduces hassle to the members
Pays education expenses as and when necessary	No burden placed on the spouse to plan ahead for future expenses
No maximum number of children	All eligible children are covered
Paid directly to educational institution	No hassle for the employer, fund or surviving parent/guardian
Not regarded as annuity payments	Not taxable in the hands of the beneficiaries
Priced separately	Provides full transparency in costs
Provided only on an unapproved basis	No need to amend retirement fund rules
Book allowance	Covers books up to 10% of the cost of the actual fees payable for a given year
University residence allowance	Covers residence fees up to 30% of the cost of the actual fees payable for a given year
All recognised SA schools, universities, technikons and trade schools are included	The child has access to a wide spectrum of potential SA institutions
Allows for private schooling	The child will not have to change to a public school
Certain overseas institutions are included	Access to Harvard, Yale, MIT, Princeton, Stanford, Oxford, Cambridge amongst others

### O Medical Aid Premium Waiver-benefit

Features	Advantages	
Reduces strain on income during disablement	More cash is available for the beneficiary	
No medicals	Reduces hassle to the members	
Priced separately	Provides full transparency in costs	
Pays for the medical savings account	The claimant continues to accumulate savings in this account even while disabled	
Covers the spouse's and children's premiums	Cover is a good match to financial needs	
No maximum number of children	All eligible children are covered	
Covers increases in medical aid costs on the same health plan	Provides for medical aid premium increases up to 20% pa on the same health plan	

# **Free Cover Limit**

No medical evidence is required for these rider benefits.



# **Maximum benefit**

#### O Universal Education Protection-benefit

Benefit Maximums 2015				
Education Institution	Maximum benefit per child	Maximum period		
Pre-school (Gr 0/Gr R)	R34 000 per annum	1 year		
Primary school (Gr 1 – 7)	R68 000 per annum	7 years		
High School (Gr 8 – 12)	R77 000 per annum	5 years		
Tertiary Institution	South Africa R48 000 p.a. Foreign USD55 000 p.a.	Duration of 1 <sup>st</sup> degree or 1 <sup>st</sup> trade diploma or 1 <sup>st</sup> certificate or similar qualification granted by the institution		

#### O Medical Aid Premium Waiver-benefit

Benefit Maximums 2015				
Medical Aid Status	Maximum Benefit	Maximum Period		
Principal Member	R3 000 per month	12 or 24 months less the waiting period.		
Spouse	R2 300 per month	(payable during the initial period i.e. until the end of the "own/regular occupation"		
Child	R1 300 per month	period of PHI)		

### **Termination of cover**

Cover/benefits will cease on the earlier of:

- the principal member attaining age 65,
- the normal retirement age (NRA) of the member,
- the member leaving the employer's service,
- the cancellation/dissolutions of the group life benefit / disability income benefits, or fund.

# About Sanlam Employee Benefits (SEB)

Sanlam Employee Benefits specialises in the provision of risk, investment and administration services to institutions and retirement funds. Focused on meeting the unique needs of its diverse clients, SEB assists companies to create and deliver customised employee benefits solutions, including the collection of premiums and communication to fund members.

For more information, please contact your consultant or alternatively visit our website at www.sanlam.co.za

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