



Sanlam employee benefits
umbrella fund

Insurance

Financial Planning

Retirement

Investments

Wealth

why an
employer
would
consider a
retirement
fund





To take advantage of the generous tax concessions available



To attend to their moral and social obligations towards their employees



To attract, motivate and retain skilled employees



To prevent cash flow strain in the event of having to make payments to:

- > **retiring employees**
- > **a disabled employee**
- > **dependants on the death of an employee**



What is an umbrella fund?

An umbrella fund is a retirement fund which multiple and unrelated employers may join as opposed to a single fund established for one employer only (i.e. a stand-alone fund). Aside from the retirement savings element, insured benefits can be included as part of the package.

An umbrella fund pools the contributions of various employers and members in one fund and the greater number of participants allows for cost savings and for delivering true value to the umbrella fund members.

Most umbrella funds are sponsored by and have the financial backing of a large, reputable financial institution.

An umbrella fund is governed as a single legal entity overseen by a professional board of trustees. This has the advantage that professionals are accountable for ensuring the umbrella fund's governance complies with all legislation.



Sanlam Umbrella Fund.



Should a stand-alone fund convert to an umbrella fund?

important *

The onerous responsibilities and potential liability associated with being a trustee.

The dynamic nature of the retirement fund industry and legislation governing retirement funds and the need for ongoing monitoring and change.

The increasing need for, and costs of, member communication and education within the retirement fund industry.

The “economies of scale” argument. Retirement funds incur a variety of fixed costs regardless of size, with the result that ‘per member’ costs drop significantly in larger funds such as an umbrella fund.

The move from a stand-alone fund to an umbrella fund is very compelling as it is becoming increasingly clear that most stand-alone funds and even smaller umbrella funds have no future in the Government’s proposed future structure for the retirement fund industry.

Why choose the Sanlam Umbrella Fund?

The Sanlam Umbrella Fund provides a structure for employers to offer their employees a flexible retirement savings and insured benefits package. This offers employers and their employees a cost-effective and need-specific savings solution in an environment characterised by poor decisions for retirement, high costs, low savings levels and consumption-driven debt.



Sanlam Futura Option:

Provident fund only
One trustee-approved investment strategy
No member investment choice
Uniform fee structures apply to all participating employers
Standard package of insured benefits



Standard Option:

Choose between a provident or pension fund
Choose from three trustee-approved investment strategies
No member investment choice
Individual pricing applies per participating employer, based on their risk profile
Any combination of insured benefits to suit each participating employer's needs



Comprehensive Option:

Choose between a provident or pension fund
Choose from three trustee-approved investment strategies
Wide range of member investment choice available
Individual pricing applies per participating employer, based on their risk profile
Any combination of insured benefits to suit each participating employer's needs



Innovative administration.



Our leading-edge administration platform is a South African system suited to the South African legislative environment. The platform is web based, allowing employers to access a host of information and to complete the full spectrum of fund transactions online. Members are able to view their benefits or switch their own investments online.

Competitive insured benefits:

Participating employers and members enjoy the benefit of having their risk placed with the more competitive of two insurers: Capital Alliance and Sanlam. Employers and members are therefore assured of the most competitive insurance rates. This feature is not applicable to the Sanlam Futura option.

➤ The fund also offers regionalised client services, (for employers in the Standard and Comprehensive options) with post-sales service teams that provide face-to-face and on going professional services to our clients.



reliability and staying power

The Sanlam Umbrella Fund is administered by Sanlam Employee Benefits, one of South Africa's leading employee benefits service providers.

Launched in 2008, the fund reached its 100 000 members milestone early in 2012, making it the fastest growing umbrella fund in the country.

Highly competitive fees:

The Sanlam Umbrella Fund's costs are transparent and clearly indicated on all quotations. Under the Standard and Comprehensive options, we offer an asset-based administration fee discount for funds that transfer their assets to the Sanlam Umbrella Fund. These additional assets translate into increased economies of scale with cost savings passed on to our clients.

Sanlam rates as a Level 2 contributor based on the Department of Trade and Industry scorecard. This implies 100% recognition for procurement purposes.

Resources to help you select or switch funds:

Sanlam has compiled the 21 important questions and answers when selecting an umbrella fund. This initiative has become a checklist for employers when selecting a retirement fund.

A wide selection of investment choices:

The Sanlam Umbrella Fund offers extensive investment options. The Sanlam Futura option has a stable trustee-approved default strategy, and under the Standard and Comprehensive options, employers may choose from three trustee-approved default strategies. The Comprehensive option also offers members a range of institutionally priced portfolios and, in addition, qualifying high net-worth members have the option to invest their savings in retail collective investment schemes or in the stock market.

Preservation option:

The Sanlam Umbrella Fund offers seamless transfer for members to the Sanlam Plus Preservation Fund, when they retire or withdraw from the fund.

Sound fund management and member representation:

Governance is ensured and maintained by the professional Board of Trustees with 50% being independent member-elected trustees. Our Joint Forums provide a structured process with employer and member representation, that ensures members' interest are protected.



the
awards
that confirm
our competence

The following accolades serve as an acknowledgement of Sanlam's continued position as an industry leader:

- The Institute for Retirement Funds Best Practices Awards to the Sanlam Umbrella Fund for Financial and Legal Compliance and Financial Annual reporting in 2014.
- The Institute for Retirement Funds Gold Certificate standard award to the Sanlam Umbrella Fund for Communication Strategy and a Special Mention Award for Member communication campaign in 2014.
- The Financial Intermediaries Association Award for Employee Benefits Supplier of the Year 2011, 2012 and 2014.
- The Principal Officers Association Imbasa Yegolida Award for Risk Benefit Underwriter of the Year 2013.
- The PMR Golden Arrow Award 2013 for excellent retirement fund administration in the Boland region.
- The PMR Diamond Arrow Award 2013 for outstanding retirement fund administration and first overall in the category.
- The PMR Golden Arrow Award 2012 for excellent retirement fund administration in the City of Cape Town and Cape Peninsula Survey.
- The PMR Golden Arrow Award 2012 for excellent retirement fund administration in the Boland region.
- The Principal Officers Association Imbasa Yegolida Award for Actuarial Firm of the Year 2012 that was won by our consultation company, Simeka Consultants & Actuaries.
- The Institute of Retirement Funds Communication Challenge Award in the Umbrella Funds Category 2011.
- The Principal Officers Association Imbasa Yegolida Award for the Umbrella Fund of the Year 2010 and 2011.





Sanlam Futura Option:

- ① Standard death benefits
- ① Family funeral aid benefits
- ① Burial repatriation benefits
- ① Lump sum disability benefits



Standard & Comprehensive Options:

- ① Standard, reinforced and flexible death benefits
- ① Temporary income and lump sum disability benefits
- ① Family funeral aid benefits
- ① Accident benefits
- ① Burial repatriation benefits
- ① Trauma benefits
- ① Lump sum disability benefits
- ① Spouse's life cover
- ① Income disability benefits
- ① Cover during disability
- ① Conversion options

designing a fund structure

When implementing a retirement fund or considering to switch funds, it is important to establish the employer's expectations, requirements and objectives. The following are points that should be considered:



What are the employer's expectations of the fund?



Are the employees going to contribute?



How will a retirement fund benefit the employer and the employees?



Does the employer want to offer the employees insured benefits in the event of death and disability?



How much can the employer afford to contribute?



When would the fund commence?



If considering to switch funds, what are the main criticisms against the existing fund?

quotation information:

In order to provide an employer with a detailed Sanlam Umbrella Fund quotation of benefits and costs we require the following information for each employee: full name, surname, identity number, gender, annual salary, marital status and occupation. This information is handled in a highly confidential manner.



call us 

Disclaimer

This document summarises the options under the Sanlam Umbrella Fund.

More Information

You may find further information in The Fund in Detail document or the Sanlam Futura Product Guide.

To arrange an appointment with one of our trained Employee Benefits Specialists, please contact us on sanlamumbrellafund@sanlam.co.za

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