



OCCUPATIONAL DISABILITY INSURANCE

Sanlam Office Staff

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Membership

All permanent office staff who are members of the:

① Group Life Insurance for Sanlam Office Staff, and

② Group Income Care Insurance, can qualify for occupational disability cover if they, for medical reasons, become unable to practise their own or a suitable occupation.

A full medical evaluation will determine, with reference to contractual stipulations, whether the employee is entitled to disability benefits.

sick leave

Should the employee be on sick leave while the claim is under consideration, the normal procedure applicable to sick leave must be followed. The employee must submit valid doctor certificates to line management.

income care benefit insurance

Income Care Insurance, if approved, will commence paying an income three months after the last day of active service. During the three months waiting period the employer remains responsible for remunerating the employee, within the framework of the employment contract of the individual and the employer's employment practices. The last day of active service is defined as the last day that the employee worked before commencing sick leave.

Non-pensionable income (e.g. cell-phone allowance) will be discontinued as from month four.

After a three-month waiting period, an employee who has been declared medically totally disabled for his/her own or a suitable occupation, will receive:

A monthly disability income equal to:

- 75% of the first R120 000 of annual TGP; plus
- 60% of the next R360 000 of annual TGP; plus
- 50% of annual TGP in excess of R480 000.

PLUS

Member contributions of 14.56% of TGP will be paid to the Provident fund on behalf of the employee.

The disability income will increase by a minimum of 2% a year, compounded annually, each year on 1 April.

cease of income

The payment of the disability income will be discontinued in the case of any of the following, whichever takes place first:

- Death
- Recovery from disability
- Retirement

group life insurance benefits

After sufficient medical proof has been submitted regarding the employee's health condition and it has been proven that the member is totally and permanently disabled for his/her own occupation, as well as any other suitable occupation, the following will apply:

Lump sum disability cover:

A lump sum disability benefit under the Group Life Insurance will be payable equal to the employee's death cover, subject to a maximum of two times the employee's annual pensionable remuneration.

If a lump sum is payable, it will be paid six months after the last working day in the service of the employer.

Should a member enjoy more than two times TGP death cover on his/her own life, the benefit in excess of two times will be payable as death cover if the employee dies after been declared disabled.

Death Cover:

If part of the Group Life cover continues as death cover after disablement, this cover will remain constant (only applicable where the cover is more than two times). Sanlam will pay the premium for this cover on behalf of the employee. If the employee retires before his/her normal retirement date, he/she will be responsible for the premium of the group life cover on his/her own life up to cessation date.

The disabled employee will be responsible for the full premium on spouse's cover (if applicable).

proof-free limit

If proof of good health for cover in excess of the proof-free limit was not provided, cover will be limited to the proof-free limit.

general exclusions

No benefit is payable if disability is:

- the indirect or direct consequence of active participation in hostilities or warlike operations; or
- attributable to negligence or wilful exposure to danger; or
- due to intentional self-inflicted injury

commencement of Sanlam's liability

The disability benefits are not provided if the member is incapable of performing his/her normal duties on the date of permanent appointment, as a result of a bodily injury or sickness. In such case the member becomes eligible to enjoy cover when the member is capable of resuming his/her duties.

waiting periods

Three months starting at commencement* date of disability in respect of the income disability benefit and six months in the case of the lump sum disability benefit. (No benefit is payable during the waiting period and if the employee is incapable of working he/she will need to engage the employer regarding the approval of sick leave.)

**Commencement date is the beginning of the latest continuous period of disablement. Sanlam determines this date on grounds of medical reports submitted.*

limitation of benefit on transfer

If a member was transferred from another insurance scheme which was replaced by this insurance (i.e. the member was uninterruptedly insured and transferred as a result of an employer transaction), then the pre-existing health conditions exclusions are applicable from the date of transfer on any increase in cover. In such a case the lesser of the current or previous disability benefit applicable to the member is payable.



pre-existing health conditions

The benefit is not payable in the case of disability within twelve months of commencement of the insurance (or increase thereof) if the disability directly or indirectly arises or is traceable to a condition of which the member was conscious of, or experienced symptoms of, or for which medical treatment was received, during the six months before commencement date or date of increase in cover. (Note: In the event of any increase, the cover level before the increase will be payable.)

mental disorder

If permanent disability is caused by a mental disorder, the lump sum benefit will be payable in monthly instalments, and not in a lump sum.

5 years before retirement

If disability occurs within the 5 years preceding normal retirement date, the lump sum will be scaled down. The death cover will reduce with the relevant lump sum paid as a disability benefit.

conversion option


Within 2 months after termination of employment members 60 years old or younger can convert the cover subject to a certain maximum amount to individual insurance, without proof of good health.

annual leave

Available annual leave credit will be paid out as on the last date actively in service. For each full month that the employee was absent, no leave will vest for that particular month.

unemployment insurance fund

Since the employer/employee service contract will be terminated in the case of occupational disability, contributors will no longer have to contribute to this fund.



medical scheme

Membership

Once an employee was declared disabled he/she will still be responsible for the full medical premium.

Disclaimer

This summary does not form part of the official Rules and Policies. In the event of any contradiction between the contents of this summary and the official Rules and/or Policies, the provisions of the Rules and Policies shall prevail. These Rules and Policies are available on request at Chrisna Swart, Sanlam Head Office, Tel: 021 947 8404.

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