



Sanlam Staff Umbrella Pension and Provident Funds (SSUF)

**Annual report to members for the period
1 April 2020 to 31 March 2021**

(Including detail of subsequent events up to 1 July 2021)

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Introduction

Over the past fund year, fund benefits and financial planning for members were impacted not only with legislative changes, but also by the ramifications of the Covid-19 pandemic.

Please read page 9 about the retirement reforms changes (T-Day) that was implemented as from 1 March 2021 and consult with your financial adviser on how it will impact on your financial planning.

With effect from 1 July 2021, retirement funds have to comply with the requirements of the Protection of Personal Information Act (POPIA). Its purpose is to, amongst others, safeguard and regulate the manner in which personal information may be processed and provides members with rights and remedies if POPIA is contravened. Please read page 29 for more detail.

The SSUF and related group life insurance benefits play a very important role in your financial planning. It is therefore important for you to have a sound knowledge of the SSUF and group insurance benefits and to understand your personal benefit statement. We encourage you to put a proper financial plan in place with the assistance of an accredited financial adviser. Now more, than ever, it's also important to ensure that your beneficiary nomination form and will is up to date.

Please visit the communication website of the SSUF

(<https://www.sanlam.co.za/campaigns/myretirementfund/pages/default.aspx/>) for more comprehensive information on the different fund and related group life benefits.

Board of trustees

The SSUF is managed by a dedicated Board of Trustees, individuals with expertise in the different aspects of fund management. The Board of Trustees managing the SSUF comprises of ten trustees. Five of them are elected by members of the SSUF and the other five are appointed by the principal employer after consultation with the different participating employers. An alternate trustee is elected/appointed for every trustee to ensure continuation of activities during a trustee's absence.

In order to ensure fair representation of all the participating employers, the five member representatives are elected as follows:



One candidate from Santam;



One candidate from Sanlam Investment Group (SIG); and



Three candidates from Sanlam Life & Savings, SEM, Group Office and the remaining businesses in the Sanlam Group.

The trustees serve for a 3 year term and the term of the current trustees is from 1 July 2021 to 30 June 2024.

The current member elected trustees and alternates are:

Business Unit	Trustee	Alternate
Santam	Maryke Kotze	Katlego Makgale
SIG	Wayne Hilton	Hendrik Scholtz
Sanlam Life & Savings, SEM, Group Office and the remaining businesses in the Sanlam Group	Jannie van Zyl	Johann de Wet
	Darryl Moodley	Lize de la Harpe
	Barend le Grange	Tiaan Fourie

The employer appointed trustees are primarily individuals with the applicable technical skills and experience in fund related matters, i.e. actuarial, risk, finance, investments, governance, legal and human resources.

The current employer appointed trustees and alternates are:

Area of expertise	Trustee	Alternate
Finance/Investments/Legal	Rust de Jongh	Tinyiko Ribisi-Termark
Actuarial/Investments/Risk	Werner Barnard	Clifton Janse van Rensburg
Investments/Finance	Ralph Thomas	Ferdinand van Wyk
Governance/Finance	Bernice Viljoen	Karla Roux
HR/Legal/Governance	Vionne Tregurtha	Nomzamo Ngqulana-Kasana

Process to fill a vacancy on the Board of Trustees

A vacancy of a member elected trustee or alternate trustee on the Board of Trustees will be filled as follows:

In the case of a trustee, the alternate will fill the vacancy of the trustee. The vacancy of the alternate trustee position, of a member elected trustee, will be filled in numerical order from the candidates that obtained the highest to the lowest number of votes for that particular participating employer or group of employers during the previous trustee election process.

All persons nominated during the trustee election process for that specific term must remain available for serving on the Board of Trustees for the full term of office they would have served if elected to the Board of Trustees. A list is kept of the details of all nominated persons in descending order of the number of votes received in the election for each particular participating employer or group of employers.

Other Fund Officials

Principal Officer

Chrisna Swart

Tel: 021 947 8404

Email: chrisna.swart@sanlam.co.za

Deputy Principal Officer

Diana Petersen

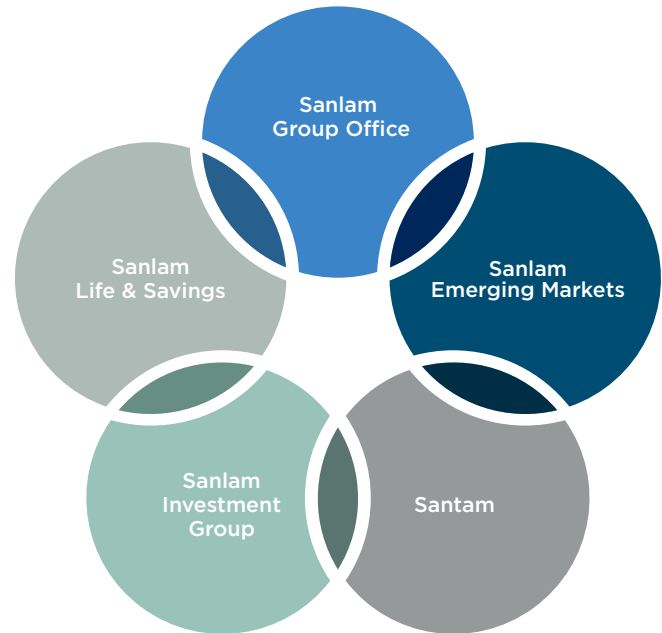
Tel: 021 947 4853

Email: Diana.petersen@sanlam.co.za

Participating Employers

The SSUF is an umbrella fund for employers within the Sanlam Group with the following participating employers.

(Please note that linked to these employers are certain subsidiary companies that are also participating employers in the SSUF.)



Member statistics

Members	1 April 2019	1 April 2020	1 April 2021
Active	12 160	13 036	13 289
Permanent Occupationally disabled	70	86	97
Paid-up	181	370	422
Postponed retirees	46	53	54
In-Fund Living Annuitants	16	20	19



Financial soundness of the SSUF

The SSUF have once again received unqualified audit results from the auditors, PwC, for the 2020 financial statements. In addition the SSUF is subject to annual actuarial valuations and the latest actuarial valuations confirmed that both the Pension and Provident Funds were 100% funded and were in a sound financial position as on 1 April 2020.

The above can be attributed to the high level of governance, which entails various risk controls, monitoring tools and checks and balances that are in place.

Risk Management Process

The Principal Officer, after consultation with the Fund's Auditors, the Fund's actuary and the Administrator, provide the Board of Trustees with the following assurances that:

- ④ Risks are being appropriately managed.
- ④ Risk controls operate effectively.
 - The techniques used to identify risks, as well as the categories and the scope of risk assessments are adequate and that the process is dynamic and continuous.
 - The internal control system operates effectively and that weaknesses in internal controls and risk protection are reported upon.
 - Risk reports are credible and offer a balanced assessment of risks. The reliability of risk information, particularly the information regarding controls, are closely scrutinised.
 - The Board of Trustees receives the right quality of assurance and reliable information from management regarding risk.

Rule amendments

For the period 1 April 2020 to 31 March 2021

Amendment date: 1 May 2020

To provide for an in-fund living annuitant to be able to change his/her drawdown rates as prescribed from time to time by the Minister of Finance in the Government Gazette, subject to the maximum rate allowed by the Board of Trustees.

The absence from service provisions were amended to clarify that:

- Member and Employer contributions for retirement savings (not premiums for risk benefits) may only be suspended if the Total Guaranteed Package (TGP) of the member is Rnil during the period of absence, but such a member may still elect contributions to the SSUF that will be based on the TGP immediately before his/her absence from service.
- A member who receives his/her full TGP during the period of absence from service, must continue to make full contributions to the SSUF.
- A member who receives a reduced TGP (but not Rnil) during absence must continue to make contributions to the SSUF based on the reduced TGP, subject to a minimum of the risk contributions for cover under the Provident Fund. Alternatively, the member can elect to make contributions based on the TGP immediately before his/her absence from service.
- The death benefit and cost of cover under the Provident Fund during temporary absence will be based on the member's TGP that he/she received immediately before the commencement of temporary absence from service.

Amendment date: 1 June 2021

To provide for employees of ACA Employee Benefits (Pty) Ltd as on 31 May 2020 to join the SSUF on 1 June 2020 and their death benefits under the Provident Fund to be similar to the value of the cover that they were previously entitled to.

Amendment date: 9 September 2020

To remove the rule which stipulated that at the death of a member who has postponed the payment of his/her retirement benefit or a member who has made his/her benefit paid-up in the SSUF, the benefit must be paid to his/her estate.

Amendment date: 1 March 2021

- To provide for the transfer of unclaimed benefits of pension and provident fund members to pension preservation funds and provident preservation funds, in line with Income Tax legislation.
- To provide for the annuitisation of provident fund retirement benefits with effect from 1 March 2021, as prescribed in terms of T-Day legislation.
- To provide for members to have the option at retirement to purchase more than one annuity or a combination of annuities, whether purchased outside the SSUF from an Insurer or paid by the SSUF.

Amendment date: 1 April 2021 (Provident fund only)

To remove the part from the Rules referring to members whose benefits were determined on a defined benefit basis as there are no longer any such members or dependants on the fund and the fund has no further liability in this regard.

The Rules of the SSUF are available for members on the SSUF website
<https://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Retirement Reform changes

What you need to know

Over the last few years, government has been reviewing and changing the laws that control the retirement fund industry. These retirement reforms aim to ensure that you save enough for retirement and that your savings are protected.

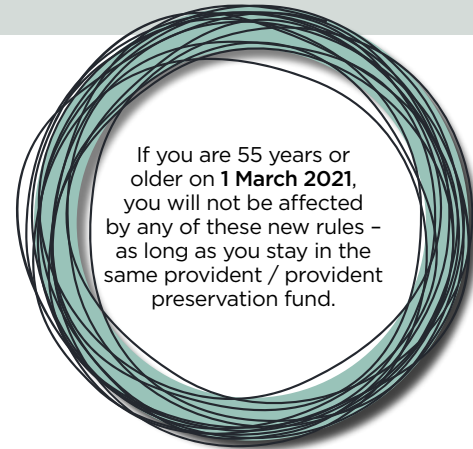
Certain changes, that would have happened in March 2015, is now becoming effective on 1 March 2021. **These are referred to as “T-Day”.**

T-DAY

1 March
2021

How does it affect you?

- T-day rules only apply to how your retirement benefits under provident or provident preservation funds are paid.
- Nothing changes when you withdraw before retirement – you can still take all your savings in cash.
- From 1 March 2021, retirement benefits from provident funds / provident preservation funds will have the same rules as pension funds.
- Your member share will be allocated to two portions:



How will T-Day affect your retirement benefit from 1 March 2021?

Decide which of the circles apply to you and read only that section

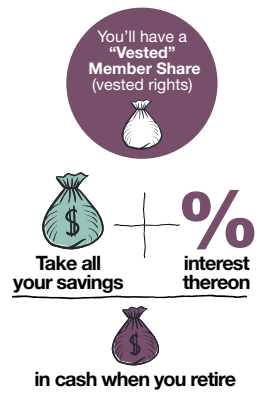


- All your savings as at 28 February 2021 (plus interest thereon) will be in this portion.
- You may take this portion in cash when you retire.

- All your savings from 1 March 2021 (and interest thereon) will be in this portion.
- If this portion is R247 500 or less, you may take this portion in cash when you retire.
- If this portion is more than R247 500, you may only take one-third of this in cash and you must use the other two-thirds to buy a pension when you retire.

You are **55 years or older** on **1 March 2021**, and you are saving in a **provident or provident preservation** fund, and you **stay** in the **same fund** until you retire

- All your savings as at 28 February 2021 (plus interest thereon), and all your savings from 1 March 2021 (and interest thereon) will be in this portion.



- You may take all your savings in this portion, plus interest thereon, in cash when you retire.

You are **55 years or older** on **1 March 2021**, and you are saving in a **provident or provident preservation** fund, and you **transfer** to a new fund **after 1 March 2021**

- All your savings as at date of transfer/ saved in the old fund (plus interest thereon) in the new fund will be in this portion.
- You may take this portion in cash when you retire.



- All your savings (plus interest thereon) in the new fund will be in this portion.
- If this portion is R247 500 or less, you may take this portion in cash when you retire.
- If this portion is more than R247 500, you may only take one-third of this in cash and you must use the other two-thirds to buy a pension when you retire.

Investments

Distribution of members' fund values in the various investment portfolios:

Investment portfolios	1 April 2021
SIM Enhanced Cash	1.44%
Monthly Bonus	1.19%
Stable Bonus	7.45%
SIM Moderate Absolute	2.93%
SIM Moderate	5.43%
SMM NUR Balanced	0.90%
Allan Gray Global Balanced	17.20%
Coronation Managed	12.35%
SIM Aggressive	7.75%
Satrix High Equity Balanced	0.46%
SIM Reg28 Property Equity Fund	0.03%
Glacier Option	34.08%
Sanlam LifeStage Strategy	
- Accumulation Portfolio	7.85%
- Capital Protection Portfolio	0.72%
- Living Annuity Target Portfolio	0.00%
Total	99.78%

The balance of 0.22% is unsold demutualisation shares held by certain members.

Investment management fees

The investment management fees as set out below are deducted from the returns of the relevant portfolios and the net investment return of the portfolio is added to members fund values.

Portfolio	Domestic Fees PLUS Global Fees (per annum)
Single Manager Range	
SIM Enhanced Cash Fund	0.15%
SIM Moderate Absolute Fund	0.45%
SIM Moderate	0.40%
SIM Aggressive	0.45%
SIM Reg28 Property Equity Fund	1 st R100m - 0.70% Next R150m - 0.60% Next R250m - 0.55% Next R500m - 0.50% Above R1bn - 0.45%
Sharia'h Option	
SMM NUR Balanced Fund	0.90%
Sanlam Lifestage	
Accumulation Portfolio	1 st R50m - 0.850% Next R50m - 0.80% Next R200m - 0.675% Next R200m - 0.650% Above R500m - 0.625%
Capital Protection Portfolio	Fixed - 0.425% Plus Guarantee fee - 0.90%
Living Annuity Target Portfolio	0.80%
Inflation Annuity Target Portfolio	0.70%

Portfolio	Domestic Fees PLUS Global Fees (per annum)
<i>Smooth Bonus Portfolios</i>	
Stable Bonus Portfolio	1 st R100m – 0.425% Next R200m – 0.375% Above R300m – 0.325%; Plus Guarantee fee of 0.90%
Monthly Bonus Fund	1 st R100m – 0.425% Next R200m – 0.375% Above R300m – 0.325%; Plus Guarantee fee of 1.6%
<i>Passive</i>	
Satrux High Equity Balanced Fund	0.175%
<i>External Manager Range</i>	
Coronation Managed	1 st R200m – 0.50% Next R300m – 0.45% Next R500m – 0.425% Above R1bn – 0.4%
Allan Gray Global Balanced	0.30% domestic assets and 0.60% global assets

Portfolio	Domestic Fees PLUS Global Fees (per annum)
<i>Performance Fees</i>	
SIM Enhanced Cash Fund	None
SIM Moderate Absolute Fund	None
SIM Moderate	For every 1.0% outperformance of the benchmark the basic fee increase 0.15% and decreases with -0.05% for underperformance of -1.0% or more. Maximum performance fee: 0.45 %
SIM Aggressive	For every 1.0% outperformance of the benchmark the basic fee increase 0.15% and decreases with -0.05% for underperformance of -1.0% or more. Maximum performance fee: 0.45 %
Coronation Managed (effective 14 May 2021)	22.8 % of the outperformance of the benchmark over a rolling 3 year term, capped on 1% p.a.
Allan Gray Global Balanced	25% of under or outperformance of the benchmark paid into a reserve from where performance fees are paid.
SMM NUR Balanced Fund	None
<i>Sanlam Lifestage</i>	
Accumulation Portfolio	Sanlam Investments Multi Manager may appoint any asset manager on a performance fee basis. These performance fees are not related to the performance of the portfolio as a whole, but to that of each underlying asset manager. This may result in the payment of performance fees to a specific manager even though the portfolio as a whole may not have achieved its benchmark.
Capital Protection Portfolio	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).
Living Annuity Target Portfolio	Sanlam Investments Multi Manager may appoint any asset manager on a performance fee basis. These performance fees are not related to the performance of the portfolio as a whole, but to that of each underlying asset manager. This may result in the payment of performance fees to a specific manager even though the portfolio as a whole may not have achieved its benchmark.
Inflation Annuity Target Portfolio	None
<i>Smooth Bonus Portfolios</i>	
Stable Bonus Portfolio	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).
Monthly Bonus Fund	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).

Changes in the SSUF investment environment

The Board of Trustees continuously monitor and review the investment menu to ensure optimal investment choice at the best possible fee structure.

The following changes were implemented since the previous report.

Direct investments with Allan Gray and Coronation Fund Managers

Instead of providing the Allan Gray and Coronation investment options to members via a Sanlam Corporate investment policy, the trustees were able to provide these options to members via direct policies with Allan Gray and Coronation.

This resulted in a significant cost saving and potentially higher returns for SSUF members.

Investment manager	Old fee structure	New fee structure
Allan Gray	<p>1st R12.5m - 1.00% Next R12.5m - 0.85% Next R25m - 0.70% Next R200m - 0.60% Above R250m - 0.50%</p> <p>International Fee: 0.1%</p> <p>Plus</p> <p>performance fees of between 0.5 % and 2.5 % p.a., with a fee of 1.5 % p.a. for returns equal to the benchmark. Fee is calculated by using daily market values and separately for each of the pension and provident fund.</p>	<p>0.30% domestic assets and 0.60% international assets</p> <p>Plus</p> <p>25% of under or outperformance of the benchmark paid into a reserve from where performance fees are paid</p>
Coronation	<p>0.499% Domestic assets 1.10% International assets</p> <p>Plus</p> <p>Performance fee: 22.8 % of the out performance of the benchmark over a rolling 3 years term (determined and levied every 6 months on 30 June and 31 December).</p>	<p>1st R200m - 0.50% Next R300m - 0.45% Next R500m - 0.425% Above R1bn - 0.4%</p> <p>Plus</p> <p>22.8 % of the out performance of the benchmark over a rolling 3 year term, capped on 1% p.a.</p>

The new fees structures resulted in the following potential total investment management fee savings for SSUF members invested in these portfolios;

- ④ Allan Gray potential aggregate saving of more than R6 million per year; and
- ④ Coronation potential aggregate saving of more than R3 million per year.

Fees of Glacier/SPW investment options were reduced

The Glacier administration fees for members who are invested in the Glacier/SPW investment options were reduced as follows as from 1 April 2020:

Old fee structure	% p.a.	New fee structure as from 1 April 2020	% p.a.
On the first R1 million	0.40	On the first R1 million	0.40
On the next R4 million	0.28	On the next R4 million	0.20
Thereafter	0.25	Thereafter	0.10

The new fee structure will result in a total fee saving of about R2.1 million per annum by SSUF members invested in these options.



The impact of fees on investments

The impact of fees on your retirement outcome

The fees applicable to a retirement product impact directly on the benefit that a fund member receives at retirement as it effectively reduces the ultimate investment return that the member earns on his/her investment.

For example: If the total fee is 1.5% per annum (of assets) and the investment return is 6% per annum before fees and charges, then the net investment return that the member will receive is 4.5% per annum.

On the whole, members of the SSUF enjoy a very favourable fee structure compared to available products in the general market. Members are urged to understand the benefits versus the impact of fees on their retirement savings before:

- ① Taking out a Retirement Annuity (RA) policy to supplement their SSUF retirement provision; and/or
- ② Selecting to invest their SSUF assets in Glacier/SPW portfolios instead of “fund menu” portfolios.

Tip 1 Compare the actual net investment returns that are added to your investment and not the gross returns as published by the different investment managers.

Tip 2 Compound interest is your best friend. Due to the impact of compound interest, even a relatively small increase in regular (annual) fees, could have a substantial negative impact on a member’s final retirement outcome.

Let’s look at the impact of an annual fee of 0%, 1% and 1.5% fee on a typical member’s fund value after 30 years of investing:

Investment risk profile: Aggressive (Targeting growth of CPI + 6%)

Total guaranteed package (TGP): R240 000 pa (R20 000 pm)

Total contributions to retirement fund: 17% of TGP (Total Guaranteed Package)

Salary inflation: CPI + 1.5% p.a.

Inflation: CPI assumed as 4.5% p.a.

Scenario Gross return (CPI + 6%)	Total Contributions	Fund value (Investment Returns BEFORE fees)	Fund Value (Investment returns AFTER fees)
Net returns (Fee: 0%)	R3 225 574	R13 529 681	R13 529 681
Net returns (Fee: 1%)	R3 225 574	R13 529 681	*R11 520 402
Net returns (Fee: 1.5%)	R3 225 574	R13 529 681	*R10 648 435

**Note the significant impact on his final fund value at the end of the 30-year period, as a result of the fees charged.*



1% fee	A reduction of R2 009 279 in the fund value - 14.9% less than the no fees scenario.
1.5% fee	A reduction of R2 881 246 in the fund value - 21.3% less than the no fees scenario.

A 0.5% higher fee results in a 6.7% lower fund value based on the scenario above.

This analysis only shows a difference in the fund value over 30 years. When considering a period of 45 years (the typical time period to retirement), the **actual difference increases exponentially!**

Tip 3 Carefully consider the portfolio management fees charged by asset managers and other cost charged by an investment administrator/insurer.

How to make sure that you understand the applicable benefits versus cost/fees:

- ② Ask your financial adviser to show you the Effective Annual Cost (EAC) applicable to your retirement annuity and how it is going to impact on the investment return of your retirement annuity. EAC is the total cost applicable to the financial product.
- ② Make sure you have a good understanding of the Total Investment Cost (TIC). TIC is the total investment fee applicable to the relevant investment portfolio. The TIC will be published on the fact sheet of the investment portfolio. In the case of the SSUF the monthly **net of all cost** investment returns as well as the applicable TIC are made available to members on the SSUF website.
- ② In the case of an investment with Glacier/SPW make sure that you compare the **net return** that you receive with that what you would have received should you've been invested in the SSUF fund menu portfolios.

For detail of the net investment returns of the SSUF menu investment portfolios, please click on the following link:

<https://www.sanlam.co.za/campaigns/myretirementfund/stayinformed/Pages/investments.aspx>

The investment performances of the Funds' various investment portfolios as at 1 April 2021 (See note 1)

Sanlam Staff Umbrella Pension Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2021

Period		SIM Reg28 Property Equity Fund	Allan Gray Global Balanced Portfolio	Coronation Managed Portfolio	Satrix High Equity Balanced Portfolio	SIM Aggressive Portfolio	SIM Moderate Portfolio	SIM Moderate Absolute Portfolio	SMM NUR Balanced Portfolio
3 months	Over the period	9.77%	8.82%	9.83%	8.76%	8.08%	6.11%	4.34%	10.52%
6 months	Over the period	16.59%	16.36%	20.53%	17.23%	14.45%	12.31%	5.45%	17.99%
9 months	Over the period	15.43%	15.80%	25.48%	17.87%	14.49%	11.62%	7.09%	20.65%
12 months	Over the period	36.05%	31.57%	47.20%	41.09%	34.28%	28.72%	15.52%	34.28%
24 months	Annualised	-	7.31%	12.08%	9.13%	8.32%	6.24%	7.62%	9.72%
36 months	Annualised	-	6.94%	9.42%	-	8.42%	6.33%	8.33%	9.37%
60 months	Annualised	-	6.15%	7.67%	-	7.22%	5.66%	7.40%	6.92%
120 months	Annualised	-	9.69%	11.18%	-	10.62%	10.60%	9.62%	-
Since inception	Over the period	4.61%	1 328.71%	1 088.21%	17.80%	836.41%	1119.13%	442.72%	58.62%
Since inception	Annualised	3.94%	14.75%	13.66%	5.78%	11.68%	10.98	10.35%	6.57%
Inception date		01/02/2020	01/12/2001	01/01/2001	01/05/2018	01/01/2001	01/04/1997	01/02/2004	01/01/2014
Maximum drawdown (note 7)	over last 5 years	n/a	14.82%	19.16%	n/a	18.57%	17.06%	7.27%	13.28%
Average monthly drawdown (note 8)	over last 5 years	n/a	2.32%	2.53%	n/a	2.49%	1.99%	1.03%	1.76%
TER (see note 9)	as at 31 December 2020	1.02%	0.39%	0.81%	0.295%	0.54%	0.43%	0.49%	1.086%
TIC (see note 10)	as at 31 December 2020	1.18%	0.45%	0.96%	0.445%	0.63%	0.52%	0.55%	1.246%

Sanlam Staff Umbrella Pension Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2021

Period		Sanlam Lifestage Accumulation Portfolio	Sanlam Lifestage Capital Protection Preservation Portfolio	Sanlam Lifestage Living Annuity Target Portfolio	Stable Bonus Portfolio	Monthly Bonus Fund	SIM Enhanced Cash Portfolio
3 months	Over the period	9.16%	1.76%	6.27%	1.78%	1.71%	1.18%
6 months	Over the period	16.85%	3.38%	13.46%	3.43%	3.17%	2.06%
9 months	Over the period	17.95%	5.20%	13.84%	5.28%	4.79%	3.79%
12 months	Over the period	39.02%	5.62%	29.85%	5.73%	5.22%	5.72%
24 months	Annualised	9.51%	6.34%	8.20%	6.45%	5.82%	7.09%
36 months	Annualised	8.17%	6.37%	7.00%	6.48%	5.82%	7.47%
60 months	Annualised	6.40%	7.06%	6.38%	7.18%	6.54%	7.71%
120 months	Annualised	-	-	-	10.35%	9.39%	6.86%
Since inception	Over the period	163.98%	51.20%	43.86%	664.60%	521.47%	555.39%
Since inception	Annualised	10.28%	7.34%	6.43%	11.96%	10.68%	8.15%
Inception date		01/05/2011	01/06/2015	01/06/2015	01/04/2003	01/04/2003	01/04/1997
Maximum drawdown (note 7)	over last 5 years	18.83%	n/a	14.83%	0.00%	0.00%	0.00%
Average monthly drawdown (note 8)	over last 5 years	2.78%	n/a	1.82%	n/a	n/a	n/a
TER (see note 9)	as at 31 December 2020	0.915%	1.389%	0.894%	1.289%	2.39%	0.15%
TIC (see note 10)	as at 31 December 2020	1.045%	1.489%	0.994%	1.389%	2.139%	0.16%

Sanlam Staff Umbrella Provident Fund

Return (net of fees and tax) over the period stated below, ended on 1 April 2021

Period		SIM Reg28 Property Equity Fund	Allan Gray Global Balanced Portfolio	Coronation Managed Portfolio	Satrix High Equity Balanced Portfolio	SIM Aggressive Portfolio	SIM Moderate Portfolio	SIM Moderate Absolute Portfolio	SMM NUR Balanced Portfolio
3 months	Over the period	9.67%	8.84%	9.84%	8.63%	8.08%	6.11%	4.34%	10.52%
6 months	Over the period	16.40%	16.34%	20.53%	17.05%	14.44%	12.30%	5.47%	17.96%
9 months	Over the period	15.22%	15.77%	25.47%	17.68%	14.50%	11.61%	7.02%	20.62%
12 months	Over the period	35.56%	31.54%	47.18%	40.83%	34.29%	28.71%	15.50%	34.23%
24 months	Annualised	-	7.31%	12.07%	9.18%	8.33%	6.23%	7.60%	9.73%
36 months	Annualised	-	6.94%	9.40%	-	8.42%	6.33%	8.33%	9.38%
60 months	Annualised	-	6.16%	7.66%	-	7.22%	5.67%	9.65%	6.93%
120 months	Annualised	-	9.73%	11.15%	-	10.63%	10.16%	444.48%	-
Since inception	Over the period	2.95%	1335.43%	1083.06%	17.15%	837.15%	1119.29%	10.38%	58.68%
Since inception	Annualised	2.52%	14.77%	13.63%	5.58%	11.68%	10.98%	01/02/2004	6.58%
Inception date		01/02/2020	01/12/2001	01/01/2001	01/05/2018	01/01/2001	01/04/1997	01/02/2004	01/01/2014
Maximum drawdown (note 7)	over last 5 years	n/a	14.83%	19.17%	n/a	18.57%	17.06%	7.27%	13.28%
Average monthly drawdown (note 8)	over last 5 years	n/a	2.32%	2.53%	n/a	2.49%	1.99%	1.03%	1.76%
TER (see note 9)	as at 31 December 2020	1.02%	0.39%	0.81%	0.295%	0.54%	0.43%	0.49%	1.086%
TIC (see note 10)	as at 31 December 2020	1.18%	0.45%	0.96%	0.445%	0.63%	0.52%	0.55%	1.246%

Sanlam Staff Umbrella Provident Fund (continued)

Return (net of fees and tax) over the period stated below, ended on 1 April 2021

Period		Sanlam Lifestage Accumulation Portfolio	Sanlam Lifestage Capital Protection Preservation Portfolio	Sanlam Lifestage Living Annuity Target Portfolio	Stable Bonus Portfolio	Monthly Bonus Fund	SIM Enhanced Cash Portfolio
3 months	Over the period	9.19%	1.76%	6.37%	1.78%	1.71%	1.19%
6 months	Over the period	16.84%	3.39%	13.58%	3.43%	3.17%	2.07%
9 months	Over the period	17.90%	5.21%	14.00%	5.28%	4.79%	3.80%
12 months	Over the period	38.93%	5.63%	29.92%	5.73%	5.22%	5.72%
24 months	Annualised	9.45%	6.34%	7.76%	6.45%	5.82%	7.09%
36 months	Annualised	8.10%	6.37%	6.71%	6.48%	5.82%	7.50%
60 months	Annualised	6.36%	7.06%	6.23%	7.18%	6.54%	7.74%
120 months	Annualised	-	-	-	10.35%	9.40%	6.88%
Since inception	Over the period	164.11%	51.15%	42.30%	664.47%	521.92%	556.75%
Since inception	Annualised	10.29%	7.34%	6.23%	11.96%	10.69%	8.16%
Inception date		01/05/2011	01/06/2015	01/06/2015	01/04/2003	01/04/2003	01/04/1997
Maximum drawdown (note 7)	over last 5 years	18.87%	0.00%	15.56%	0.00%	0.00%	0.00%
Average monthly drawdown (note 8)	over last 5 years	2.78%	n/a	1.85%	n/a	n/a	n/a
TER (see note 9)	as at 31 December 2020	0.916%	1.389%	0.894%	1.289%	2.039%	0.15%
TIC (see note 10)	as at 31 December 2020	1.046%	1.489%	0.994%	1.389%	2.139%	0.16%

Please note:

1. For the latest returns, please visit the SSUF website at: <https://www.sanlam.co.za/campaigns/myretirementfund/stayinformed/Pages/investments.aspx>
2. The returns above are net of investment manager fees. Rates published by the asset managers (such as on their fact sheets) are usually time weighted to remove the effect of cashflows and gross of investment manager fees. They may therefore differ from returns published in this report.
3. There is currently a two day time lag on member records shown on the administrator's website and the actual position at the fund manager. This means that the investment data for each portfolio, reported on 1/04/2020 (for example) is actually the investment data as at 30/03/2020.
4. The Allan Gray Global Balanced portfolio is available to members as from 1/6/2015. The monthly returns before this date are the Allan Gray Domestic Balanced portfolio's returns.
5. The Sanlam Lifestage Accumulation portfolio was opened on 1/6/2015. The monthly returns before this date are the Simeka Lifestage Accumulation portfolio's returns.
6. This report summarises returns for the fund's total portfolio. Returns received by a particular member may have small differences depending on actual cashflow, investment options and accumulated credits.
7. The maximum drawdown that is shown above is defined as the lowest cumulative negative return that a member's investment has earned over any period within the last 5 years. For example, if the maximum drawdown is 5%, then it means that over the last 5 years there was a period where a member's investment reduced to 95% of its highest value prior to the period of decrease. This measure is a measurement of how volatile or "risky" a portfolio has been in the recent past, based on the view that the higher the drawdown, the riskier the portfolio.
8. The average monthly drawdown is defined as the average monthly negative return of all the months which the portfolio experienced a negative return.
9. The total expense ratio (TER) is a measure of the total cost associated with managing and operating an investment portfolio. These costs consist primarily of management fees and additional expenses, such as platform fees, performance fees etc. The total investment cost of the fund is divided by the fund's total assets to arrive at a percentage amount (using a rolling three year period if available), which represents the TER.
10. TIC is the Total Investment Cost, which is the TER plus all transaction costs (TC).

Conditions for changing (switching) your investment portfolio selection

- ① Members may change their investment portfolio selection at any stage.
- ① Members can make the change online via the Member Portal or complete the manual form included in the Investment Information Brochure that is available on the SSUF Communication Website.
- ① The total cost of changing the investment portfolio(s) of your fund value will be R1 114 (VAT included). It is R557 per fund being the Pension Fund and the Provident Fund. This charge will be recovered from your fund value. The cost of R1 114 is for a total instruction to be implemented.

Important:

- ① Members are entitled to one free investment switch per calendar year, thereafter the fee above per change instruction will apply.
- ① Members' investment instructions will be implemented on both the Pension Fund and the Provident Fund, unless the member completes the manual Investment Option Form and indicates specifically that a different investment instruction should be implemented for each of the Pension and Provident Fund.
- ① Changes to the ratio in which members' future monthly contributions are invested will be free of charge.

Process regarding investment of monthly contributions

Members enquire from time to time why their contributions are not invested on payday. The monthly contributions deducted from each member's remuneration are paid into the bank account of the SSUF by the employer before the end of the specific month.

The employer also provides a breakdown to indicate each member's contributions to the fund administrator.

In terms of the Service Level Agreement the fund administrator has to reconcile the data provided by the employer with the members' fund records within 5 working days. Only once the reconciliation is done, can the contributions be invested in the member's selected investment portfolios.

Demutualisation shares (only applicable to certain members who were members of the funds before 1 April 1998)

The demutualisation benefit allocated to you by the fund, was expressed in the form of a number of shares. (See your benefit statement for the current value of the shares allocated to you.) In accordance with the demutualisation scheme approved by the Court, the shares belong to the fund and cannot be converted to cash and paid to members.

At termination of employment these shares are sold and the net trading value is added to the fund value of the member.



Option

Members can also at any stage instruct the fund to sell the demutualisation shares allocated to them, if they prefer to do so. In order to sell the shares, please send an e-mail request to chrisna.swart@sanlam.co.za

The net trading value will be added to the member's fund value and be invested in the same investment portfolio(s) and ratio in which the member's monthly contributions will be invested.

The shares will be sold as soon as possible and the average price over the trading period (minus trading costs) will be used to determine the value.

These shares are taken into consideration to ensure that the investments of the individual members in the SSUF comply with Regulation 28. The Principal Officer will make contact with the relevant members in the case of non-compliance in order to agree on a strategy to ensure compliance with Regulation 28.

Investment Policy Statement (IPS)

Regulation 28 of the Pension Funds Act requires each fund to have an Investment Policy Statement that contains detail of the funds' investment philosophy, objectives, strategy, etc. The IPS of the SSUF also contains detail regarding the application of the principles of the Code for Responsible Investing in South Africa (CRISA) and matters relating to sustainability.

The latest updated version of the IPS includes detail of the extent to which the existing default investment portfolio complies with Regulation 37.

The IPS is reviewed annually by the Investment Committee and adopted by the Board of Trustees.

A copy of the latest revised IPS is available on the SSUF website under the Investment pillar.



A member investment strategy

(Article provided by Simeka)

Your financial **FREEDOM** at retirement is largely dependent on the investment decisions you make throughout your working life.

Retirement is a long-term investment

It can be up to 50 years of investing

You are not investing for the next one, two or five years... you are investing for the long term. People are living longer, so your investment strategy should cater for financial freedom well into your 70s, 80s and even 90s.

Compound interest

Making your money work for you

Compound interest is often quoted as a reason to start investing as early as possible and to maximise the interest you will earn on your long-term investment.

Compound interest - the interest you earn on your initial investment plus all the interest on the growth your investment has earned over time - making your money work for you.

The sooner you start investing and the longer your investment time horizon, the greater your ability to retire with financial freedom. Challenge yourself to save and invest now, so that your future self will be in a better position.

Choose a suitable investment

Matching your investment needs to your objectives

One of the best things you can do is to choose a suitable investment to grow your retirement benefit over time.

Your investment decisions during your working life will provide the basis for financial freedom in retirement. It is important to match your investment objectives to your investment needs at different stages of your working life.

In your 20s

Never too young to start saving for retirement

As a young employee you have time on your side. This is where a more aggressive investment strategy may benefit you more, earning higher long-term returns. You need not be too worried about negative returns over the short term; instead, your focus should be on long-term capital accumulation and growth. If you cash in your savings at this point, you will essentially be starting all over again when you contribute to your retirement fund with your new employer.

Changing jobs

Preservation is key

Preserving your retirement savings allows you to continue your retirement investing journey without a break in the process. If you leave your current employer, remember to preserve your retirement savings. You can become a paid-up member, which means you can leave your retirement savings in the fund of your current employer until you instruct the fund to transfer your savings to another fund or you retire. You can also transfer your retirement savings to your new retirement fund or a preservation fund of your choice.

Fifty PLUS

Aligning your pre- and post-retirement investment strategies

As you get closer to retirement, you need to start aligning your retirement savings that you have grown over time, with your post-retirement strategy. It is therefore key that you understand what type of pension (annuity) you will purchase when you retire.

Retired

Post-retirement investment strategy

The pension (annuity) that you have purchased will have a major impact on your financial freedom in retirement. Investing does not stop at the point of retirement. You may still be investing your money for 30+ years while in retirement. What's left to do - relax and enjoy the financial freedom you have earned!

Tips:

- ① Start saving early
- ① Preserve your retirement savings
- ① Stick to your long-term strategy
- ① Consider additional voluntary contributions
- ① Consider your post-retirement investment strategy before you retire
- ① If unsure, get advice from your financial adviser

Protection of personal information act (POPIA)

The SSUF is established in accordance with the Pension Funds Act, with the purpose of providing retirement benefits to its members. To do so, it must collect certain personal information to effectively administrate members' records, to ensure that monthly contributions are correctly allocated, benefit statement data is correct, and also to ensure that when members resign or retire, their benefit is paid in accordance with their choice.

The SSUF will also collect personal information of members' beneficiaries/dependants in the event of death to enable the trustees to allocate any death benefits payable in accordance with the requirements of the Pension Funds Act.

The Protection of Personal Information Act (POPIA) stipulates that personal information may be collected and processed in accordance with a lawful obligation (such as the obligations as imposed by the Pension Funds Act). In the ordinary course of business, a member's prior consent is not required.

The Trustees have reviewed all the personal information collected/processed and confirms that the information is collected/processed lawfully in terms of POPIA and in accordance with the requirements of the Pension Funds Act, Income Tax Act, Divorce Act or Maintenance Act, if applicable, or any other relevant legislation.

The SSUF have reviewed all agreements with the various service providers to ensure that POPIA is adequately provided for and that all personal information is lawfully processed and protected.

Complaints procedure

Should members have any concerns regarding a specific process/situation where they feel that personal information was collected/shared without their consent or should have a complaint which relates to the processing of personal information or an infringement upon their rights, they are encouraged to contact Chrisna Swart as the Information Officer directly at chrisna.swart@sanlam.co.za

Revised rates and income disability Benefit

As from 1 April 2021

The death and other risk benefit rates applicable to members of the above funds and schemes are revised annually by the insurer based on the claims experience over the past 5 years.

This year, mainly due to the Covid pandemic, there was a severe increase in the number of death and critical illness claims. This resulted in a deterioration of the claims experience which resulted in an initial proposal by the underwriter to increase the rates for death and critical illness cover by more than 15%.

Various options were investigated to limit the negative financial impact of increased premiums on members and to ensure fair and equitable treatment for members during this challenging time.

After careful consideration it was decided to:

- ① Utilise the stabilisation reserve in respect of the group life premium in order to subsidise the premium increase over the next 2 years; and
- ② Remove the top-up disability benefit. This benefit is no longer fit for purpose as it was originally introduced to cater for tax on disability benefits, which have since been made tax-free.

These actions resulted in certain benefit rates decreasing with minimal increases for other benefits. It also resulted in overall death and risk benefit rate increases which are substantially less than what was initially proposed (based on our claims experience only).

Revised disability benefit as from 1 April 2021

*TGP = Annual Total Guaranteed Package

	Current benefit	Revised benefit
Income Disability Benefit – total disability (3 months waiting period)		
Basic Benefit payable after a 3 month period in the case of total disability	<ul style="list-style-type: none"> 75% of the first R120 000 of *TGP; plus 60% of the next R360 000 of TGP; plus 50% of the TGP in excess of R480 000 Plus <ul style="list-style-type: none"> Employer contribution waiver = 8.56% of TGP after 3 month waiting period. (Sanlam pays the contribution to Provident Fund); and 	Benefit remains unchanged
	<ul style="list-style-type: none"> Member contribution waiver = 6% of TGP after 3 month waiting period. (Sanlam pays the contribution to Pension Fund) Plus <ul style="list-style-type: none"> Annual ad-hoc increase applies, subject to a minimum of 2%. 	
Top-up benefit payable in the case of total disability for certain conditions.	A maximum of 25% of TGP less the member contribution waiver of 6% of TGP.	This benefit was removed effective 1 April 2021 as it is no longer fit for purpose.
Rate	0.885% x TGP	0.701% x TGP (decrease of 20%)

	Current benefit	Revised benefit								
Lump sum disability benefit – total and permanent disability (six months waiting period)										
Members appointed before 1 July 2019	<p>The lump sum disability benefit is equal to the group life death cover, but subject to a maximum of 2x TGP.</p> <p>Note: As a result of the conversion of cover to a multiple of TGP on 1 August 2018, some members may enjoy lump sum disability cover of more than 2 x TGP.</p>	Benefit remains unchanged								
Members appointed from 1 July 2019 or members who increased their group life death cover to a multiple higher than 1x TGP after 1 July 2019	<p>The lump sum disability benefit is calculated as follows:</p> <ul style="list-style-type: none"> • Equal to group life death cover, if the death cover is 1x TGP or less; or • If the group life death cover is more than 1x TGP the disability benefit is, 1x TGP plus 50% of the death cover that exceeds 1x TGP. <p>Examples:</p> <table border="1"> <thead> <tr> <th>Group life death cover</th> <th>Lump sum disability benefit</th> </tr> </thead> <tbody> <tr> <td>1 x TGP</td> <td>1x TGP</td> </tr> <tr> <td>2 x TGP</td> <td>1½ x TGP</td> </tr> <tr> <td>3x TGP</td> <td>2x TGP</td> </tr> </tbody> </table>	Group life death cover	Lump sum disability benefit	1 x TGP	1x TGP	2 x TGP	1½ x TGP	3x TGP	2x TGP	Benefit remained unchanged
Group life death cover	Lump sum disability benefit									
1 x TGP	1x TGP									
2 x TGP	1½ x TGP									
3x TGP	2x TGP									

The details of the rates applicable effective 1 April 2021 and examples of the impact that the new rates have on a member's take-home pay and savings for retirement are set out hereafter.

01 Family insurance

The benefits and rates payable remain unchanged as follows:

	Option 1	Option 2
Principal member	R29 000	R58 000
Qualifying spouse	R29 000	R58 000
Qualifying children of 14 years and older	R29 000	R58 000
Qualifying children of 6 years and older, but younger than 14 years	R15 950	R31 900
Qualifying children younger than 6 years, or a stillborn child	R10 000	R20 000
Parents (who are insured)	R7 500	R15 000
Additional Parent cover	R10 000	R10 000

The rates for family insurance are:

	Option 1	Option 2	Additional parent cover
Premium for principal member, spouse and children	R8,75 per month	R17,50 per month	
Premium for parents	R22,50 per parent per month	R45,00 per parent per month	R40,00 per parent per month
Premium for additional spouse	R4,00 per spouse per month	R8,00 per spouse per month	

Options available to members: *There is no option available to make any changes to the family cover. It is also not an option to add parents or to become a member of this insurance if you are not currently a member.*

02 Income Care insurance

The rate payable for the income disability benefit was decreased from 0,885 % to 0.701% of TGP.

The proof free limit remained unchanged at R130 000 per month. (A limit of R165 000 is applicable to members who entered before 1 May 2011.)

Options available to members: *This is a compulsory benefit in terms of each employee's employment contract and members cannot make changes to this benefit.*

03 Critical Illness

The rates for critical illness insurance:

- ▶ **Standard cover option:** The rate per month remain unchanged at R0.280 per month per R1 000 cover;
- ▶ **Comprehensive cover option:** The rate per month was increased from R0.373 to R0.448 per month per R1 000 cover.

The maximum allowable trauma cover (as well as the proof free limit) remain unchanged at R1.5 million.

Options available to members: *The only option available to members is to reduce the benefit to a minimum of 0.5x TGP during the annual flex event. There is not an option to change the cover option, to increase the cover level or to become a member of this insurance if you are not a member of this insurance.*

04 Group life insurance

▶ **Cover on the member's life**

The rate for group life insurance (lump sum disability and death benefits) was increased from R0.244 to R0,266 per month per R1 000 cover.

Note: The actual rate is R0.277, but members pay a subsidised rate of R0.266 as the existing stabilisation reserve for this benefit will be utilised over a 2 year period to subsidise the proposed increase.

The combined proof free limit for Group Life Insurance and SSUF death benefits on the member's life remained unchanged at R15m.

Options available to members: *Members can either increase the cover to a maximum level of 3x TGP, subject to providing proof of good health, or they can decrease the benefit to a minimum of 0.5x TGP, during the annual flex event.*

▶ **Cover on the member's spouse's life**

The rate for group life spouse insurance was increased from R0.236 to R0.295 per month per R1 000 cover. This increase was driven by the deteriorated claims history for members' spouses.

Note: Please note that the actual rate for spouse cover was R0.248 (before the increase), due to it being subsidised by a stabilisation reserve, which ran out end of April 2021.

Options available to members: *Members can decrease or cancel this cover during the annual flex event. Members also have the option to obtain cover on their spouse's life, subject to proof of good health, during the annual flex event.*

The proof free limit for member's spouse's life insurance is R1.4m.

05 Sanlam Staff Umbrella Provident Fund (SSUF - In-fund death benefits)

The premium for this cover is calculated according to a rate per R1 000 cover according to the age of the member. Below a summary of the monthly rates that are applicable as from 1 April 2021.

Age band	Current Rate	Rate per R1 000 cover
Younger than 26 years	R0.185	R0.213
26 - 30 years	R0.138	R0.159
31 - 35 years	R0.144	R0.166
36 - 40 years	R0.161	R0.185
41 - 45 years	R0.168	R0.193
46 - 50 years	R0.193	R0.222
51 - 55 years	R0.193	R0.222
56 years and older	R0.241	R0.277

The combined proof free limit for Group Life Insurance and SSUF death benefits on the member's life remained unchanged at R15m.

Options available to members: The annual flex exercise presents members with the opportunity to select a lower/higher level of cover (Minimum: 0.5x TGP/ Maximum: 3x TGP).

Important: Any increase in cover will be subject to proof of good health.



Scenarios (based on TGP examples) illustrating the monthly impact of the rates applicable from 1 April 2021:

TGP per year	R200 000		R500 000	
	Current premium p.m.	New premium p.m.	Current premium p.m.	New premium p.m.
SSUF- In-Fund death Cover level = 3 x TGP IMPORTANT: See note below	R96.60	R111.00	R241.50	R277.50
Example: Age 40	R0.161	R0.185	R 0.161	R0.185
GLA death & lump sum disability Cover level = 2x TGP	R97.60	R106.40	R244.00	R266.00
Rate per R1 000 cover	0.244	0.266	0.244	0.266
Income Disability	R147.50	R116.83	R368.75	R292.08
% of TGP	0.885%	0.701%	0.885%	0.701%
Spouse Cover Cover level = 1 x TGP	R47.20	R59.00	R118.00	R147.50
Rate per R1 000 cover	0.236	0.295	0.236	0.295
Comprehensive Critical illness Cover level = 1 x TGP	R74.60	R89.60	R186.50	R224.00
Rate per R1 000 cover	0.373	0.448	0.373	0.448
Totals for unapproved cover = deduction from pay	R366.90	R371.83	R917.25	R929.58
Impact on take-home pay (per month)		-R4.93		-R12.33
The actual premiums that each employee pay for the Income Care, Group Life and Family insurance cover, are indicated on their payslip. As the premiums for the insurance are paid with after-tax money, the benefits payable are tax-free in terms of current legislation.				
Impact on saving for retirement (per month)		-R14.40		-R 36.00

Note regarding impact of the increased rate for SSUF In-Fund death cover

The costs of the death benefits provided by the SSUF are recovered from the member's **contributions to the Sanlam Staff Umbrella Provident Fund**. Members therefore did not experience any decrease in their take-home pay due to the increase in the rates, but **less money is saved for retirement**.

Total net effect (per month)		-R 19.33		-R 48.33
% TGP		-0.12%		-0.12%

It is critically important during the annual flex event (in April/May every year) that members review:

- ② Their death cover levels; and
- ② Consider increasing their SSUF contribution rates to ensure sufficient saving for retirement.

Saving in a *Retirement Fund versus saving in a Retirement Annuity

**This article was compiled by the fund officers of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF). Certain information therefore relates specifically to SSUF members and are indicated as such.*

IMPORTANT: Please note that this document merely provides factual information and should not be regarded as advice. Members are urged to consult a financial advisor before making any decisions regarding their SSUF benefits.

	Retirement Fund (Pension Or Provident Fund) Group Product	Retirement Annuity (RA) Individual Insurance Product
<p>1. Costs (EAC = Effective Annual Cost) The EAC is a measure that indicates the estimated extent to which cost will impact on the investment return of the financial product. E.g. if the total EAC is 2% per annum and the investment return is 6% per annum before fees and charges, then the net investment return on your investment will be approximately 4%. The different elements of EAC are set out below</p>		
<p>Administration fees Fees levied by the product provider or administrator to cover the cost of the administration of the plan/product.</p>	<p>Generally lower because it is calculated on a group basis and in some cases payable by the employer. All SSUF members (excluding Santam employees) do not pay any administration or operating costs to Sanlam Corporate. Members invested in Glacier/SPW options will pay additional administration fees and need to consult their financial adviser regarding the cost applicable to their investment selection.</p>	<p>Generally higher because it is calculated on an individual basis. Refer to the quotation provided by the financial intermediary for the administration component of the EAC and the impact of this charge over different terms.</p>
<p>Advice and/or Intermediary fees This is the charges levied on the plan to recover any commission or fees paid to an intermediary for the provision of intermediary services and/or financial advice.</p>	<p>For SSUF members this is only applicable in the case of an investment via the Glacier/SPW platform. The financial intermediary to negotiate and contract a fee with the relevant member for providing advice service regarding investment via Glacier/SPW.</p>	<p>Refer to the quotation provided by the financial intermediary for the advice fee component of the EAC and the impact of this charge over different terms. The effect of any fund-based fee paid to an intermediary for the provision of ongoing investment advice/intermediary service, is also included.</p>
<p>Investment management fees The total investment cost (TIC) of each of the selected investment funds.</p>	<p>SSUF members to refer to the Total Investment Cost (TIC) as reflected on the monthly investment return reports. Institutional fees (group based) are applicable and are generally lower than retail fees (individual based). Refer Member Investment Information booklet for fee structures of fund menu investment options.</p>	<p>The investment management fee is calculated based on the current investment funds using the total investment cost (TIC) of each of the selected investment funds. Refer to the quotation provided by the intermediary and the fund fact sheet of the selected investment portfolios.</p>
<p>Other fees Other includes those fees used to cover marketing and any other distribution costs. It also includes the effect of any termination charges or bonuses payable on termination.</p>	<p>Not applicable</p>	<p>Fees may be charged to cover marketing and any other distribution costs of the individual insurance product. It also includes the effect of any termination charges or bonuses payable on termination, if applicable. Different fee structures are applicable. It is therefore important to refer to the quotation provided by the intermediary.</p>

	Retirement Fund (Pension Or Provident Fund) Group Product	Retirement Annuity (RA) Individual Insurance Product
2. Investment Options Important to compare the TIC = Total Investment Cost of the respective portfolios. (Also refer point 1)		
<p>Portfolio range The number of investment portfolios available to members are not necessarily a benefit that will result in better outcomes at retirement.</p>	<p>A range of trustee selected institutional investment portfolios in order to cater for all investment risk appetites. For SSUF members who meet the qualifying criteria, the Shopping List range of portfolios on the Glacier platform and certain SPW share portfolios is also an option.</p>	<p>A selected range (generally much wider range than a retirement fund) of retail investment portfolios, some of which are life funds, are available. For members with more than one RA there is a potential of different maturity dates that means different investment terms. That allow for some RA plans with longer terms to be invested more aggressively compared to those with a shorter term to the retirement date.</p>
<p>Regulation 28 Regulation 28 is issued under the Pension Fund Act. It limits the extent to which retirement funds may invest in particular assets or in particular asset classes. The main purpose is to protect the members' retirement provision from the impact of poorly diversified investment portfolios.</p>	<p>Only Regulation 28 compliant funds are available from institutional investment portfolios selected by the trustees. SSUF members using the Glacier/SPW Option will have access to Regulation 28 compliant and non-compliant portfolios, but the overall combination of funds needs to be Regulation 28 compliant.</p>	<p>Option exists to select either Regulation 28 compliant funds only or a combination of Regulation 28 compliant and non-compliant funds - combination of funds must be Regulation 28 compliant. It is not necessary for existing plans that started before 1 April 2011 to be Regulation 28 compliant if clients keep the existing contributions and investment fund distribution unchanged. This allows for (e.g.) 100% equity or offshore exposure to be retained.</p>
<p>Switches and redirection</p>	<p>Changes to the selected investment portfolio options of SSUF members will take place within 5 working days after request was received.</p>	<p>Any switch between investment funds or redirecting the contribution to different funds should be done within contractual time periods (which may be less than 2 days in some instances).</p>
<p>Investment Guarantees It is important to consider the cost applicable to any guarantee as well as the applicable conditions.</p>	<p>In the case of the SSUF, the Monthly Bonus Fund and Stable Bonus Portfolio provide a guarantee that members will not earn a negative return. Furthermore, a guarantee is provided that benefit payments will be at book value, i.e. if the market value is lower than book value, then the benefit payment to the member will be at book value. However, switches from these portfolios will take place at the lower of market and book value. Implications: Provide a protection to members that while they remain invested in these portfolios, their benefit will not be negatively impacted by fluctuating investment markets.</p>	<p>In the case of a Sanlam RA the Vesting Bonus Fund provides a guarantee that the client will not earn a negative return. The fund aims to smooth out investment market fluctuations over the shorter term. At death or retirement the book value (i.e. the smoothed growth at the rate at which bonuses are declared) is payable. However, switches from the Vesting Bonus Fund will take place at the lower of market and book value.</p>

	Retirement Fund (Pension Or Provident Fund) Group Product	Retirement Annuity (RA) Individual Insurance Product
3. Tax		
	Tax deductibility of contributions and tax implications at retirement are the same for retirement funds (SSUF) and RA.	
	In the case of a retirement fund (SSUF) the member enjoys the tax relief monthly, i.e. less tax is deducted from salary resulting in a better monthly cash flow.	The policyholder will only annually at submission of his/her tax return be able to claim the tax relief. Individuals who are already retired, can still continue with contributions to other RA plans to reduce their income tax payable.
4. Termination of employment other than retirement		
	<p>A member has the following options:</p> <ul style="list-style-type: none"> • Take the accumulated funds in cash; or • Preserve the money in the fund; or • Transfer to another approved fund, including a RA or preservation fund. <p>The tax consequences differ between the various options and need to be carefully considered, taking into account the tax affairs of each member and the applicable tax legislation at the time.</p> <p>National Treasury is considering introducing further regulations regarding preserving retirement fund benefits. It is important to obtain financial advice on the different options available once a benefit becomes payable at termination of employment.</p>	<p>A member of an RA may only access the savings in the RA from age 55 onwards, or earlier in the case of ill-health.</p> <p>In the case of termination of employment the member can therefore continue with the same RA without having to make any changes.</p> <p>If members experience temporary financial difficulty, they may request a contribution holiday for a limited number of contributions on some of their RAs while continuing with the payments on any of the other retirement annuities.</p>
5. Security for retirement		
	Should a member not preserve his/her benefit at termination of employment, then it can negatively impact on the outcome of the member at retirement.	Members cannot withdraw their benefit from a RA before retirement. However, they can, subject to certain conditions, make the RA paid-up, i.e. stop new premiums. (There might be costs involved.)

	Retirement Fund (Pension Or Provident Fund) Group Product	Retirement Annuity (RA) Individual Insurance Product
6. Accessibility of retirement proceeds		
	<p>Member can only retire from the fund upon retirement from the employer.</p>	<p>A member may retire from an RA at any age after age 55. It is therefore possible to receive a pension from an RA while the member is still in the permanent employment of his/her employer or the member can continue making contributions to an RA even though he/she has already retired from his/her employer.</p> <p>Multiple retirement annuities could be used to target different maturity dates (e.g. one each for age 55, 60, 65) to make provision for different income options in retirement. This can form part of a more complex retirement financial plan which also allows for spreading tax liabilities over a period of time.</p> <p>Depending on the type of RA and other factors, an early termination charge may be applicable on early termination.</p>
7. Flexibility at retirement		
	<p>Hybrid fund structure = Pension and Provident Fund structure allows member more flexibility at retirement as Provident Fund structure allows those who were members before 1 March 2021 to take more than one-third of their provident fund value as a cash lump sum at retirement. (*Refer note below)</p> <p>In the case of a Pension fund members may not take more than one-third of their benefit as a cash lump sum at retirement.</p> <p><i>*Note: As from 1 March 2021 Provident Fund contributions after 1 March 2021 will also be treated similar to RAs and Pension Funds. This means that a provident fund member may not take more than a third of his/her contributions (plus growth) after 1 March 2021 as a cash lump sum at retirement, except if the value thereof does not exceed R247 500.</i></p> <p><i>If the member is 55 or older on 1 March 2021, the full contributions made to a provident fund after 1 March 2021 (and growth thereon) can still be taken in cash, provided that the member remains a member of the provident fund of which he/she is a member on 1 March 2021.</i></p>	<p>Member is legally compelled to use at least 2/3rds of retirement proceeds to purchase retirement income provision.</p> <p>In the case of an RA members may not take more than one-third of their benefit as a cash lump sum at retirement.</p>

	Retirement Fund (Pension Or Provident Fund) Group Product	Retirement Annuity (RA) Individual Insurance Product
8. Supplement provision for retirement		
	SSUF members have the option annually to increase their contributions to the maximum tax allowable rates at no cost. SSUF members can also at any stage make additional voluntary contributions without any additional costs.	Members can increase their RA contributions at any point in time. Members can also add additional lump sum contributions to their existing RA.
9. Risk benefits		
	Members can obtain death benefits under the SSUF at a low cost. Group rates are applicable that are on average cheaper than the rates for individual life insurance. The Risk benefit structure is flexible - level of cover can be changed annually. When a SSUF member is declared disabled, then Sanlam as insurer pays SSUF retirement savings contributions on behalf of the member.	An optional waiver of premium at disability benefit can be added on an RA to pay the monthly contributions on the member's behalf should the member become disabled. It ensures that some retirement savings are still provided for in case of an unforeseen disability.

Notes:

- If you **don't belong to an occupational retirement fund**, then an RA is generally considered the best option to make retirement provision.
- If you are a member of the SSUF, then an RA is a way to allow for additional retirement provision and flexibility (as set out below) together with the SSUF benefits. **However, it is important to take into consideration the additional cost implications.**

Enquiries:

If you have any SSUF related enquiries, then please send it by email to chrisna.swart@sanlam.co.za. In respect of any questions related to your retirement annuity (RA), please consult with your financial adviser.

Members' online facilities

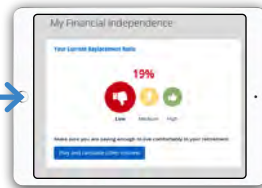
Do you know what your retirement benefits will be?

Sanlam's member online facilities provide quick and easy access to important information regarding your retirement savings and benefits.

Register to see your retirement income projection

The projection will help you determine how much you should be saving to live comfortably in your retirement.

The % you will see, is a projection of what you can expect your retirement income to be, compared to your salary just before retirement. Experts suggest that your retirement income should be at least 75% of your salary just before retirement. (This % is known as your replacement ratio.)



Also see the following about your retirement fund



How to get access to your online view

- Go to <https://cp.sanlam.co.za/>
- Select Register and insert your ID Number and Surname or Sanlam product number/membership number and click Search
- Confirm your cell number and your e-mail address – click Next
- Choose a username. A temporary password will be sent to your cell phone number
- Enter the temporary password that was sent to you and change your password as the temporary password may only be used once

See a complete view of all your Sanlam products

- Once you have registered, you will see a summary of all your Sanlam products
- Click on a product to view more details on that product

Download the free mobile app

You may view your information online or download the "Sanlam My Retirement" mobile app from the Google Play Store or Apple App Store.



Experience any problems?

If you are busy registering and need any assistance, please contact the contact centre on **0861 223 646**

Options in the case of promotion, marriage, death of a spouse, birth/adoption of a child and divorce:

Members have the option of increasing their life cover, subject to certain conditions, in the case of promotion, marriage, death of a spouse, birth/adoption of a child and divorce.

The relevant options must be exercised in the prescribed format and submitted to Human Resources along with the required documents, within three (3) months of the event.

Should the required option form and supporting documents not reach Human Resources Support Office within the prescribed time period, the option will lapse and will not be implemented.

The option forms and full details are available on the SSUF website at <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Fund information and other queries

Comprehensive fund information is available on the SSUF website at <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Members can access detail of their fund benefits and related information via the member online facilities at any stage.

The trustees urge members to visit the website on a regular basis and to ensure that they are well informed about their retirement and related benefits.

Direct any questions and concerns to Chrisna Swart at:

E-mail: chrisna.swart@sanlam.co.za

Postal address: PO Box 1, Sanlamhof, 7532



Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and Related Group Life Insurance

Summary of contributions and benefits

IMPORTANT: This summary is for information only. The provisions and conditions of the Funds and Group Insurance are set out in full in the official Rules and Policies. In the event of any discrepancy the official Rules and Policies apply.

01 Contributions rates



	Pension Fund - Member contributions	Provident Fund - Employer contributions
Minimum rate	4% of TGP	6% of TGP
Choice to increase	increments of 0.5%	increments of 0.5%
Default	7.5%	10%
Maximum rate	7.5%	20%

02 Retirement



Retirement Age (NRA)

Normal retirement age (NRA) is as contracted between the member (employee) and the employer, and may range between 60 and 65 years old.



Normal Retirement Date (NRD)

- 31st December nearest to NRA in respect of all members who were members of the funds before 1 January 2012, **except** for those who were transferred to SSUF in terms of Section 14 in the term 1 May 2011 to 31 December 2011.
- The end of the month in which a member reaches his/her NRA in respect of:
 - those members who were transferred to SSUF in terms of Section 14 during the period 1 May 2011 to 31 December 2011;
 - all members who joined the fund as from 1 January 2012; and
 - Santam employees appointed after 1 March 2013.
- Santam members transferred to the SSUF on 1 March 2013 retained their normal retirement date, i.e. 1 April following the date on which they reach their normal retirement age.



Early Retirement

A member may retire up to 10 years before his/her normal retirement date. The employer's permission is required should a member wish to retire more than 5 years before normal retirement date. Members who retire prior to age 55 should note the tax implications of doing so.



Late retirement

Late retirement is only allowed with the express permission of a Group Exco Member of the member's employer. The maximum age that a member may belong to the SSUF as an active member is 70 years. A member who remains a member of the SSUF after NRD does **not** qualify for the insured death or disability benefits after attaining his/her NRD (Fund and GLA).

The conversion option for life cover will only be available on early retirement or retirement on normal retirement date.



Retirement Benefit

The retirement benefit will be equal to all your members and employer contributions, plus the net investment returns earned thereon, i.e. your Member Share.

➤ **Member whose membership commenced 1 March 2021 or later**

A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

➤ **Members whose membership commenced before 1 March 2021:**

- If you were younger than 55 years on 1 March 2021

Pension Fund benefit: A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

Provident Fund benefit: Your Member Share as on 28 February 2021 (Vested Member Share), plus investment returns on this portion may be taken in cash at retirement; and

All your contributions from 1 March 2021 and investments returns on these contributions, are referred to as your "Non-Vested" Member Share. If this portion is less than R247 500 then you can take the full portion in cash at retirement. However, if this portion is more than R247 500 then you may only

take one-third of this in cash and you must use at least two-thirds to buy a pension when you retire.

- If you were 55 years or older on 1 March 2021

Pension Fund benefit: A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

Provident Fund benefit: You may take any portion of your Members Share in the provident fund in cash at retirement.

Please consult with your financial advisor regarding the taxability of benefits payable.

03

Termination of membership



The benefit payable at resignation, retrenchment or dismissal

Pension Fund - Member's full member share

Provident Fund - Member's full member share

The member share can be preserved in the SSUF, transferred to another approved fund or taken in cash.



04

Death benefits



Pension Fund:

- Member's full member share is payable.



Provident Fund:

- Member's full member share is payable; **plus** a lump sum assured benefit (according to the option the member exercised) and subject to a certain maximum, as explained hereafter:



- In respect of members appointed as from 1 July 2019 the maximum level is 3x annual TGP.
- Different maximum cover levels are applicable to members appointed before 1 July 2019:
 - Members who selected the default at appointment:**
The default multiples as indicated in the table below remain applicable.
 - Members who selected a cover level higher than the default:**
The maximum multiples as indicated in the table below will be applicable to them.

- Members who as a result of their employment conditions enjoy a cover level that is higher than the maximum multiple:**

The Special Maximum Multiples in the table below are applicable to them. As the members in the 3 categories above, move through the age bands their cover will be reduced according to the applicable default or maximum multiple, that is applicable to them.

Age band	Default Multiple	Maximum Multiple	Special Maximum Multiple
-25	4	9	9
26 - 30	6	10.5	11
31 - 35	6	10	12
36 - 40	5	8	13.5
41 - 45	5	6.5	12
46 - 50	4	6	9.5
51 - 55	4	5	9
56+	3.5	5	7.5

[\(read more\)](#)

Options and conditions to decrease or increase cover applicable as from 1 July 2019

- ⤵ Only members who enjoy less than 3x TGP cover may increase their cover.
- ⤵ Annually on 1 May, you will be given the option to either **increase or decrease** your level of cover. The new cover level may not be more than the maximum level of 3x TGP. Any increase will be subject to proof of good health.

- ⤵ A member can also **increase** his/her death cover up to the maximum of 3x TGP, within 3 months of the following events:

- when he/she marries, and/or
- when a child is born or legally adopted.

In the case of members younger than 50 years an increase of 1x TGP will be allowed without proof of good health at the said events.

To qualify for the above option to increase cover, the member must submit his/her option form to the SSUF within three (3) months of said event.

- ⤵ In the case of members who are 50 years and older any option to increase cover will be subject to proof of good health.
- ⤵ With respect to reducing your insured death benefit under the SSUF you may annually on 1 May, select a lower level of cover. The minimum level is 0.5x TGP, but you may

select 0x TGP, subject to your fund value being at least 0.5x TGP or more.

- ⤵ If you choose to reduce your insured death benefit, the saving in the cost of death benefits will be applied for your retirement benefits. Alternatively, if you choose to increase your insured death benefit your savings for retirement will be reduced accordingly.
- ⤵ Formula for calculating the saving or extra cost for reducing or increasing your insured death benefit:

Amount by which benefit is decreased/increased

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

- ⤵ Rate for insured lump sum death benefit:

Age band	Rate per R1 000 cover
Younger than 26 years	R0.213
26 - 30 years	R0.159
31 - 35 years	R0.166
36 - 40 years	R0.185
41 - 45 years	R0.193
46 - 55 years	R0.222
56 years and older	R0.277

[\(read more\)](#)

Notes:

- › The age in the table reflects the member's current age and not the age at which membership commenced.

- › At inception members qualify for the default/maximum cover level of 3x TGP.

- › Proof free limits

Combined for Provident Fund and Group Life:
R15 000 000

Any cover amount in excess of the proof free limits is subject to proof of good health.



Group Life Insurance – Death benefit and lump sum disability

- › Default death cover level at appointment = 1x TGP
- › Minimum death cover level = 0.5x TGP
- › Maximum death cover level = 3x TGP

Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018 some members enjoy a cover level higher than 3x TGP. They will retain their converted cover level and may opt to decrease it during the annual flex event.

- › **Rate:** R0.266 per R1 000 cover.

Option to decrease or increase benefit

- › Members may decrease their group life insurance on 1 May annually, provided that the death cover may not be less than 0.5x TGP on their own life.
- › Members who have less than 3x TGP cover may increase their level of death cover annually during the flex event, subject to proof of good health and a maximum of 3x TGP.



[\(read more\)](#)

The lump sum disability benefit is calculated as follows:

- ⤷ In the case of members appointed before 1 July 2019 the lump sum disability benefit is equal to the group life death cover, but subject to a maximum of 2x TGP.

Note: As a result of the conversion of cover to a multiple of TGP on 1 August 2018 some members may enjoy lump sum disability cover of more than 2x TGP.

- ⤷ In the case of members appointed as from 1 July 2019 or members who increase their group life death cover to a multiple higher than 1x TGP after 1 July 2019, the lump sum disability benefit is calculated as follows:
 - Equal to group life death cover, if the death cover is 1x TGP or less; or
 - If the group life death cover is more than 1x TGP the disability benefit is, 1x TGP plus 50% of the death cover that exceeds 1x TGP.

Examples:

Group life death cover	Lump sum disability benefit
1x TGP	1x TGP
2x TGP	1 1/2 x TGP
3x TGP	2x TGP

05 Spouse insurance



- ⤷ Death cover for spouses is not compulsory.

The following options are available without proof of good health, but subject to the proof free limit:

- New employees who are legally married are granted an option at appointment to take out spouse cover.
- Existing members have an option within three months of marriage to take out spouse cover.

Annual option subject to proof of good health

Members who are legally married will annually be granted the option to take out spouse cover. Such an option will be subject to proof of good health.

Cover for de facto spouses (if not legally married)

- A registration form will need to be completed and the de facto marriage application approved, whereafter the member will be granted the option for spouse cover.
- Medical proof of good health is a requirement, before the cover commences.

[\(read more\)](#)



- ⌵ Maximum age of spouse to qualify: 70 years

- ⌵ Maximum cover = 1x TGP



Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018, some members enjoy a cover level higher than 1x TGP. They will retain the higher cover level and may opt to decrease it during the annual flex event.



- ⌵ Proof free limit
 - = **R1 400 000** for cover granted as from 1 May 2011
 - = **R9 000 000** for cover granted before 1 May 2011
 - = **R3 000 000** in respect of Santam members for whom spouse's cover was granted before 1 March 2013
- ⌵ **Rate:** R0.295 per R1 000 cover

06

Critical illness insurance



As from 1 May 2011 critical illness insurance is compulsory for all new employees.



As from 1 May 2017 members have a choice between a standard or comprehensive critical illness benefit.

No proof of good health is required.

- ⌵ Cover levels: 0.5x or 1x TGP

- ⌵ Maximum cover = R1 500 000

When the maximum cover limit increases the cover of members who are limited to the maximum will increase to the new maximum.

Note: As a result of the conversion of cover to a multiple of TGP as from 1 August 2018 some members enjoy a cover level higher than 1x TGP. They will retain the higher cover level and may decrease it during the annual flex event.

- ⌵ **Rates:**

Standard option : R0.280 per R1 000 cover

Comprehensive option : R0.448 per R1 000 cover

07

Income disability benefit



- ⌚ Basic benefit payable after a 3 month waiting period is:
 - 75% of the first R120 000 of TGP; plus
 - 60% of the next R360 000 of TGP; plus
 - 50% of the TGP in excess of R480 000
- ⌚ Employer contribution waiver = 8.56 % of TGP after 3 month waiting period. (Contribution to Provident Fund)
- ⌚ Member contribution waiver = 6 % of TGP after 3 month waiting period. (Contribution to Pension Fund)
- ⌚ Annual ad hoc increase applies, subject to minimum of 2 %.
- ⌚ **Proof free limit**
 - = R130 000 pm for cover granted on or after 1 May 2011
 - = R165 000 pm for cover granted before 1 May 2011
- ⌚ **Rates:**
0.701 % x TGP

08

Family cover - optional benefit



- ⌚ Employees have a once-off option at appointment to become a member and can select to add their legal parents and parents-in-law. (Maximum age for parents to join is 79 years.)
- ⌚ Legal parents-in-law can also be added within 3 months of a member's marriage.
- ⌚ The waiting period for parents/parents-in-law is six months if death is due to natural causes.
- ⌚ Members can select either Option 1 or Option 2 and cannot have a combination of Option 1 and Option 2. E.g. If Option 2 is selected it will be applicable for the basic benefit, additional spouses as well as the cover of parents who are insured. (Certain conditions apply.)
- ⌚ The additional parent cover, if selected, will be applicable to all parents who are insured.

[\(read more\)](#)

Benefits payable at death and premiums

	Option 1	Option 2	Additional parent cover
Family member to whom benefit is applicable			
Basic benefit			
• Principal member	R29 000	R58 000	
• Qualifying Spouse	R29 000	R58 000	
• Qualifying child aged 14 and over	R29 000	R58 000	
• Qualifying child aged 6 and over but younger than 14	R15 950	R31 900	
• Qualifying child younger than age 6 and/or still-born child	R10 000	R20 000	
Additional spouses (ex-spouse in case of divorce)	R29 000	R58 000	
Legal Parents or parents-in-law	R7 500	R15 000	R10 000
Monthly premiums			
Basic benefit	R8.75	R17.50	
Additional spouses	R4.00 per spouse	R8.00 per spouse	
Parent cover	R22.50 per parent	R45.00 per parent	R40.00 per parent

09

Cover conversion options at termination of service



Members are entitled to, within two months from the date of termination of employment, take out individual insurance with Sanlam up to a certain maximum amount without having to submit proof of good health.

This option is applicable to the following cover:

- ④ In-Fund Insured Death Cover
- ④ Group Life Death Cover.
Please note that the lump sum disability cover cannot be converted.
- ④ Spouse Insurance
- ④ Critical Illness Insurance
- ④ Income Disability Benefit
- ④ Family Cover (Funeral benefit)

Details of the conditions and convertible amounts are provided to members at termination of employment.





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