

Sanlam Staff Umbrella Pension and Provident Funds (SSUF)

Paid-up Member Guide

1. What is a Paid-up Member?

You became a Paid-up Member of the SSUF at termination of employment (other than retirement), from your employer in the Sanlam Group, because you;

- chose to leave your member share (your entire fund value) in the SSUF, or
- you did not submit the prescribed option forms regarding your fund benefit before termination of your employment.

You will remain a non-contributing paid-up member of the SSUF until you withdraw from the SSUF. Your member share remains invested in the SSUF and continues to earn investment returns.

The SSUF Rules will continue to apply to you while you are a paid up member.

2. Advantages of being a paid-up member

Being a paid-up member in the SSUF has many advantages for you, like:

- You avoid the hassle of having to transfer your retirement savings (member share) to another retirement fund.
- You can continue to invest your member share in any of the investment portfolios available to SSUF members.
- You continue to benefit from the favourable tax treatment of the investment of your retirement savings within the SSUF.
- Your member share will be preserved until the date you elect to withdraw the money; your retirement; or death, whichever happens first.

3. What benefits will you have?

As a Paid-up Member of the SSUF, the following benefits apply to you:

3.1 Withdrawal benefit

You may decide to withdraw your member share from the SSUF at any stage before your normal retirement date (NRD). If you withdraw after NRD, you are retiring from the SSUF. Refer point 3.2.

At withdrawal, your entire member share become payable and you would have the following choices:

- Transfer your entire benefit to another registered pension fund, provident fund, preservation fund or retirement annuity fund.
- Take a portion of your benefit in the form of a taxable cash lump sum and transfer the balance to another registered pension fund, provident fund, preservation fund or retirement annuity fund.
- You can take your entire benefit in the form of a taxable cash lump sum.

What are the tax implications when you withdraw your benefit?

In terms of the current tax regime, benefits transferred to another approved fund are not taxed, except for a transfer from a pension fund to a provident fund; or to a provident preservation fund.

If a cash lump sum is selected, then it will be taxed according to the relevant tax tables at the time you make an election regarding the manner in which the benefit must be paid.

Important:

Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a financial adviser before you make an election regarding a benefit payment from the SSUF.

3.2 Retirement benefit

You may decide to retire from the SSUF at any stage after your normal retirement date. Your entire investment (member share) will become payable as a retirement benefit and you would have the following choices:

- Use your retirement benefit to buy an annuity (monthly pension) from Sanlam or another registered provider of such products.
- Take a portion of your retirement benefit in the form of a taxable cash lump sum, not higher than the permitted maximum, and use the rest to purchase an annuity (monthly pension) from Sanlam or any other registered provider of such products.
 - In respect of the provident fund, you can take your entire retirement benefit in the form of a taxable cash lump sum.
 - In respect of the pension fund, you can take maximum one-third of your entire retirement benefit in the form of a taxable cash lump sum. If your entire retirement benefit is less than R247 500, then you can take the full amount as a cash lump sum.
- Subject to certain conditions, you may use your retirement benefit to receive an annuity (monthly pension) from the SSUF (In-fund living annuity).

There are many annuity products available and making this decision can be complex. It is therefore strongly recommended that you seek the assistance of a financial adviser before you make any decisions regarding your retirement benefit payment from the SSUF.

3.3 Death benefit

In the event of your death your member share will be paid to your estate, according to the rules of the SSUF. In the case of death your family needs to inform the SSUF.

4. How to claim your benefits

Once you are ready to withdraw your money from the SSUF, you need to complete the relevant benefit claim forms. The forms can be obtained from ssuf.enquiries@sanlam.co.za

5. The investment of your benefit in the SSUF

- **Consider the investment risk**

When it comes to investing, there is a direct relationship between the risk taken and the returns achieved. The higher the risk the higher the potential long term returns, but also the greater the volatility of returns (tendency of markets to move up and down suddenly).

- **The investment menu available to you**

At the time you become a paid-up member, your investments will either stay in the same portfolios as they were prior to your termination from employment, or transferred to portfolio(s) as selected by you from the SSUF investment menu.

You have further investment options. For information on the investment menu available to you, please consult the Investment Information Brochure at www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx.

6. What does it cost to be a Paid-up member?

The following fees are payable and these are automatically deducted from your member share on a monthly basis:

Administration fees	There is an administration fee payable per month. The current fee will be reflected on your online benefit statement.
Investment management fees	Investment management fees are calculated and charged on monthly basis. The latest investment management fees are reflected in the Investment Information Brochure.

7. Keep in touch

Since you are no longer part of the communication channels of your previous employer, it is very important that you ensure Sanlam always has your latest contact details on record.

Please logon to www.retirementfundweb.co.za and update your personal details without delay.

The trustees and Sanlam will make use of the Retirement Fund Web Member Portal facility as the main communication tool to keep you informed of your benefits.

You have automatically access to this facility.

You may contact the web team for your access details via email: retirementfundweb@sanlam.co.za

You can also obtain the following information on the SSUF website at www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx

- SSUF communication documents
- Information on investment returns and investment portfolios

For any enquiries, please send an email to myretirementfund@sanlam.co.za or ssuf.enquiries@sanlam.co.za

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