staff umbrella pension and providend funds (SSUF)

annual report to members for the period
1 april 2013 to 1 march 2014
Important changes T-day 1 March 2015
- The implications of the relevant legislative changes are
- The lump sum that you may take in cash at retirement
- The tax changes with respect to disability income benefits
Board of Trustees
Development and changes in the fund for the period 1 April 2013 to 31 March 2014
- Investments
- Rates for death, trauma and disability benefits
Thinking ahead: retirement
Protect your loved ones
Retirement - save now, take it easy later
Do retirement funds really offer value?
Dealing with divorce
Web access to fund benefits
Options in case of promotion, marriage, death of a spouse, birth/adoptions
of a child and divorce
Fund information and other queries
Summary of contributions and benefits
On 1 March 2015 new legislation comes into force that will remove the differences between a pension and provident fund (as well as a retirement annuity fund) with respect to tax deductibility of contributions and the cash lump sum that can be taken at retirement.
01 the implications of the relevant legislative changes are:

**Tax deductibility of contributions**

The rules governing the tax deductibility of contributions to pension-, provident- and retirement annuity funds, which are currently very different, will be harmonised across all these different types of retirement saving funds. This means that all retirement savings funds will have the same tax treatment with regard to contributions and retirement benefits.

**what exactly will change for SSUF members?**

**Contributions**

Your contributions to the fund will stay on the current Rand amount.

**Tax deductibility**

In terms of the amended law an employer contribution will be taxed as a fringe benefit, but members will qualify to deduct contributions up to 27.5% of the greater of their remuneration or taxable income for tax purposes. The fringe benefit tax will be offset against the tax deduction and your salary will therefore not be affected by the fringe benefit tax.

The 27.5% will be subject to a maximum of R350 000 per tax year and will include contributions to all pension-, provident- and retirement annuity funds which you contribute to.

If your contributions in a specific tax year exceed R350 000, you will be able to deduct the balance (the contributions more than R350 000) in the following tax years or it will form part of your tax free portion at retirement.
As from 1 March 2015 members of provident funds will only be allowed to take one-third of their benefit at retirement as a cash lump sum payment. The balance of the benefit must be used to buy a pension i.e. to provide an income to the member after retirement.

Exceptions in this regard:

If the total accumulated benefit at retirement is less than R150 000 then the member can take the full benefit as a cash lump sum.

Members will still be able to take the provident fund contributions that accumulated up to 1 March 2015 plus past and future investment growth on these values in cash when they retire. This “protected” amount will not be taken into account for purposes of the R150 000 threshold referred to above.

The amended law is only applicable to the provident fund contributions (of members younger than 55 years on 1 March 2015) that accumulate as from 1 March 2015.

special arrangements for members 55 years and older on 1 March 2015

Members 55 years and older on 1 March 2015 (if they remain in the same provident fund) will still be allowed to take their full retirement benefit (including contributions and growth after 1 March 2015) as a cash lump sum at retirement.

how will this change impact on members of the SSUF?

The fund administrator will keep separate record of each member’s contributions before 1 March 2015 (and growth thereon) and also the contributions as from 1 March 2015.
From 1 March 2015 premiums for disability income policies will no longer be tax deductible for employees. The income payable to an employee who is declared disabled will be tax free.

What will change for you?
Currently the premium for the disability benefit is deducted from the employer’s contribution to the provident fund, but from 1 March 2015 the full employer contribution will be applied to your SSUF savings. Your premium for disability income benefits will become a separate after tax deduction from your pay resulting in a small reduction in your take home pay, but you will save more for retirement.

important
The reduction in your take home pay is compensated for:

1. should you be declared disabled, you will receive a tax-free monthly disability income; and
2. as a result of the fact that the premium is no longer deducted from total employer contributions, you will save more for retirement.
The Board of Trustees that manages the Funds comprises ten trustees. Five of the trustees are elected by members of the Funds, while the other five trustees are appointed by the principal employer after consultation with the different participating employers.

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

- **two** from Sanlam Personal Finance (SPF) (including Sanlam Sky);
- **one** from Sanlam Investments (SI);
- **one** from Santam; and
- **one** from the remaining businesses that include the Sanlam Group Office, Sanlam Employee Benefits (SEB) and Sanlam Emerging Markets (SEM).

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 trustees who were elected/appointed are:

**Member elected trustees**

<table>
<thead>
<tr>
<th>Trustees</th>
<th>Alternate</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jannie van Zyl (SPF)</td>
<td>*Bheki Khenisa (SPF)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Johann de Wet (SPF)</td>
<td>Andy Koopman (SPF)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Francois Oosthuizen (SI)</td>
<td>Rajesh Sukha (SI)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Anton Swanepoel (SEB)</td>
<td>David Gluckman (SEB)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Maryke Kotze (Santam)</td>
<td>André Lotz (Santam)</td>
<td>1 March 2014 – 28 February 2017</td>
</tr>
</tbody>
</table>

*Bheki left the employment of Sanlam on 31 August 2014. Arthur Zerf was appointed as alternate to Jannie from 1 September 2014, for the remainder of his term as trustee.

**Employer appointed trustees**

<table>
<thead>
<tr>
<th>Trustees</th>
<th>Alternate</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Werner Barnard (SPF)</td>
<td>Clifton Janse van Rensburg (SPF)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Haydn Franckeiss (SI)</td>
<td>Jill Rose (SPF)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>ML Carstens (SEB)</td>
<td>Ahmed Banderker (SPF)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Robert Goff (SPF)</td>
<td>Vionne Tregurtha (SI)</td>
<td>1 July 2012 – 30 June 2015</td>
</tr>
<tr>
<td>Lizet Murray (Santam)</td>
<td>Joseph Makgoba (Santam)</td>
<td>1 March 2014 – 28 February 2017</td>
</tr>
</tbody>
</table>
The SSUF is an umbrella fund for employers within the Sanlam Group

List of participating employers in the SSUF:

<table>
<thead>
<tr>
<th>Sanlam Personal Finance</th>
<th>Short-term insurance cluster</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sanlam Health</td>
<td>• Santam</td>
<td>• Mirabilis</td>
</tr>
<tr>
<td>• Sanlam Trust</td>
<td>• Mi-Way</td>
<td>• Emarald</td>
</tr>
<tr>
<td>• Sanlam Personal loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Glacier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sanlam Sky Solutions – including Safrican</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sanlam Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sanlam Life Insurance Ltd</td>
</tr>
<tr>
<td>• Blue Ink</td>
</tr>
<tr>
<td>• Sanlam Capital Markets</td>
</tr>
<tr>
<td>• Sanlam Collective Investments</td>
</tr>
<tr>
<td>• Sanlam Employee Benefits</td>
</tr>
<tr>
<td>• Sanlam Investment Management</td>
</tr>
<tr>
<td>• Sanlam Multi Managers</td>
</tr>
<tr>
<td>• Sanlam Private Investments</td>
</tr>
<tr>
<td>• Infinit</td>
</tr>
</tbody>
</table>
development and changes in the fund

for the period 1 april 2013 to 31 march 2014

* The huge increase in this number is due to the existing disabled members of the Santam Retirement Fund and Sanlam Office Staff Pension Fund (DB-fund) that transferred to the SSUF during the year under review.

<table>
<thead>
<tr>
<th>Member statistics</th>
<th>1 April 2013</th>
<th>1 April 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>9 874</td>
<td>10 189</td>
</tr>
<tr>
<td>Occupationally disabled member</td>
<td>57</td>
<td>*82</td>
</tr>
</tbody>
</table>

rule changes

There were no rule changes submitted during the year under review.
Distribution of members’ fund values as on 31 March 2014 in the various investment portfolios:

<table>
<thead>
<tr>
<th>Investment portfolios</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1.43%</td>
</tr>
<tr>
<td>Monthly Bonus</td>
<td>1.52%</td>
</tr>
<tr>
<td>Stable Bonus</td>
<td>9.74%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>2.11%</td>
</tr>
<tr>
<td>SIM Moderate</td>
<td>6.13%</td>
</tr>
<tr>
<td>Sanlam NUR Balanced</td>
<td>0.43%</td>
</tr>
<tr>
<td>Allan Gray Domestic Balanced</td>
<td>20.04%</td>
</tr>
<tr>
<td>Coronation Managed</td>
<td>13.66%</td>
</tr>
<tr>
<td>SIM Aggressive</td>
<td>5.14%</td>
</tr>
<tr>
<td>Glacier Option</td>
<td>31.29%</td>
</tr>
<tr>
<td>Life Stage Portfolios</td>
<td></td>
</tr>
<tr>
<td>- Accumulation</td>
<td>7.05%</td>
</tr>
<tr>
<td>- Consolidation A (Investment linked)</td>
<td>0.14%</td>
</tr>
<tr>
<td>- Consolidation B (Investment linked)</td>
<td>0.62%</td>
</tr>
<tr>
<td>- Preservation (Investment linked)</td>
<td>0.11%</td>
</tr>
<tr>
<td>- Consolidation A (Insured Product)</td>
<td>0.26%</td>
</tr>
<tr>
<td>- Consolidation B (Insured Product)</td>
<td>0.25%</td>
</tr>
<tr>
<td>- Preservation (Insured Product)</td>
<td>0.08%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
The investment performances of the funds’ various investment portfolios
Sanlam Staff Umbrella *Pension Fund*

<table>
<thead>
<tr>
<th>Period</th>
<th>SIM Moderate Portfolio (Old Focus 1)</th>
<th>SIM Aggressive Portfolio (Old Focus 2)</th>
<th>Allan Gray</th>
<th>Coronation</th>
<th>Sanlam Absolute Return</th>
<th>Stable Bonus</th>
<th>Monthly Bonus</th>
<th>Cash Portfolio</th>
<th>Sanlam NUR Balanced</th>
<th>Life Stage Accumulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>Over the period</td>
<td>3.17 %</td>
<td>5.01 %</td>
<td>5.32 %</td>
<td>3.13 %</td>
<td>2.06 %</td>
<td>5.59 %</td>
<td>4.44 %</td>
<td>1.28 %</td>
<td>4.72 %</td>
</tr>
<tr>
<td>6 months</td>
<td>Over the period</td>
<td>8.40 %</td>
<td>10.53 %</td>
<td>8.48 %</td>
<td>8.04 %</td>
<td>6.08 %</td>
<td>10.80 %</td>
<td>9.15 %</td>
<td>2.73 %</td>
<td>N/A</td>
</tr>
<tr>
<td>9 months</td>
<td>Over the period</td>
<td>17.06 %</td>
<td>22.13 %</td>
<td>16.04 %</td>
<td>20.70 %</td>
<td>11.47 %</td>
<td>15.36 %</td>
<td>12.02 %</td>
<td>4.16 %</td>
<td>N/A</td>
</tr>
<tr>
<td>12 months</td>
<td>Over the period</td>
<td>18.99 %</td>
<td>21.77 %</td>
<td>13.77 %</td>
<td>22.68 %</td>
<td>14.05 %</td>
<td>20.27 %</td>
<td>16.67 %</td>
<td>5.54 %</td>
<td>N/A</td>
</tr>
<tr>
<td>24 months</td>
<td>Annualised</td>
<td>20.03 %</td>
<td>20.15 %</td>
<td>15.92 %</td>
<td>23.97 %</td>
<td>13.66 %</td>
<td>17.01 %</td>
<td>14.14 %</td>
<td>5.54 %</td>
<td>N/A</td>
</tr>
<tr>
<td>36 months</td>
<td>Annualised</td>
<td>17.23 %</td>
<td>17.05 %</td>
<td>14.43 %</td>
<td>19.44 %</td>
<td>13.13 %</td>
<td>14.40 %</td>
<td>12.16 %</td>
<td>5.58 %</td>
<td>N/A</td>
</tr>
<tr>
<td>Since inception</td>
<td>Over the period</td>
<td>646.14 %</td>
<td>447.15 %</td>
<td>748.68 %</td>
<td>601.59 %</td>
<td>213.68 %</td>
<td>327.49 %</td>
<td>257.41 %</td>
<td>297.32 %</td>
<td>4.72 %</td>
</tr>
<tr>
<td>Since inception</td>
<td>Annualised</td>
<td>12.55 %</td>
<td>13.69 %</td>
<td>18.93 %</td>
<td>17.11 %</td>
<td>11.90 %</td>
<td>14.12 %</td>
<td>12.28 %</td>
<td>8.45 %</td>
<td>20.27 %</td>
</tr>
<tr>
<td>Inception date</td>
<td></td>
<td>01/04/1997</td>
<td>01/01/2001</td>
<td>01/12/2001</td>
<td>01/12/2001</td>
<td>01/02/2004</td>
<td>01/04/2003</td>
<td>01/04/2003</td>
<td>01/04/1997</td>
<td>01/01/2014</td>
</tr>
</tbody>
</table>
### The investment performances of the funds’ various investment portfolios

**Sanlam Staff Umbrella Pension Fund**

<table>
<thead>
<tr>
<th>Period</th>
<th>Life Stage Consol. A (Guaranteed Annuity)</th>
<th>Life Stage Consol. A (Investment Linked)</th>
<th>Life Stage Consol. B (Guaranteed Annuity)</th>
<th>Life Stage Consol. B (Investment Linked)</th>
<th>Life Stage Preserver (Guaranteed Annuity)</th>
<th>Life Stage Preserver (Investment Linked)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>Over the period</td>
<td>3.50 %</td>
<td>3.56 %</td>
<td>2.58 %</td>
<td>2.89 %</td>
<td>2.79 %</td>
</tr>
<tr>
<td>6 months</td>
<td>Over the period</td>
<td>8.64 %</td>
<td>8.97 %</td>
<td>5.16 %</td>
<td>6.37 %</td>
<td>5.41 %</td>
</tr>
<tr>
<td>9 months</td>
<td>Over the period</td>
<td>17.52 %</td>
<td>19.76 %</td>
<td>9.82 %</td>
<td>13.98 %</td>
<td>9.03 %</td>
</tr>
<tr>
<td>12 months</td>
<td>Over the period</td>
<td>17.71 %</td>
<td>19.93 %</td>
<td>9.50 %</td>
<td>14.02 %</td>
<td>9.24 %</td>
</tr>
<tr>
<td>24 months</td>
<td>Annualised</td>
<td>18.01 %</td>
<td>20.77 %</td>
<td>12.42 %</td>
<td>16.10 %</td>
<td>11.53 %</td>
</tr>
<tr>
<td>36 months</td>
<td>Annualised</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Since inception</td>
<td>Over the period</td>
<td>50.87 %</td>
<td>60.36 %</td>
<td>35.95 %</td>
<td>47.15 %</td>
<td>35.19 %</td>
</tr>
<tr>
<td>Since inception</td>
<td>Annualised</td>
<td>15.14 %</td>
<td>17.58 %</td>
<td>11.10 %</td>
<td>14.16 %</td>
<td>10.89 %</td>
</tr>
</tbody>
</table>

**Inception date**

- 01/05/2011
- 01/05/2011
- 01/05/2011
- 01/05/2011
- 01/05/2011
- 01/05/2011

*The investment performances of the funds’ various investment portfolios are as follows for the period stated below, ended on 1 April 2014.*
The investment performances of the funds’ various investment portfolios
Sanlam Staff Umbrella **Provident Fund**

Return (net of fees and tax) over the period stated below, ended on 1 April 2014

<table>
<thead>
<tr>
<th>Period</th>
<th>SIM Moderate Portfolio (Old Focus 1)</th>
<th>SIM Aggressive Portfolio (Old Focus 2)</th>
<th>Allan Gray</th>
<th>Coronation</th>
<th>Sanlam Absolute Return</th>
<th>Stable Bonus</th>
<th>Monthly Bonus</th>
<th>Cash Portfolio</th>
<th>Sanlam NUR Balanced</th>
<th>Life Stage Accumulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>Over the period</td>
<td>3.17 %</td>
<td>5.01 %</td>
<td>5.34 %</td>
<td>3.11 %</td>
<td>2.06 %</td>
<td>5.60 %</td>
<td>4.44 %</td>
<td>1.29 %</td>
<td>4.73 %</td>
</tr>
<tr>
<td>6 months</td>
<td>Over the period</td>
<td>8.41 %</td>
<td>10.53 %</td>
<td>8.48 %</td>
<td>7.98 %</td>
<td>6.10 %</td>
<td>10.80 %</td>
<td>9.15 %</td>
<td>2.75 %</td>
<td>N/A</td>
</tr>
<tr>
<td>9 months</td>
<td>Over the period</td>
<td>17.05 %</td>
<td>22.15 %</td>
<td>16.10 %</td>
<td>20.63 %</td>
<td>11.50 %</td>
<td>15.35 %</td>
<td>12.02 %</td>
<td>4.18 %</td>
<td>N/A</td>
</tr>
<tr>
<td>12 months</td>
<td>Over the period</td>
<td>18.99 %</td>
<td>21.86 %</td>
<td>13.83 %</td>
<td>22.57 %</td>
<td>14.07 %</td>
<td>20.27 %</td>
<td>16.66 %</td>
<td>5.56 %</td>
<td>N/A</td>
</tr>
<tr>
<td>24 months</td>
<td>Annualised</td>
<td>20.04 %</td>
<td>20.13 %</td>
<td>15.95 %</td>
<td>23.90 %</td>
<td>13.69 %</td>
<td>17.01 %</td>
<td>14.14 %</td>
<td>5.54 %</td>
<td>N/A</td>
</tr>
<tr>
<td>36 months</td>
<td>Annualised</td>
<td>17.21 %</td>
<td>17.00 %</td>
<td>14.47 %</td>
<td>19.36 %</td>
<td>13.24 %</td>
<td>14.39 %</td>
<td>12.17 %</td>
<td>5.59 %</td>
<td>N/A</td>
</tr>
<tr>
<td>Since inception</td>
<td>Over the period</td>
<td>645.90 %</td>
<td>446.87 %</td>
<td>751.06 %</td>
<td>598.89 %</td>
<td>214.67 %</td>
<td>327.35 %</td>
<td>257.53 %</td>
<td>297.45 %</td>
<td>4.73 %</td>
</tr>
<tr>
<td>Since inception</td>
<td>Annualised</td>
<td>12.55%</td>
<td>13.68 %</td>
<td>18.96 %</td>
<td>17.08 %</td>
<td>11.94 %</td>
<td>14.12 %</td>
<td>12.28 %</td>
<td>8.46 %</td>
<td>20.30 %</td>
</tr>
</tbody>
</table>

Inception date
- 01/04/1997
- 01/01/2001
- 01/12/2001
- 01/12/2001
- 01/12/2004
- 01/02/2004
- 01/04/2003
- 01/04/2003
- 01/04/1997
- 01/01/2014
- 01/05/2011
The investment performances of the funds’ various investment portfolios

* Sanlam Staff Umbrella Pension Fund

<table>
<thead>
<tr>
<th>Period</th>
<th>Life Stage Consolitor A (Guaranteed Annuity)</th>
<th>Life Stage Consolitor A (Investment Linked)</th>
<th>Life Stage Consolitor B (Guaranteed Annuity)</th>
<th>Life Stage Consolitor B (Investment Linked)</th>
<th>Life Stage Preserver (Guaranteed Annuity)</th>
<th>Life Stage Preserver (Investment Linked)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>Over the period 3.51 %</td>
<td>3.60 %</td>
<td>2.67 %</td>
<td>2.81 %</td>
<td>3.43 %</td>
<td>3.47 %</td>
</tr>
<tr>
<td>6 months</td>
<td>Over the period 8.70 %</td>
<td>8.94 %</td>
<td>5.31 %</td>
<td>6.26 %</td>
<td>5.34 %</td>
<td>6.63 %</td>
</tr>
<tr>
<td>9 months</td>
<td>Over the period 17.49 %</td>
<td>19.63 %</td>
<td>9.98 %</td>
<td>13.85 %</td>
<td>8.99 %</td>
<td>13.69 %</td>
</tr>
<tr>
<td>12 months</td>
<td>Over the period 17.77 %</td>
<td>19.39 %</td>
<td>9.65 %</td>
<td>13.89 %</td>
<td>9.19 %</td>
<td>13.58 %</td>
</tr>
<tr>
<td>24 months</td>
<td>Annualised 18.03 %</td>
<td>20.47 %</td>
<td>12.51 %</td>
<td>15.98 %</td>
<td>11.51 %</td>
<td>14.64 %</td>
</tr>
<tr>
<td>36 months</td>
<td>Annualised N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Since inception</td>
<td>Over the period 19.01 %</td>
<td>59.11 %</td>
<td>36.15 %</td>
<td>46.89 %</td>
<td>35.02 %</td>
<td>43.35 %</td>
</tr>
<tr>
<td>Since inception</td>
<td>Annualised 14.65 %</td>
<td>17.26 %</td>
<td>11.16 %</td>
<td>14.09 %</td>
<td>10.84 %</td>
<td>13.14 %</td>
</tr>
</tbody>
</table>

Inception date 01/05/2011 01/05/2011 01/05/2011 01/05/2011 01/05/2011 01/05/2011

please note:

1. The returns are net of investment manager fees and retirement fund tax. Retirement fund tax had been abolished since 1 March 2007.

2. Published rates are time weighted to remove the effect of cash flows and are gross of investment manager fees and retirement fund tax and may therefore differ from returns reflected 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 31 July 2014 (for example) is actually the investment data as at 29 July 2014.

4. This report summarises returns for the funds’ total portfolios. Returns for a particular member may differ depending on actual cash flow, investment options and accumulated credits.
The premium rates for death, trauma and disability benefits offered to Sanlam’s office staff by the funds and group insurance are reviewed annually by the insurer.

If necessary, the premium rates will be adjusted depending on the claims experience.

Please see next pages for the full details of the monthly premium rates that came into effect on 1 April 2014.
Sanlam Staff Umbrella Providend Fund

The average premium rate in respect of death cover has decreased from 1.096 % to 1.000 % of pensionable remuneration.

The premiums of members who selected a lower level of cover will reduce according to the premium rate applicable to their age band. (See table below) The annual flex exercise presents members with an opportunity to select a lower level of cover.

<table>
<thead>
<tr>
<th>Age band</th>
<th>Default cover Multiple of PEAR</th>
<th>Maximum cover Multiple of PEAR</th>
<th>Rate per R1000 cover before 1 April 2014</th>
<th>Rate per R1000 cover as from 1 April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 26 years</td>
<td>5</td>
<td>11</td>
<td>R0.183</td>
<td>R0.167</td>
</tr>
<tr>
<td>26 – 30 years</td>
<td>7</td>
<td>13</td>
<td>R0.130</td>
<td>R0.119</td>
</tr>
<tr>
<td>31 – 35 years</td>
<td>7</td>
<td>12</td>
<td>R0.130</td>
<td>R0.119</td>
</tr>
<tr>
<td>36 – 40 years</td>
<td>6</td>
<td>10</td>
<td>R0.152</td>
<td>R0.139</td>
</tr>
<tr>
<td>41 – 45 years</td>
<td>6</td>
<td>8</td>
<td>R0.152</td>
<td>R0.139</td>
</tr>
<tr>
<td>46 – 50 years</td>
<td>5</td>
<td>7</td>
<td>R0.183</td>
<td>R0.167</td>
</tr>
<tr>
<td>51 – 55 years</td>
<td>5</td>
<td>6</td>
<td>R0.183</td>
<td>R0.167</td>
</tr>
<tr>
<td>56 years and older</td>
<td>4</td>
<td>6</td>
<td>R0.228</td>
<td>R0.208</td>
</tr>
</tbody>
</table>
The cost of the income disability cover remained unchanged at 1.017% of guaranteed package. The minimum benefit applicable to certain members increased from R28 000 p.a. to R29 000 p.a. The premium for the minimum cover also remained unchanged at 1.017% of guaranteed package. However, the maximum premium increased from R180.00 per month to R190.00 per month.

The premium rate for group life insurance (lump sum disability and death benefits) remained unchanged at R0.264 per month per R1 000 cover. The minimum level of cover was adjusted to the lesser of:
- the member’s elected level of cover (multiple of pensionable remuneration); or
- R230 000 (previously R220 000).

The premium rate for spouse’s group life insurance remained unchanged at R0.236 per month per R1 000 cover.

The premium rate for the trauma insurance remained unchanged on R0.286 per month per R1 000 cover. The maximum benefit increased from R1 050 000 to R1 100 000.
## 05 Family Cover

The rates of the family insurance remained unchanged. The level of death benefits payable was increased as follows:

<table>
<thead>
<tr>
<th>Age band</th>
<th>Benefit before 1 April 2014</th>
<th>Benefit payable from 1 April 2014</th>
<th>Benefit before 1 April 2014</th>
<th>Benefit payable from 1 April 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal member</td>
<td>R23 000</td>
<td>R25 000</td>
<td>R46 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>Qualifying spouse</td>
<td>R23 000</td>
<td>R25 000</td>
<td>R46 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>Qualifying children of 14 years and older</td>
<td>R23 000</td>
<td>R25 000</td>
<td>R46 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>Qualifying children of 6 years and older, but younger than 14 years</td>
<td>R12 650</td>
<td>R13 750</td>
<td>R25 300</td>
<td>R27 500</td>
</tr>
<tr>
<td>Qualifying children younger than 6 years, or a stillborn child</td>
<td>R8 395</td>
<td>R9 125</td>
<td>R10 000</td>
<td>R10 000</td>
</tr>
<tr>
<td>Parents (who are insured)</td>
<td>R5 500</td>
<td>R5 500</td>
<td>R11 000</td>
<td>R11 000</td>
</tr>
</tbody>
</table>
The premiums for family cover are:

<table>
<thead>
<tr>
<th>Premium for principal member, spouse and children</th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R 8.75 per month</td>
<td>R17.50 per month</td>
</tr>
<tr>
<td>Premium for parents</td>
<td>R22.50 per parent per month</td>
<td>R45.00 per parent per month</td>
</tr>
<tr>
<td>Premium for additional spouse</td>
<td>R 4.00 per spouse per month</td>
<td>R 8.00 per spouse per month</td>
</tr>
</tbody>
</table>

**important**

All existing employees who do not have family cover can no longer apply to participate in this insurance as they previously had a once off option to take out family insurance and to insure their parents. Only those members who have the basic family cover can add parents-in-law within 3 months of marriage. (The addition of parents is not allowed for current members.) New employees get a once off option at appointment.
The death and disability benefits of members who became members of the SSUF from 1 May 2011 are subject to the following proof free limits:

**Death benefits payable by the Sanlam Staff Umbrella Provident Fund and Group Life Insurance (including the lump sum disability benefit)**
- Combined proof free limit = R13 000 000

**Death benefit on your spouse’s life (optional)**
- R1 150 000

**Monthly income disability benefit**
- R105 000 pm (Including the 10.7% employer contributions to the Provident Fund and the member contribution of 7.5% to the Pension Fund).

New members who qualify for benefits that exceed the above amounts need to provide proof of good health for the amount that exceeds the proof free limits.

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**please note:**

**Recoupment of cost/contributions and tax effect:**

The cost of the Group Life Insurance and Family insurance are after-tax deductions from the member’s remuneration. The actual premium paid by each member for this insurance will be reflected on his/her pay slip. Because the insurance premiums are paid with after-tax money, the benefits payable, in accordance with current legislation, are tax-free.

The cost of death benefits provided for by the Provident Fund is recouped from the employer contribution. The actual cost recouped per member is reflected on each member’s individual benefit statement.

The employer’s contribution to the fund is the agreed percentage of your pensionable remuneration less the percentage payable for Income Care insurance.

In terms of the 2011 Taxation Laws Amendment Act premiums paid by the employer for the Income Care Insurance are taxed as a fringe benefit, but are then deemed as premiums paid by the employee and may be deducted before calculating tax on the employee’s remuneration.

As from 1 March 2012 the premium for the disability income benefit and tax deduction in respect thereof are reflected on each employee’s payslip. As stated on page 4, you will no longer enjoy a tax deduction as from 1 March 2015.
make sure you’re in control

Planning for your retirement is in your hands. Make sure you invest according to the retirement outcome you need.

Investment returns play an important role in helping you to save for your retirement. Selecting the best investment portfolio for your specific needs is therefore crucial. Here are a few guidelines.

selecting investment portfolios

The SSUF offer you a variety of risk-profiled investment portfolios to choose from when saving for your retirement, so you can select an investment portfolio suitable to your needs and circumstances.

An important risk to consider is insufficient growth in capital during your working life. An equity-rich portfolio is generally suitable until a few years before retirement. However, these portfolios may experience more fluctuation in value over time (volatility). If you want to invest more conservatively, you can expect lower investment returns.

Something else to take into account is the phrase ‘until you expect to retire’.

Generally people take a portion of their benefits in cash at retirement and invest the remainder in a pension. Your investment strategy will depend on what type of pension you wish to purchase and how much cash you’d like to withdraw.

Consider your personal comfort level with the potential investment risks when you making your investment decisions.
understanding investment risk

The SSUF’s investment risk is managed by professional asset managers who diversify investments between different asset classes.

Generally over longer periods of time higher returns are associated with higher risk and lower returns with lower risk. Higher risk is, however, by no means a guarantee of higher returns over the longer term.

making your choices

You can choose different investment portfolios for your fund value and future contributions. You may also change your choice at any time.

If you don’t have the expertise to make an appropriate investment choice or haven’t done an analysis of your financial needs, ask a financial adviser to assist you.

Alternatively, you can follow the default investment option provided by the SSUF. Although this option has been determined with the average member in mind, it shouldn’t be regarded as the ‘best’ investment choice for your specific circumstances.

DOs and DON’Ts of managing your investment

Basic rules to remember:

- DON’T try to play the market by switching regularly.
- DON’T get upset by market fluctuations over the short term.
- DON’T invest too conservatively over longer periods, especially if you are far from retirement.

DO monitor and review your investment with an accredited financial adviser.

DO invest according to the retirement outcome you require. You’re in control and can invest according to your needs – make the best of this opportunity!

DO seek to increase your contributions whenever you’re able to do so, even if it’s for a short period. The tax saving and growth on your fund will stand you in good stead when you retire and no longer receive a salary.
do you know what your options are if you get married, give birth to or adopt a child?

Getting married or welcoming a new child – whether by natural birth or adoption – is a momentous life event. And with these milestones, you also have options of increasing your Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and Group Life Insurance death cover or family funeral cover (subject to certain conditions).

To increase your life cover in these cases, you have three months from the date of the event to send the required option form and supporting documents to Human Resources (HR). If these aren’t submitted to HR within three months, the option will lapse and cannot be implemented.

the option form is available for:

- **Sanlam employees** on the Intranet at: “My Zone>Remuneration>Funds and other Insurance>Retirement Fund (SSUF) Communication and Documentation”;
- **SI cluster employees** on the “SI Portal>Human Resources>Retirement Funding and Risk Cover”;
- **Santam employees** at “Inside Out>Human Resources>Medical Aid and Retirement Fund>Sanlam Staff Umbrella Fund – Information Documents and Forms”
### Your options

<table>
<thead>
<tr>
<th>Event</th>
<th>Type of cover</th>
<th>SSUF</th>
<th>Group Life Insurance</th>
<th>Family cover</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marriage or birth/adoption of a child</strong></td>
<td>Death cover on your own life</td>
<td>If you’re younger than 55 you can increase your death cover, without proof of good health, by a multiple of 2 x annual pensionable remuneration (Pear) or up to the default cover level of your age group, whichever is greater</td>
<td>If you’re younger than 55 and enjoy 1 x Pear death cover, you may increase the cover to a maximum of 2 x Pear, without proof of good health.</td>
<td></td>
</tr>
<tr>
<td><strong>Marriage</strong></td>
<td>Death cover on your spouse’s life</td>
<td></td>
<td>You can take out cover on the life of your spouse equal to 1 x your Pear, without proof of your spouse’s good health.</td>
<td>You have the option of adding your parents-in-law to the insurance.</td>
</tr>
<tr>
<td><strong>Marriage</strong></td>
<td>Funeral cover</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
the benefits of using these options:

01. The cover can be increased without having to provide proof of good health.

02. The premium/price of the cover (group rate) is very competitive - in most instances cheaper than that of individual life insurance.

03. At death the cover is payable directly to your dependants and/or beneficiaries and not to your estate.
Retirement

Save now, take it easy later

We all know we’ll retire ‘one day’. Take time to review your plans at least once a year, to make sure you can retire in style.

When last did you review your retirement fund options? If you’re like 90% of us, you haven’t touched your plans since you joined the company. Sanlam’s research shows that we think of retirement as a very distant event, and on average we seek advice only 12 years before we actually retire.

You should develop a retirement strategy that fits into your overall financial plan. That will help you understand how certain actions or inaction during your employable years will affect your financial well-being at retirement.

The main point to keep in mind is that the sooner you establish how much income you want or need in retirement, what your retirement savings are now, and when you want to retire, the better chance you will have of putting in place a suitable plan to achieve your desired retirement goals.

take time to plan, because none of us wants:

- to work for longer than you anticipated
- live off an almost non-existent government pension
- to get support from your children.
what you should do

Take time at least once a year to ensure that your planning for retirement and possible death or disability is aligned to your and your family’s needs.

Follow these steps:

01  Step 1: Study your fund benefit statement and make sure you understand it. If not, ask an accredited financial adviser for help.

02  Step 2: Draw up a proper budget of your expected expenses after retirement. Take into account for example:

• medical costs, including the increased likelihood of possible major medical procedures and escalation in your medical aid premium
• cost of frail care
• home maintenance
• rates and taxes
• capital expenditure on items such as cars and appliances.

03  Step 3: Discuss the benefit statement with your partner and financial adviser and do proper financial planning for retirement. Take into account:

• all your savings for retirement
• your need for death cover
• your liabilities, such as a mortgage bond
• your spouse’s financial position
• any dependants you may have
• your required income after retirement.

04  Step 4: Determine your shortfall at retirement by using the member service tool at www.retirementfundweb.co.za.

05  Step 5: Put an action plan in place to fund any shortcomings in retirement savings or life cover you may have found.
to save for retirement, follow these three simple steps:

01 Increase your fund contributions to the maximum amount you can afford.

02 Make sure your selected investment portfolios match your risk appetite and take into account the number of years left until you retire.

03 Don’t cash in your retirement savings when you change jobs.
<table>
<thead>
<tr>
<th>Date/event</th>
<th>What can you do</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of January – special bonus flex event</td>
<td>Decide what percentage of your bonus must be pensionable (i.e. calculate your contributions to the fund to increase your retirement savings).</td>
</tr>
<tr>
<td>End of April – annual flex event</td>
<td>You have the following choices:</td>
</tr>
<tr>
<td></td>
<td>• To increase or reduce your death cover under the fund</td>
</tr>
<tr>
<td></td>
<td>• Reduce your group life cover</td>
</tr>
<tr>
<td></td>
<td>• Take out spouse's cover or cancel your existing spouse's cover</td>
</tr>
<tr>
<td></td>
<td>• Increase or reduce your fund contributions.</td>
</tr>
<tr>
<td>September</td>
<td>The annual benefit statements will be available – make sure your financial planning is up to date.</td>
</tr>
<tr>
<td>When you get married or a child of yours is born or you adopt a child</td>
<td>Within <strong>three months</strong> of the event you have the option to increase the death cover on your own life.</td>
</tr>
<tr>
<td>At termination of service</td>
<td>Consult your financial adviser about the preservation of your fund benefit.</td>
</tr>
<tr>
<td>At any stage</td>
<td>You can change your selection of investment portfolios at any stage. Only one change per calendar year is free of charge.</td>
</tr>
</tbody>
</table>
do retirement funds really offer value?

Your contributions to the SSUF and other retirement funds are deductible from your taxable income, which means you pay less tax on your remuneration.

People often wonder whether it is necessary to contribute some of their hard-earned money to a retirement fund, which is not accessible until they retire. Not only is it necessary, it is to your advantage. Here’s why ...

Although there are various benefits to having a retirement fund, the greatest value for members of the SSUF and other retirement funds is the financial security it provides after retirement, provided that you make adequate contributions to the fund.

In terms of the conditions of the Income Tax Act, membership of an employer’s retirement fund is compulsory for all permanent employees in order to qualify for tax approval and, considering the benefits, such membership is a blessing in disguise.

Many other savings mediums can be encashed at any time – for example, when you surrender a policy or sell unit trusts – but you don’t have access to your retirement fund money before retirement. This means your fund value has time to grow to eventually provide for you after retirement.

The great thing about the SSUF is that it complies with tax legislation, which allows for maximum (untaxed) growth.

Members’ contributions are tax-deductible; the investment growth of the fund is not taxable and even if you change the underlying portfolios of your SSUF savings, you will not pay capital gains tax on any profit accumulated on your retirement portfolios!
more reasons why the SSUF offers good value for money:

01 The death and disability benefit requires less underwriting, which saves costs. Its premium rates are also based on group rates, which are usually significantly lower than the premium rates on individual policies.

02 The SSUF’s administration cost is based on a large number of members, which may reduce the costs allotted to each member, making more money available for your retirement savings. Furthermore, Sanlam as the employer pays the administration fees for Sanlam employees who are SSUF members, therefore increasing your savings even more.

03 Members’ contributions to the SSUF and other retirement funds are deductible from taxable income up to a certain maximum limit. For example, if you earn R10 000 per month and contribute R1 700 per month to the SSUF, your taxable salary will be reduced by R1 700 per month. This means you pay less tax and your take-home pay is greater than it would have been if you saved in a different investment vehicle. If your SSUF contributions are not on the maximum allowable deductions yet, you can increase them to ensure you contribute in the most tax-efficient manner, without incurring an additional administrative fee.

04 A wide range of investment options are available that are monitored by industry experts to ensure you earn a competitive return (that is tax free) on your investment within the SSUF. Investment fees are minimised and, with the exception of Glacier and Sanlam Personal Wealth’s specialist options, no commission is payable to a third party.
Getting through a divorce is one of the hardest of life's challenges. On top of your emotional turmoil, you may also have some financial confusion. To help you with the latter, here is how dissolving your marriage will affect your Sanlam Staff Umbrella Pension and Provident Funds (SSUF) benefits.

Divorce typically involves the splitting up of assets – and this may include your pension benefit. According to the Divorce Act, as an SSUF member your former spouse may be entitled to a portion of your pension interest*.

However, you would not be required to pay your ex-spouse from your SSUF membership if you were married out of community of property on or after 1 November 1984, and the antenuptial contract excludes community of property, community of profit and loss and the accrual system.

* Your pension interest is the benefits you’d be entitled to if your membership was terminated on the date of the divorce.
what is the process after divorce?

Once your divorce is finalised, you (the member) and/or your ex-spouse need to submit certified copies of the following documents to the SSUF via HRSS:

- divorce order and settlement agreement
- marriage certificate
- antenuptial contract (if married out of community of property on or after 1 November 1984) or written confirmation by the parties as to the matrimonial property regime if an antenuptial contract is not available.

**What are the requirements of the divorce order?**

The SSUF can pay your former spouse only if the divorce order strictly complies with the following requirements:

- The registered names of the SSUF i.e. Sanlam Staff Umbrella Pension Fund and Sanlam Staff Umbrella Provident Fund must be specified.
- The portion of the pension interest awarded to the ex-spouse must be clear – either expressed as a percentage or a rand value of the pension interest – and not exceed 100% of the pension interest.
- The SSUF must explicitly be ordered to pay the agreed portion to the ex-spouse or transfer it to another fund according to his/her choice.

If the documents submitted to the SSUF via HRSS do not comply with the divorce order requirements mentioned above then you’d need an amended divorce order. In such a case you’d then have to resubmit the above-mentioned documents to the SSUF along with the following:

- the application papers (each page stamped by the court)
- variation order (each page stamped by the court).

**Words matter**

The wording of the divorce order is very important – if it is not legally correct, an amended order needs to be obtained from the court. To make sure you have the correct wording, you can get a draft wording from the principal officer by sending an e-mail to Chrisna.swart@sanlam.co.za

**Tax implications**

For divorces on or after 13 September 2007, the amount is taxable in the hands of the member’s ex-spouse. If the amount is transferred to another approved retirement fund, the transfer is tax-free (except in the case of a transfer from a pension to a provident fund).

**Cover on the life of your ex-spouse**

Members are once again reminded that the option to retain the death cover on the life of their ex-spouse must be submitted to HRSS within 3 months of the divorce.
The Retirement Fund Web function offers members direct access to their retirement fund information.

For a member to obtain his/her username and password, he/she must send an e-mail with his/her name and surname, pay code and identity number to: retirementfundweb@sanlam.co.za

The guide containing step-by-step instructions on how to access the web, is available for:

- **Sanlam employees** on the Intranet at: “My Zone>Remuneration>Funds and other Insurance>Retirement Fund (SSUF) Communication and Documentation”;
- **SI cluster employees** on the “SI Portal>Human Resources>Retirement Funding and Risk Cover”;
- **Santam employees** at “Inside Out>Human Resources>Medical Aid and Retirement Fund>Sanlam Staff Umbrella Fund - Information Documents and Forms”.
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 for:

- **Sanlam employees** on the Intranet at: “My Zone>Remuneration>Funds and other Insurance>Retirement Fund (SSUF) Communication and Documentation”;
- **SI cluster employees** on the “SI Portal>Human Resources>Retirement Funding and Risk Cover”;
- **Santam employees** at “Inside Out>Human Resources>Medical Aid and Retirement Fund>Sanlam Staff Umbrella Fund – Information Documents and Forms”
fund information and other queries

comprehensive fund information is available for:

- **Sanlam employees** on the Intranet at: “My Zone>Remuneration>Funds and other Insurance>Retirement Fund (SSUF) Communication and Documentation”;

- **SI cluster employees** on the “SI Portal>Human Resources>Retirement Funding and Risk Cover”;

- **Santam employees** at “Inside Out>Human Resources>Medical Aid and Retirement Fund>Sanlam Staff Umbrella Fund - Information Documents and Forms”

Members can access their fund benefits and related information via the Retirement Fund Web facility 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.

Please refer to the Web-user manual for step-by-step instructions on how to access the Web and for details about the facilities and information available.

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 contribution rates

1.1 Pension Fund – Member contributions
   Minimum rate = 5 % of PEAR
   Choice to increase in increments of 0.5 %.
   Default = 7.5 % (This is also the maximum rate)

1.2 Provident Fund – Employer contributions
   Minimum rate: 7.5 % of PEAR
   Choice to increase in increments of 0.5 %.
   Maximum rate: 20 %
   Default: 10 %
1.1 Retirement Age (NRA)

Normal retirement age is as contracted between the member (employee) and the employer, and could be any age between 60 and 65 years.

1.2 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, other than a member as referred to above, 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 who 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.

1.3 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 his/her normal retirement date. Members who retire prior to age 55 should note the tax implications of doing so.

1.4 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 is 70 years. A member who remains a member of the SSUF after NRD does not qualify for the lump sum assured death or disability benefit after attaining his/her NRD (Fund or GLA).

The conversion option for life cover will be available to the member on normal retirement date.

1.5 Retirement Benefit

• **Pension Fund** – Member’s full fund value is payable. Maximum can be taken as a cash lump sum. Balance to be paid as a pension.

• **Provident Fund** – Member’s full fund value is payable. Up to 100 % can be taken as a cash lump sum (the position will change from 1 March 2015).
03 termination of membership

The benefit payable at resignation, retrenchment or dismissal

1.1 Pension Fund – Member’s full fund value

1.2 Provident Fund – Member’s full fund value

Can be transferred to another approved fund or taken in cash.
04 Death benefits

1.1 Pension Fund:
- Member’s full fund value

1.2 Provident Fund:
- Member’s full fund value; plus
- Assured lump sum benefit according to the following table (only payable in case of death before normal retirement date while active in service)

<table>
<thead>
<tr>
<th>Age band</th>
<th>Default cover Multiple of Pear</th>
<th>Maximum cover Multiple of Pear</th>
<th>Rate per R1000 cover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 26 years</td>
<td>5</td>
<td>11</td>
<td>R0.167</td>
</tr>
<tr>
<td>26 – 30 years</td>
<td>7</td>
<td>13</td>
<td>R0.119</td>
</tr>
<tr>
<td>31 – 35 years</td>
<td>7</td>
<td>12</td>
<td>R0.119</td>
</tr>
<tr>
<td>36 – 40 years</td>
<td>6</td>
<td>10</td>
<td>R0.139</td>
</tr>
<tr>
<td>41 – 45 years</td>
<td>6</td>
<td>8</td>
<td>R0.139</td>
</tr>
<tr>
<td>46 – 50 years</td>
<td>5</td>
<td>7</td>
<td>R0.167</td>
</tr>
<tr>
<td>51 – 55 years</td>
<td>5</td>
<td>6</td>
<td>R0.167</td>
</tr>
<tr>
<td>56 years and older</td>
<td>4</td>
<td>6</td>
<td>R0.208</td>
</tr>
</tbody>
</table>

Costs:
- 1.0 % x Pear for the default benefit (average rate)
- Members with only cover for unnatural causes pay 35 % of normal rates
important notes:

• The age above reflects the member’s current age and not the age at which membership commenced.

• At inception members qualify for the default cover according to their age category.

• The cover level of members to whom the default applies will be adjusted annually according to the default of their age band.

• New members have the option at appointment to increase the default cover level up to the maximum level. However, any increase in excess of 1 x PEAR of the default, in the case of members younger than 55 years, will be subject to proof of good health.

• Members 55 years and older at appointment must provide proof of good health for any increase in cover above the default cover level. Also take note of the proof free limits and the application thereof. Any cover amount in excess of the proof free limits is subject to proof of good health.

• The opted cover level of a member will be kept unchanged as the member ages, but will always be subject to the maximum of his/her age band.

• Annually on 1 May, members will be given the option to adjust their cover level up to the maximum level. Any increase will be subject to proof of good health. The additional cost for any increase in the death benefits will reduce the member’s retirement savings accordingly.

• Annually (1 May) and at inception date a member can choose a cover level less than the default. The saving in the cost of death benefits will be applied for retirement benefits.

Members younger than 55 years will have the option within three months after getting married or if a child of theirs is born or if they adopt a child to increase the cover up to the default or by two times, whichever is the greatest (but not more than the maximum level), in multiples of 0.5. Such an increase will not be subject to proof of good health.

• Proof free limits

• Combined for Provident Fund and Group Life:
  • R13 million.

• General conditions

  • All current limitations, exclusions and loadings applicable to members appointed before 1 May 2011 will still be applicable to any increased or decreased cover.

  • Increases or decreases of cover can be done in multiples of 0.5 x salary. Members may elect to have no cover in the event that their fund value exceeds 1 x annual pensionable remuneration.

  • Any increase in the cover will result in a decrease of the member’s saving contribution for retirement benefits. Likewise will any decrease of cover result in an increase in the member’s savings contribution for retirement benefits.

  • Members 55 years and older must always provide proof of good health for any increase in cover.

  • A conversion option is available to members who terminate employment if they do so before normal retirement age.
4.3 Group Life Insurance – Death benefit and lump sum disability

- Default/maximum cover level = 2 x PEAR
  Minimum cover level = 1 x PEAR
- Existing members with a cover level higher than 2 x PEAR will retain their current level.

**Costs:** R0.264 per R1 000 cover.
- The maximum cost in respect of members with limited cover for natural causes and full cover for unnatural causes = R410.00 pm.

**important notes:**
- Members have an option at inception to choose a lower level (1 time).
- Members also have an option annually on 1 May to choose a lower level.
- Members younger than 55 years, who opted for 1 time cover can, increase it to 2 times within three months of marriage or birth or adoption of a child. Such an increase will not be subject to proof of good health.
- Existing members (appointed before 1 May 2011) retain the option to increase cover at divorce, promotion and death of a spouse, but with proof of good health.
- A conversion option is available for death benefits only, not for the lump sum disability benefit.
spouses’s assurance

Death cover for spouses is not compulsory.
Maximum age of spouse to qualify: 70 years
Continuation and/or conversion option is available on cessation of cover.
Maximum cover = 1 x PEAR
Existing members who have spouse’s cover of 2 x PEAR will retain the cover.

Proof free limit = R1 150 000 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

Costs: R0.236 per R1 000 cover

The following options are available without proof of good health, but subject to the proof free limit:
- New employees get a once off choice at appointment for death cover on their spouse's life.
- Existing members get a choice within three months of marriage.

Cover for de facto spouses
- A registration form will need to be completed and the application approved before cover commences.
- Medical proof of good health is a requirement.

Annual option with proof of good health
Members will annually be granted the option to take out spouse’s cover. Such an option will be subject to proof of good health.
As from 1 May 2011 trauma insurance is compulsory for all new employees.

No proof of good health is required.

- Cover = 1 x PEAR
- Maximum cover = R1 100 000

When the maximum cover limit increases, the cover of existing members will increase accordingly to 1 x PEAR subject to the new maximum.

No conversion option is available on termination of employment.

**Costs:** R0.286 per R1 000 cover
income disability benefit

The basic benefit of 75 % of TGP is payable after a 3 month waiting period.

A top-up benefit, payable for certain conditions, is a maximum of 25 % of TGP less the member contribution waiver of 7.5 %.

The employer contribution waiver = 10.7 % of PEAR after 3 month waiting period. (Premiums to Provident Fund)

Member contribution waiver = 7.5 % of PEAR after 3 month waiting period. (Premiums to Pension Fund)

An annual ad hoc increase applies, subject to minimum of 2 %.

Proof free limit = R105 000 pm for cover granted on or after 1 May 2011

= R165 000 pm for cover granted before 1 May 2011

Costs: 1.017 % x TGP

Minimum benefit = R29 000 pa
(The minimum benefit applies as from 1 December 2009 and the amount is reviewed annually)

Maximum cost for minimum benefit: R190 pm

A conversion option is available.
family cover – optional benefit

• Employees have a once off option on appointment to participate in this insurance and add their parents and parents-in-law. (Maximum age for parents to join is 79 years.)

• Parents-in-law can also be added within 3 months of the insured’s marriage.

• The waiting period for parents is six months if death is due to natural causes.

• Members cannot have a combination of Option 1 and Option 2 cover. If Option 2 is selected it will be applicable to the basic benefit as well as the cover of the parents and additional spouses who are insured. (Certain conditions apply.)
### Benefits payable at death and premiums

<table>
<thead>
<tr>
<th>Family member on whom benefit is applicable</th>
<th>Option 1 (current cover)</th>
<th>Option 2 (increased cover)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>• Basic benefit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Principal member</td>
<td>R25 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>- Qualifying Spouse</td>
<td>R25 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>- Qualifying child aged 14 and over</td>
<td>R25 000</td>
<td>R50 000</td>
</tr>
<tr>
<td>- Qualifying child aged 6 and over but younger than 14</td>
<td>R13 750</td>
<td>R27 500</td>
</tr>
<tr>
<td>- Qualifying child younger than age 6 and/or still-born child</td>
<td>R 9 125</td>
<td>R10 000</td>
</tr>
<tr>
<td><strong>• Additional spouses (ex-spouse in case of divorce)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R25 000</td>
<td>R50 000</td>
</tr>
<tr>
<td><strong>• Legal Parents or parents-in-law</strong></td>
<td>R  5 500</td>
<td>R11 000</td>
</tr>
</tbody>
</table>

### Monthly premiums

<table>
<thead>
<tr>
<th>Family member on whom benefit is applicable</th>
<th>Monthly premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>• Basic benefit</strong></td>
<td>R  8.75 per parent</td>
</tr>
<tr>
<td><strong>• Additional spouse</strong></td>
<td>R  4.00 per spouse</td>
</tr>
<tr>
<td><strong>• Parent cover</strong></td>
<td>R22.50 per parent</td>
</tr>
</tbody>
</table>