Sanlam

Sanlam Staff Umbrella Pension and Provident Funds (SSUF) and Sanlam Umbrella Provident Fund (SUF): Sanlam Group

# Annual report to members for the period 1 April 2022 to 31 March 2023

***(Including detail of subsequent events up to 1 July 2023)***

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Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

# Contents


01 Introduction CLICK HERE

02 Board of trustees of Sanlam Umbrella Provident Fund (SUF) CLICK HERE

03 Joint Forum (JF) of Sanlam Umbrella Provident Fund: Sanlam Group CLICK HERE

04 Member Statistics CLICK HERE

05 SSUF Rule amendments for the period 1 April 2022 to 31 March 2023 CLICK HERE

06 Migration from Sanlam Staff Umbrella Pension and Provident Funds (SSUF) to Sanlam Umbrella Provident Fund (SUF) CLICK HERE

07 Investments CLICK HERE

# Contents


08 Revised Risk Premium Rates from 1 May 2023 CLICK HERE

09 Nominating beneficiaries for the benefits payable upon your death CLICK HERE

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

11 Early access to retirement benefits (the Two-pot system) – update CLICK HERE

12 Sanlam Retirement Fund Web and Sanlam App – access to your retirement fund CLICK HERE

13 Fund information and other queries CLICK HERE

Sanlam Umbrella Provident Fund (SUF): Sanlam Group and Related Group Life Insurance Summary of contributions and benefits CLICK HERE

# 1. Introduction

We are living in an on-going changing environment and face uncertainties in our health, wealth, family and security, which can be daunting. The future of retirement is also changing, and it is critical that you stay ahead of the curve to make confident choices, whatever life stage you're in. It is the power of our choices that allows us to steer our destinies.

We are pleased to confirm that the migration of bulk of the members of the Sanlam Staff Umbrella Pension and Provident Fund (SSUF) to the Sanlam Umbrella Provident Fund (SUF), was successfully completed on 1 December 2022.

In this report we also provide you with an update on the proposals for a "Two-pot" system, which will bring significant changes to the retirement fund industry.

Your retirement fund and 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 your fund 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.

**Please visit the communication website of the retirement fund (https://www.sanlam.co.za/campaigns/myretirementfund/pages/default.aspx/) for more comprehensive information on the different fund choices and related group life benefits.**

2.

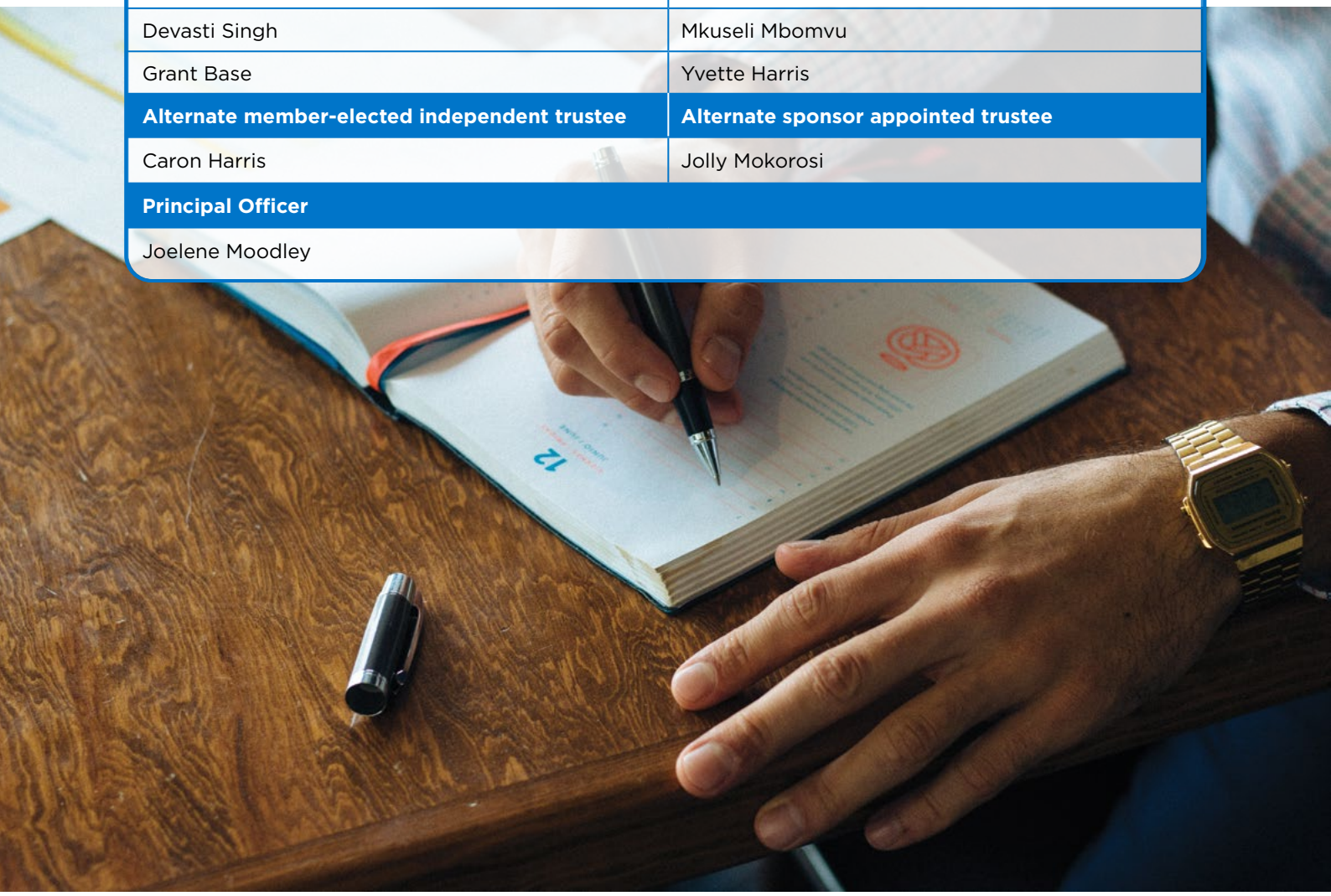
# Board of Trustees of Sanlam Umbrella Provident Fund (SUF)

An umbrella fund is a retirement fund in which many employers and their employees participate in order to derive benefit from economies of scale. The Board of Trustees of the umbrella fund is responsible for the ongoing management and control of the Fund.

The Sanlam Umbrella Provident Fund is managed by a Board of six (6) trustees, 50% (3) of whom are appointed by Sanlam Limited as the sponsor of the SUF and 50% (3) of whom are elected by the member representatives from a panel of professional trustees independent of Sanlam. Elected trustees are appointed for a 3-year period, that may be extended to 5 years.

**The current Board of Trustees are:**

| Member elected independent trustees | Sponsor appointed trustee |
|---|---|
| Cheryl Mestern | David Gluckman – Chairman of the Board |
| Devasti Singh | Mkuseli Mbomvu |
| Grant Base | Yvette Harris |
| **Alternate member-elected independent trustee** | **Alternate sponsor appointed trustee** |
| Caron Harris | Jolly Mokorosi |
| **Principal Officer** | |
| Joelene Moodley | |



3.

# Joint Forum (JF) of Sanlam Umbrella Provident Fund: Sanlam Group

Each participating employer in the Sanlam Umbrella Provident Fund has a management committee, called a Joint Forum (JF), which is established to represent the interests of the members in the service of that participating employer. The JF facilitates the process of consultation and decision making between the participating employer and its employees in respect of their group retirement benefits.

The JF consists of ten Joint Forum Members, 50% (5) of whom are appointed by the participating employer, Sanlam Limited, and 50% (5) are elected by the employees in the Sanlam Group. The number of Joint Forum Members that may be elected from one or more employers will be determined from time to time by the participating employer after consultation with the chief executives of the different employers.

**The Joint Form Members and alternates elected by the members as at 31 March 2023 are:**

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

**The Joint Forum Members and alternates appointed by the employer as at 31 March 2023 are:**

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

# 4.
# Member Statistics

| Members | SSUF | | | SUF: Sanlam Group |
|---|---|---|---|---|
| | 1 April 2021 | 1 April 2022 | 1 April 2023 | 1 April 2023 |
| Active | 13 289 | 13 459 | 117 | 13 865 |
| Permanent Occupationally disabled | 97 | 101 | 1 | 99 |
| Paid-up | 422 | 554 | 568 | 190 |
| Postponed retirees | 54 | 65 | 35 | 12 |
| In-Fund Living Annuitants | 19 | 20 | 21 | 4 |

# 5. SSUF Rule Amendments for the period

## 1 April 2022 to 31 March 2023

### Amendment date: 1 July 2022 (Provident Fund only)

From 1 July 2022 membership of the Sanlam Staff Umbrella Fund was closed to new employees and all new employees thereafter were to become members of the Sanlam Umbrella Provident Fund with effect from that date.

### Amendment date: 1 May 2023

To allow for the balance in a living annuitant's living annuity account to be transferred to the living annuity account of another retirement fund in which the employer participates.

# 6. Migration from Sanlam Staff Umbrella Pension and Provident Funds (SSUF) to Sanlam Umbrella Provident Fund (SUF)

The Sanlam Group as employer (Sanlam Limited and all its subsidiaries and associated institutions) became a participating employer within the commercial Sanlam Umbrella Provident Fund (SUF) from 1 July 2022. A set of Special Rules were registered with the Financial Sector Conduct Authority (FSCA) for the Sanlam Group. All permanent office staff in the Sanlam Group appointed on or after 1 July 2022, were to become members of the SUF.

The Board of Trustees of the SSUF agreed to the request by the employer to transfer the members of SSUF to SUF. The necessary documentation in this regard was submitted and registered with the FSCA in October 2022. On 1 December 2022, the bulk of the members (including active contributing and paid-up members) in SSUF were transferred to SUF via a Section 14 process. The member shares of these members in SSUF were paid to the SUF. Transfer certificates were issued by SUF

and loaded on myWorkSpace / SAP Employee Self Service / Remuneration / SUF Benefit. No income or capital gains tax was payable on the member shares as a result of the transfers.

Other member groups (in-fund living annuitants and remaining paid-up members) are scheduled to be transferred during August 2023.

All contributions and benefits for transferring members remained materially the same on transfer to the SUF. The same in-fund insured death benefit is provided by SUF, with no difference in the benefit structure. The Income Care, Critical Illness, Family (funeral) and Group Life Cover, which are provided via insurance policies issued to the Employer (commonly referred to as unapproved insured benefits) were unaffected by the transfer and everything related to those insurance arrangements remained unchanged. None of the policy conditions were affected by the transfer from SSUF to SUF, for example, the conditions around the conversion options and the free cover limits remained unchanged.

All investment portfolios available via the investment menu of the SSUF remained available and unchanged as investment options under SUF, at the same investment fees at the time of the transfer. Investment switches are allowed in SUF at any time, as many times per annum at no cost. The Sanlam Lifestage strategy remained as the default investment strategy.

You can access your personal information and latest benefit statement on the member portal or App. Click here to access the member portal.

Being a member of SUF offers benefits such as access to the latest communication on retirement fund developments and other information which will educate you on all aspects related to your retirement, enabling you to make informed decisions about your retirement planning and savings.

## Value added benefits offered by SUF: Sanlam Group via the Retirement Fund Web

**Free Will drafting**

**Free Sanlam Virtual Doctor**

**Credit management app**

# 7. Investments

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

| Investment Portfolios | 1 April 2023 |
|---|---|
| SIM Enhanced Cash | 1.57% |
| Monthly Bonus | 1.15% |
| Stable Bonus | 6.08% |
| SIM Moderate Absolute | 2.12% |
| SIM Moderate | 4.12% |
| SMM NUR Balanced | 1.15% |
| Allan Gray Global Balanced | 16.81% |
| Coronation Managed | 11.83% |
| SIM Aggressive | 6.60% |
| Satrix High Equity Balanced | 1.46% |
| SIM Reg28 Property Equity Fund | 0.15% |
| Glacier Option | 32.85% |
| Sanlam LifeStage Strategy | |
| - Accumulation Portfolio | 12.84% |
| - Capital Protection Portfolio | 1.28% |
| **Total** | **100.00%** |

## 7.2 Investment performances of the Funds' various investment portfolios as at 1 April 2023. (See note 1):

### Sanlam Umbrella Provident Fund: Sanlam Group

**Return (net of fees and tax) over the period stated below, ended on 1 April 2023**

| Period | | SIM Reg 28 Property Equity Fund | Allan Gray Life Global Balanced | Coronation Managed Portfolio | Satrix High Equity Balanced Fund |
|---|---|---|---|---|---|
| 3 months | over the period | 1.48% | 4.16% | 4.42% | 3.91% |
| 6 months | over the period | 10.99% | 12.26% | 13.96% | 12.43% |
| 9 months | over the period | 8.31% | 12.49% | 14.96% | 10.21% |
| 12 months | over the period | 0.92% | 10.30% | 7.49% | 3.51% |
| 24 months | annualised | 7.65% | 11.22% | 9.64% | 8.54% |
| 36 months | annualised | 16.25% | 17.62% | 20.95% | 18.38% |
| 60 months | annualised | - | 8.63% | 9.50% | - |
| 120 months | annualised | - | 9.03% | 9.57% | - |
| Since inception | over the period | 19.30% | 1675.70% | 1322.13% | 38.01% |
| Since inception | annualised | 5.73% | 14.44% | 13.25% | 6.77% |
| Inception date | | 01/02/2020 | 01/12/2001 | 01/12/2001 | 01/05/2018 |
| Maximum drawdown | Over last 5 years | n/a | 14.83% | 19.17% | n/a |
| Average monthly drawdown | Over last 5 years | n/a | 2.22% | 2.64% | n/a |
| TER | as at 30 June 2022 | 1.07% | 0.53% | 0.80% | 0.30% |

| Period | | SIM Aggressive Portfolio | SIM Moderate Portfolio | SIM Moderate Absolute Fund | SMM NUR Balanced Fund |
|---|---|---|---|---|---|
| 3 months | over the period | 3.29% | 3.13% | 3.85% | 3.38% |
| 6 months | over the period | 12.95% | 11.59% | 9.42% | 7.86% |
| 9 months | over the period | 10.87% | 10.13% | 9.68% | 8.09% |
| 12 months | over the period | 4.39% | 4.54% | 6.39% | 2.03% |
| 24 months | annualised | 7.95% | 7.96% | 7.57% | 7.39% |
| 36 months | annualised | 16.10% | 14.48% | 10.15% | 15.68% |
| 60 months | annualised | 8.23% | 6.98% | 8.02% | 8.58% |
| 120 months | annualised | 9.30% | 8.53% | 8.61% | - |
| Since inception | over the period | 992.12% | 1321.21% | 530.03% | 83.00% |
| Since inception | annualised | 11.34% | 10.75% | 10.08% | 6.75% |
| Inception date | | 01/01/2001 | 01/04/1997 | 01/02/2004 | 01/01/2014 |
| Maximum drawdown | Over last 5 years | 18.57% | 17.06% | n/a | 13.28% |
| Average monthly drawdown | Over last 5 years | 2.45% | 1.96% | n/a | 1.73% |
| TER | as at 30 June 2022 | 0.47% | 0.41% | 0.50% | 0.98% |

## Sanlam Staff Umbrella Pension Fund *Continued*

### Return (net of fees and tax) over the period stated below, ended on 1 April 2023

| Period | | Sanlam Accumulation Portfolio | Sanlam Capital Protection Portfolio | Sanlam Stable Bonus Portfolio | Sanlam Monthly Bonus Fund |
|---|---|---|---|---|---|
| 3 months | over the period | 4.42% | 2.28% | 2.31% | 2.17% |
| 6 months | over the period | 13.29% | 3.58% | 3.65% | 3.24% |
| 9 months | over the period | 11.01% | 4.86% | 4.94% | 4.45% |
| 12 months | over the period | 4.29% | 6.45% | 6.56% | 5.96% |
| 24 months | annualised | 7.99% | 6.97% | 7.09% | 6.72% |
| 36 months | annualised | 17.45% | 6.52% | 6.63% | 6.22% |
| 60 months | annualised | 8.05% | 6.61% | 6.72% | 6.18% |
| 120 months | annualised | 8.54% | - | 9.45% | 8.74% |
| Since inception | over the period | 207.97% | 72.96% | 776.69% | 608.26% |
| Since inception | annualised | 9.90% | 7.24% | 11.47% | 10.28% |
| Inception date | | 01/05/2011 | 01/06/2015 | 01/04/2003 | 01/04/2003 |
| Maximum drawdown | Over last 5 years | 18.87% | n/a | n/a | n/a |
| Average monthly drawdown | Over last 5 years | 2.70% | n/a | n/a | n/a |
| TER | as at 30 June 2022 | 0.91% | 1.35% | 1.25% | 2.00% |

| Period | | SIM Enhanced Cash Fund |
|---|---|---|
| 3 months | over the period | 2.05% |
| 6 months | over the period | 4.29% |
| 9 months | over the period | 5.81% |
| 12 months | over the period | 7.12% |
| 24 months | annualised | 5.94% |
| 36 months | annualised | 5.87% |
| 60 months | annualised | 6.87% |
| 120 months | annualised | 6.95% |
| Since inception | over the period | 637.09% |
| Since inception | annualised | 7.99% |
| Inception date | | 01/04/1997 |
| Maximum drawdown | Over last 5 years | n/a |
| Average monthly drawdown | Over last 5 years | n/a |
| TER | as at 30 June 2022 | 0.15% |

## Please note:

1. For the latest returns, please visit the retirement fund 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 are 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 April 2023 (for example) is actually the investment data as at 30 March 2023.
4. The Allan Gray Global Balanced portfolio is available to members since 1 June 2015. The monthly returns before this date are those of the Allan Gray Domestic Balanced portfolio.
5. The Sanlam Accumulation portfolio was opened on 1 June 2015. The monthly returns before this date are those of the Simeka Lifestage Accumulation portfolio.
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.

# 8.
# Revised Risk Premium Rates from 1 May 2023

The death and other risk benefit premium rates applicable to SUF: Sanlam Group members are revised annually by the insurer based, amongst others, on the claims experience over the past 5 years. Over the past 12 months to December 2022, the number of death claims decreased when compared to the preceding two years (for employees and their family members). This improvement has allowed the insurer to reduce the premium rates for all mortality benefits, while the funeral benefit has been enhanced in lieu of decreasing the premium rate.

Effective 1 May 2023 differentiated premium rates between vaccinated and unvaccinated employees was abolished and a single rate approach apply for the In-Fund and Group Life cover on the member's (employee) own life and spouse's life for the Sanlam Group employees.

Part of the smoothing reserves which have been created in 2022, have been utilised to subsidise the theoretically calculated premium rates, resulting in lower overall premium rates.

**The revised premium rates effective 1 May 2023 are set out below:**

## 01 Sanlam Umbrella Provident Fund (SUF) Participating Employer: Sanlam Group (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.

The rates are set out in the table:

| Age band | Rates from 1 May 2023 |
|---|---|
| Younger than 26 years | R0.173 |
| 26 – 30 years | R0.129 |
| 31 – 35 years | R0.135 |
| 36 – 40 years | R0.150 |
| 41 – 45 years | R0.157 |
| 46 – 50 years | R0.180 |
| 51 – 55 years | R0.180 |
| 56 years and older | R0.225 |

The combined proof free limit for Group Life Insurance and SUF: Sanlam Group death benefits on the member's life is R17m.

# 02 Family/Funeral Insurance

The lump sum benefits payable are indicated below:

| | Option 1 | Option 2 |
|---|---|---|
| Principal member | R35 000 | R70 000 |
| Qualifying spouse | R35 000 | R70 000 |
| Qualifying children of 14 years and older | R35 000 | R70 000 |
| Qualifying children of 6 years and older, but younger than 14 years | R19 250 | R38 500 |
| 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/funeral insurance are:

| | Option 1 | Option 2 | Additional parent cover |
|---|---|---|---|
| Monthly premium for basic benefit applicable to principal member, spouse and children | R11.40 | R22.75 | - |
| Monthly premium per parent, per month | R29.25 | R58.50 | R52.00 |
| Monthly premium for additional spouse | R5.20 | R10.40 | - |

# 03 Income Care Insurance

The annual rate payable for the income disability benefit is 0.648 % of Total Guaranteed Package.

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

## 04 Critical Illness

The rates for critical illness insurance are as follows:

- **Standard cover option:** The rate per month is R0.266 per R1 000 cover;
- **Comprehensive cover option:** The rate per month is R0.426 per R1 000 cover.

The maximum allowable cover (as well as the proof free limit) is R1.5 million.

## 05 Group Life Insurance

- **Cover on the member's life and lumpsum disability benefit:**

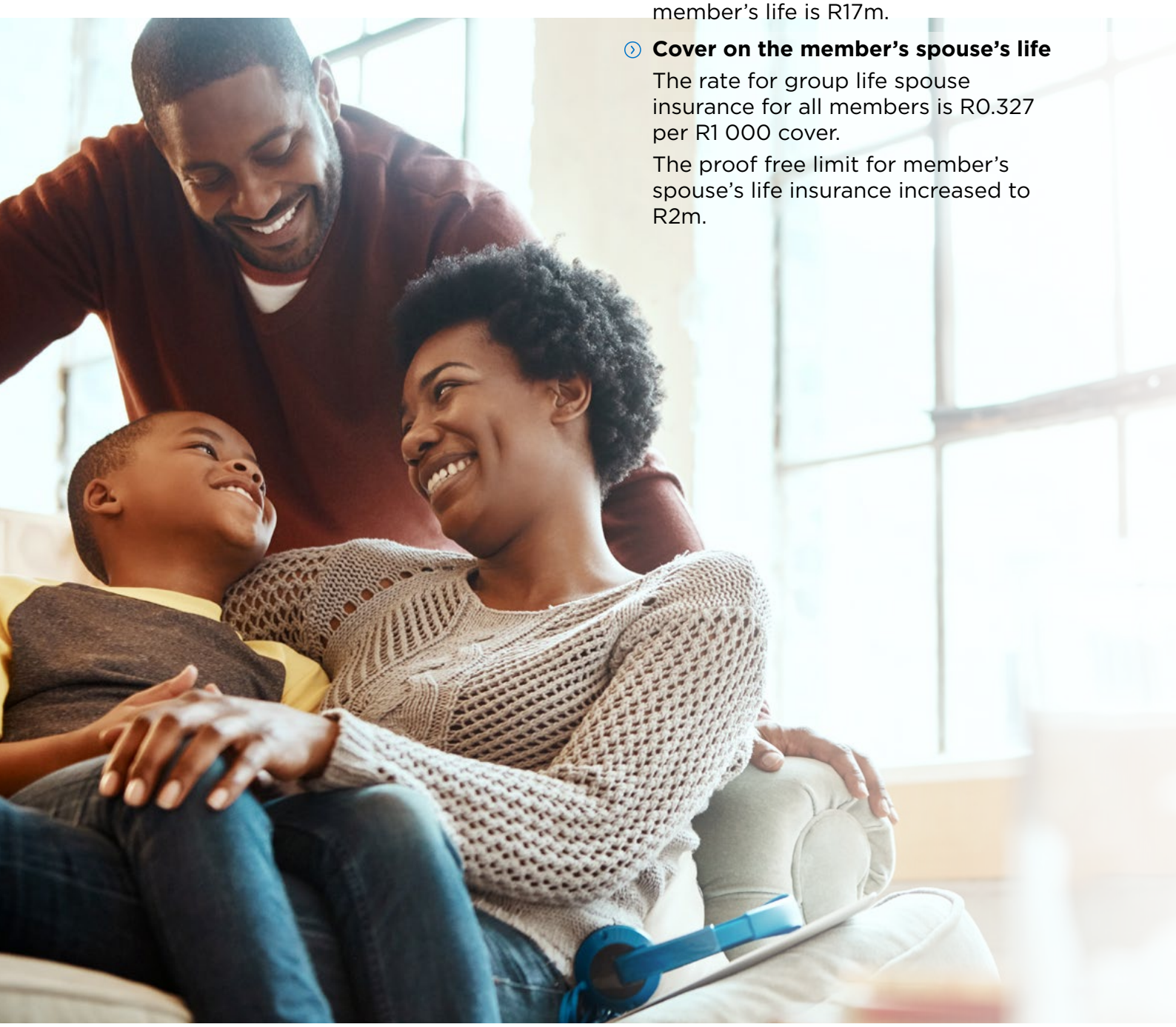
  The rate for group life insurance (lump-sum disability and death benefits) on the member's own life for all members is R0.318 per R 1000 cover.

  The combined proof free limit for Group Life Insurance and SUF: Sanlam Group death benefits on the member's life is R17m.

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

  The rate for group life spouse insurance for all members is R0.327 per R1 000 cover.

  The proof free limit for member's spouse's life insurance increased to R2m.



# 9. Nominating Beneficiaries for the benefits payable upon your death

From 1 January 2022 the employer or fund trustees can no longer exercise any discretion regarding the payment of a member's unapproved Group Life insurance benefits (including family/funeral cover) owing to changes in the governing regulations.

As a member of the SUF: Sanlam Group and Group Life insurance scheme (GLS), when you die, the payment of the death benefit will be made as follows:

- **SUF: Sanlam Group benefits – approved risk benefits**
  In terms of the stipulations of the Pension Funds Act, if you die, the Board of Trustees are responsible for the allocation and payment of death benefits. Although the Board of Trustees will consider your wishes as specified in a nomination form, they are not bound by them if you have other dependants as well, or where fairness necessitates a different distribution.

- **GLS benefits (including family/funeral cover) – unapproved risk benefits**
  The unapproved Group Life death benefits will be paid according to your beneficiary nominations. In the absence of beneficiary nominations, the regulations require that the death benefit be paid to your estate, causing a delayed pay-out to any eligible dependants identified during the settlement of your estate. Such a delay may have an adverse financial impact on your dependants and/or those responsible for any funeral and memorial arrangements.

**It is therefore critical that you note the following:**

- You are required to specify separate nominations for your SUF: Sanlam Group (fund) benefits, Group Life benefits and Family/Funeral cover benefits (even if the beneficiaries are the same). Your SUF: Sanlam Group beneficiary nominations cannot be accepted as an instruction for the payment of your Group Life or Family/Funeral benefits.
- You only need to specify nominations for the benefits payable upon your own death.
- Please review your nominations annually to ensure that the information is accurate and up to date. Also update your nominations to accommodate life events such as getting married or divorced, birth or adoption of a child; and when a beneficiary's contact information changes.
- For details of your current death benefit nominations or to capture or update your beneficiary nominations online, **please access the Member Portal or the My Retirement app** at any stage.
  - Log in with your ID number
  - Click on the Sanlam Umbrella Provident Fund pillar
  - Click on the My Beneficiaries icon.

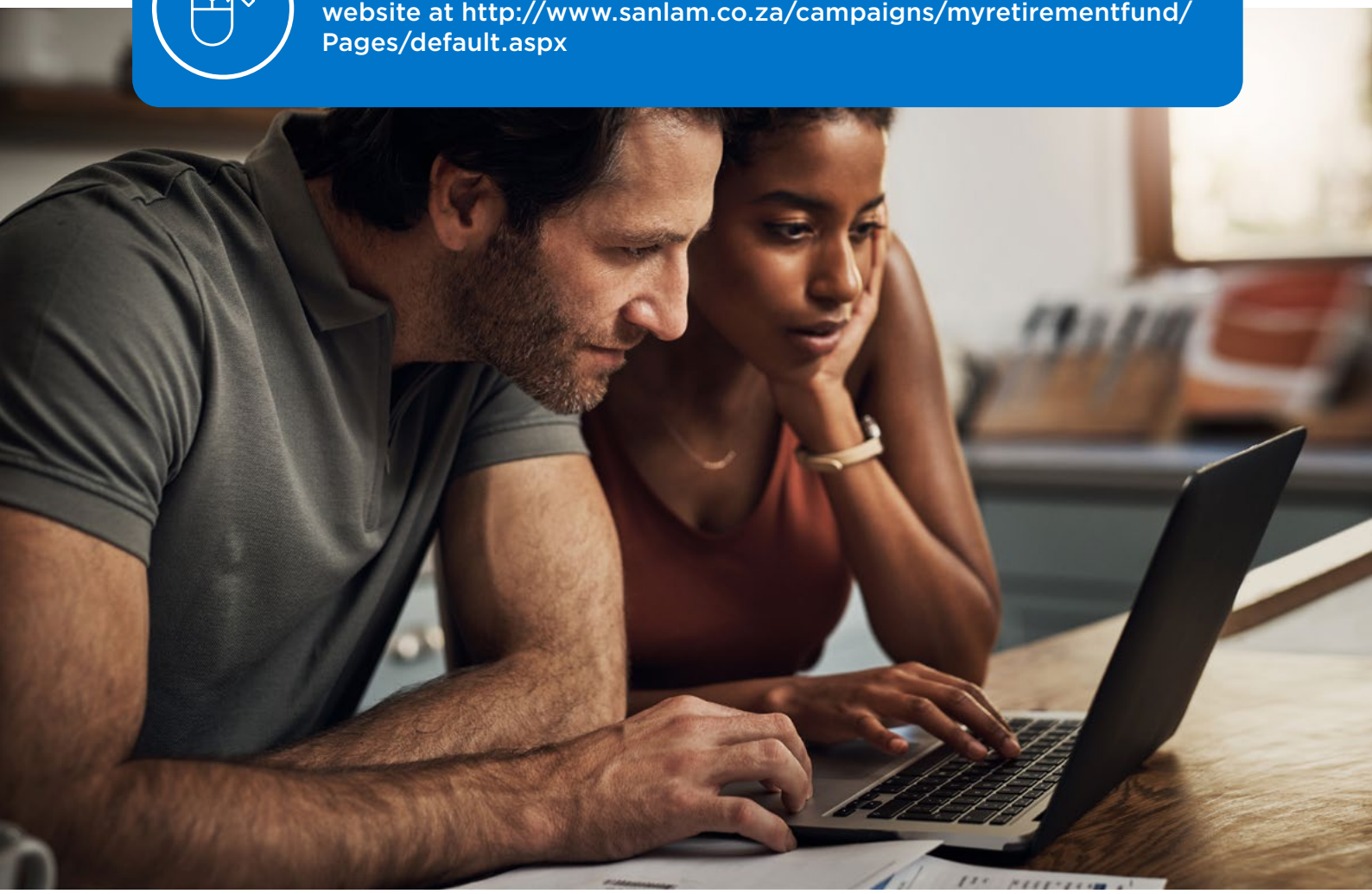
# 10.
# Options In The Case Of Promotion, Marriage, Death Of A Spouse, Birth/ Adoption Of A Child And Divorce

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 Capital along with the required documents, within three (3) months of the event.

Should the required option form and supporting documents not reach Human Capital 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 retirement fund website at http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx**



# 11.
# Early access to retirement benefits (the Two-pot system) – update

The proposals on the two-pot (components) retirement system were first published by National Treasury on 29 July 2022. The second draft of these proposals was issued on 9 June 2023 and was open for public comments until 15 July 2023. An extensive legislative process, including public workshops and hearings, will now follow before the proposals go to Parliament. The proposals may therefore still change.

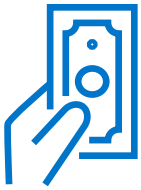
The anticipated implementation date remains **1 March 2024**, although the South African Revenue Service, the retirement funds themselves and their administrators will have to undergo extensive system and process changes to cater for it, after they have worked through the proposals.

It is currently proposed that from 1 March 2024, all your contributions flowing into retirement funds to which you belong (pension fund, provident fund, preservation fund or retirement annuity fund), will be allocated to two different pots, a **retirement pot** and a **savings pot**.

One-third of your contributions will go to the savings pot, which will be the pot from which you will be allowed to take cash withdrawals before retirement. Two-thirds of your contributions will go into the retirement pot and no cash withdrawals will be allowed from the retirement pot. **Even when you resign from employment, you will not have access to the retirement pot**, but will have to preserve the benefit and use it to provide you with a monthly pension on retirement.

As an existing retirement fund member, a third pot will be established which will contain your existing benefit in your retirement funds at 29 February 2024 and which will be excluded from the two-pot system. You will not make any further contributions to this vested pot. The current regime in effect before 1 March 2024 will apply in respect of the vested pot, which means that, for example, you will be allowed on termination of employment, before retirement, to receive the benefit in cash.

## Withdrawing money from your savings pot



- A seed capital amount or starting balance is proposed. It will amount to 10% of your money in the fund immediately before 1 March 2024, to a maximum of R25 000.
- You will only be able to withdraw from the savings pot once per tax year. You may not withdraw less than R2 000 at a time, but there is no limit on the maximum amount you may withdraw. The R2 000 will be the value before any charges/transaction costs are deducted.
- When you leave employment, an additional withdrawal will be allowed in that tax year if the amount in your savings pot is less than R2 000.

Any payments made to you from your savings pot before retirement will be treated the same as taxable remuneration and be subject to employees' marginal tax rate (PAYE tables). You will pay tax on the withdrawal amount and the balance will be paid to you.

## Retirement

If you are a fund member on 1 March 2024 and you therefore have a vested pot, the amount in the vested pot will be payable to you as a lump sum, or monthly pension, or combination, depending on whether you were a member of a pension or provident fund.

At your retirement, the total of your retirement pot will be payable to you in the form of a monthly pension except if, together with the portion in the vested pot which must be used to provide you with a pension, it is less than R165 000, then you may take it in cash.

You can withdraw any money still in your savings pot at retirement or transfer it tax-free to your retirement pot. If you withdraw money from your savings pot at retirement, it will be taxed in terms of the retirement lump sum tax table. This could result in a tax-free withdrawal of up to R550 000 upon retirement.

## Members older than 55 years on 1 March 2024

If you are a member of a provident fund and you were 55 or older on 1 March 2021 (the date that provident funds were annuitised), and are still a member of that provident fund, you will be able to continue to contribute to the vested pot, in which case you will not contribute to the savings or retirement pot.

Keep in mind that the proposals are subject to change. If you are a member of a provident fund and will be 58 years or older on implementation date, you should pay special attention to any future updates, communication and requests to elect options from your fund.

**The retirement fund will keep you up to date with developments throughout the process. Updates on the administrative processes will be provided to you as soon as system development and processes have been finalised by the administrator of the retirement fund.**

# Frequently asked questions

| | Vested pot | Savings pot | Retirement pot |
|---|---|---|---|
| **How much of my retirement money will go into each pot on implementation?** | The value of the benefit in your fund immediately before 29 Feb 2024 will go into the vested pot (less the amount allocated to the savings pot as a starting balance). | The savings pot will have 10% of the value of your benefit as at 1 March 2024, but to a maximum of R25 000 in it to start with. | The retirement pot will not have any money in it to start with. |
| **To which pot will my retirement fund contributions going forward go?** | No contributions will be made to this pot after 1 March 2024, except for members of provident funds who were 55 or older on 1 March 2021, who elected to continue contributing to this pot. | 1/3 of contributions after 1 March 2024 will go to the savings pot. | 2/3 of contributions after 1 March 2024 will go to the retirement pot. |
| **What can I withdraw before I leave employment?** | You cannot make withdrawals from this pot. | Any amount, but at least R2 000 may be withdrawn once in a tax year. | You cannot make withdrawals from this pot. |
| **What can I withdraw when I leave employment before retirement?** | You may withdraw the full balance. | You may withdraw the full balance, but you may only withdraw once in a tax year unless the amount in savings pot is less than R2 000 when you leave employment. | You cannot make withdrawals from this pot. |
| **What can I withdraw (receive in cash) when I retire from employment?** | In accordance with the rules applicable before 1 March 2024, and will therefore depend on whether you were a member of a pension or provident fund and whether annuitisation is applicable to your benefit. | You may withdraw the full balance. | You cannot make cash withdrawals from this pot, the amount must be used to provide an annuity. |
| **How will tax be applied to the withdrawals from different pots?** | In accordance with current taxation regime (withdrawal or retirement tax tables will apply). | Any withdrawals from this pot before retirement will be taxed in terms of the PAYE tables At retirement it will be taxed in accordance with the retirement tax table if accessed in cash at retirement. | You cannot make cash withdrawals from this pot.<br><br>The annuity will be taxed as and when it is paid to the pensioner. |

*Source: Simeka*

## Note:

**It is important to understand the financial implications of withdrawing any money that is meant for your retirement. Regular withdrawals from the savings pot will result in a lower amount available at retirement.**

**Once the legislation comes into effect, you are encouraged to only consider exercising the withdrawal option as a last resort, and to try and preserve your retirement savings for when you retire.**

**The compulsory preservation of the retirement pot will have a significant impact on the retirement outcome for members in the long term, especially for those who will start contributing after the implementation date. At least two-thirds of all future contributions plus investment returns will be available at retirement to purchase a pension whereas, under the current dispensation, a member may be tempted to cash in a substantial portion of retirement savings when changing jobs.**

12.

# Sanlam Retirement Fund web and Sanlam App – access to your Retirement Fund

Members can register on Sanlam's Retirement Fund Web and the Sanlam app, so that they are able to access their personal details, view the investment portfolio returns as well as the latest fund credit, all at the click of a button, 24/7.

## How to access the Retirement Fund Web?

- Go to **https://cp.sanlam.co.za/**
- Select **REGISTER** and **INSERT** your fund membership number (which is reflected on your benefit statement) or your identity number and click **SEARCH**.
- Confirm your cell number and email address. Click **NEXT**.
- Choose a user code / username.
- A temporary password will be sent to your mobile.
- Save the website as a favourite in your browser for easy access.

**Use this temporary password to gain access.**
**Change the temporary password, as it may only be used once.**

### Experience any problems?

**If you require assistance, please contact or WhatsApp the Contact Centre on 0861 223 646 or e-mail them on scclientcare@sanlam.co.za**

## How to access the Retirement Fund Web?

- Download the **Sanlam My Retirement** app from the Google Play Store or Apple App Store.
- Use your Sanlam Secure Services user code and password to access your retirement fund information.

# 13.
# Fund information and other queries

- Comprehensive fund information is available on the SUF: Sanlam Group website at **http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx**

- Direct any questions and concerns to Alfreda April at:
  **E-mail: alfreda.april@sanlam.co.za**

## Complaints procedure:

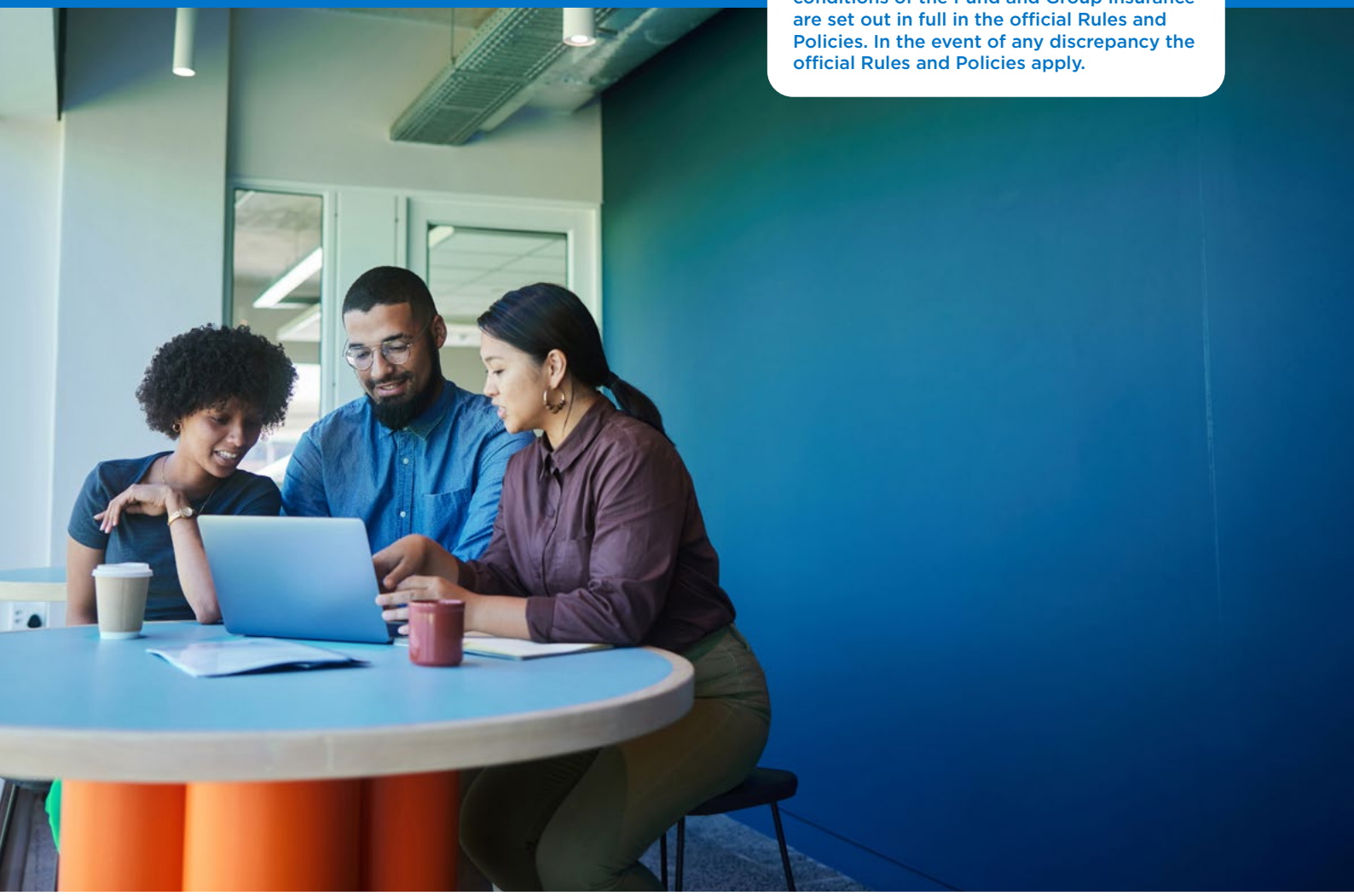
All complaints need to be addressed in writing to: The Sanlam Umbrella Complaints Committee, C/o the Fund Secretariat,
E-mail: SanlamUmbrellaFund@sanlaminvestments.com,
Fax no: (021) 957-1125.

Should your concerns not be resolved to your satisfaction within a period of 30 days, you may lodge a complaint with the Pension Funds Adjudicator.
The contact details are as follows: Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, 0081, Tel no: (012) 346-1738, Fax no: (086) 693-7472, E-mail: enquiries@pfa.org.za.

# Sanlam Umbrella Provident Fund (SUF): Sanlam Group and Related Group Life Insurance

# Summary of contributions and benefits

IMPORTANT: This summary is for information only. The provisions and conditions of the Fund 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

| | Provident Fund |
|---|---|
| Minimum rate | 10% of TGP |
| Choice to increase | increments of 0.5% |
| Default | **17.5%** |
| Maximum rate | **27.5%** |

# 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 (previous funds) 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 (previous funds) 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 (previous funds) 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 SUF: Sanlam Group as an active member is 70 years. A member who remains a member of the SUF: Sanlam Group after NRD does not qualify for the insured death or disability benefits after attaining his/her NRD (Fund or 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 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 (subject to tax). The balance must be used to purchase a pension of your choice.

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

  **Vested Member Share:** Your full vested members share may be taken in cash at retirement;

  **Non-vested Member Share:** A maximum of one-third of this portion may be taken in cash (subject to tax) and you must use at least two-thirds to buy a pension when you retire. If this portion is less than R247 500, then you can take the full portion in cash at retirement.

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

## 03 Termination of Membership

The member's full member share is payable at resignation, retrenchment or dismissal.

The member share can be preserved in the SUF: Sanlam Group, transferred to another approved fund or taken in cash (subject to tax).

# 04 Death benefits in the Retirement 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 |

## 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 SUF: Sanlam Group 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 SUF: Sanlam Group 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:

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

- Rate for insured lump sum death benefit:

| Age band | Rate per R1 000 cover | | |
|---|---|---|---|
| | Rate for vaccinated members Before 1 May 2023 | Rate for unvaccinated members Before 1 May 2023 | New rate from 1 May 2023 |
| Younger than 26 years | R0.24 | R0.47 | R0.173 |
| 26 – 30 years | R0.18 | R0.35 | R0.129 |
| 31 – 35 years | R0.19 | R0.36 | R0.135 |
| 36 – 40 years | R0.21 | R0.41 | R0.150 |
| 41 – 45 years | R0.22 | R0.42 | R0.157 |
| 46 – 50 years | R0.25 | R0.49 | R0.180 |
| 51 – 55 years | R0.25 | R0.49 | R0.180 |
| 56 years and older | R0.31 | R0.61 | R0.225 |

**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: R17 000 000

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

# 05 Group Life Insurance – Death benefit on own life 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:**

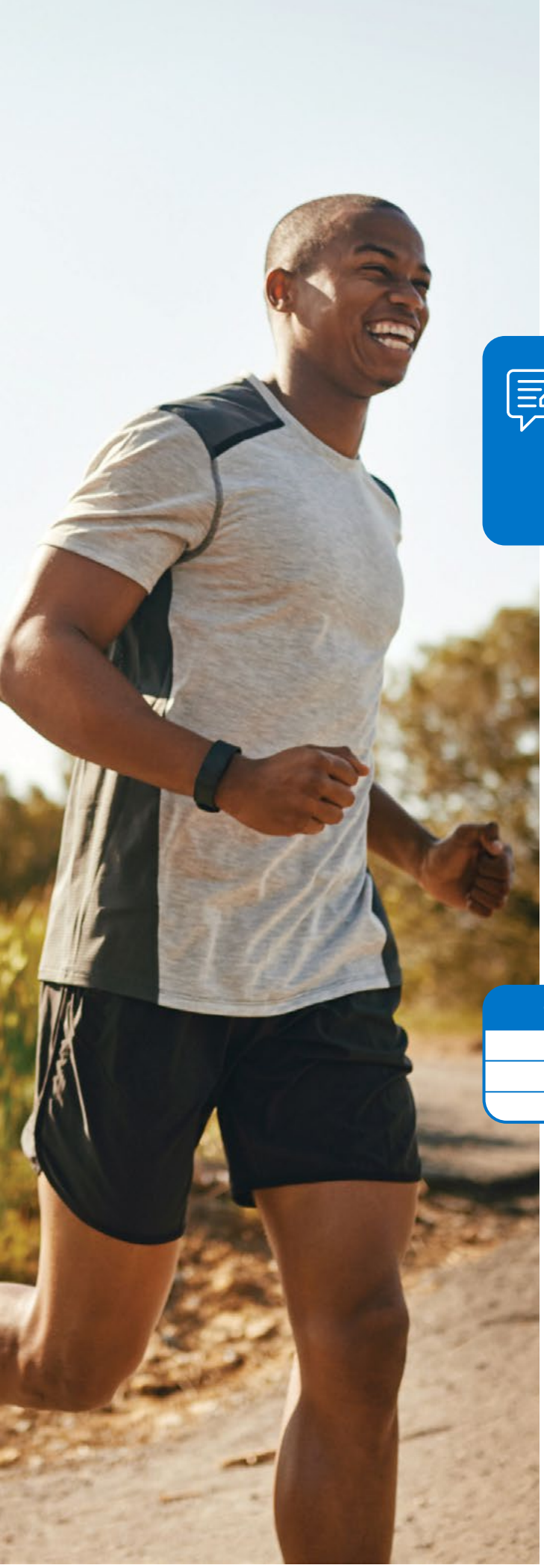
As a result of the conversion of cover to a multiple of TGP as from 1 August 2018 some members enjoy a cover level higher than 3x TGP. They will retain their converted cover level and may opt to decrease it during the annual flex event.

- Rate:
  - The rate for group life insurance on the member's own life is set out below:

| Monthly premium rate per R1 000 cover | | |
|---|---|---|
| Rate for vaccinated members Before 1 May 2023 | Rate for unvaccinated members Before 1 May 2023 | New rate from 1 May 2023 |
| R0.318 | R0.556 | R0.318 |

## 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.



### The lump sum disability benefit is calculated as follow:

- 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 follow:
  - 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 lump sum disability benefit is, 1x TGP plus 50% of the death cover that exceeds 1x TGP.

| Group life death cover | Lump sum disability benefit |
|---|---|
| 1x TGP | 1x TGP |
| 2x TGP | 1 $^{1}/_{2}$ x TGP |
| 3x TGP | 2x TGP |

# 06 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.
- 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
  - = **R2 000 000** for cover granted as from 1 May 2023
  - = **R1 400 000** for cover granted between 1 May 2011 and 30 April 2023
  - = **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:

  The rate for group life spouse insurance is set out below:

| Monthly premium rate per R1 000 cover | | |
|---|---|---|
| **Rate for vaccinated members Before 1 May 2023** | **Rate for unvaccinated members Before 1 May 2023** | **New rate from 1 May 2023** |
| R0.354 | R0.472 | R0.327 |

# 07 CRITICAL ILLNESS INSURANCE

As from 1 May 2011 critical illness insurance is compulsory for all new employees. As from 1 May 2017 new members at date of permanent appointment 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.

- Rate:

  **Standard trauma option:** R0.266 per R1 000 cover

  **Comprehensive trauma option:** R0.426 per R1 000 cover

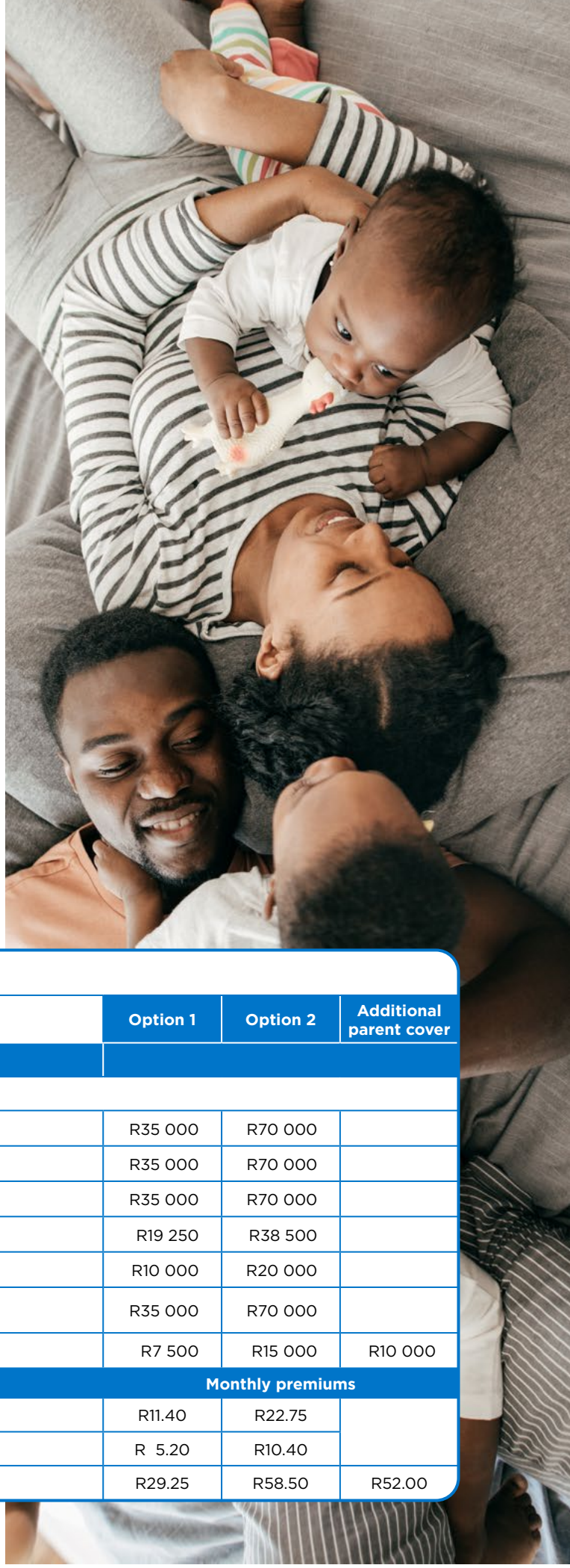
# 08 INCOME DISABILITY BENEFIT

- 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
- Member contribution waiver = 14.56% of TGP after 3 month waiting period. (Contribution to Provident 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
- **Rate:** 0.648% x TGP

# 09 FAMILY COVER – OPTIONAL BENEFIT

- Employees have a once-off option at appointment to become a member and can select to 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 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.



**Benefits payable at death and premiums from 1 May 2023**

| | Option 1 | Option 2 | Additional parent cover |
|---|---|---|---|
| **Family member to whom benefit is applicable** | | | |
| **Basic benefit** | | | |
| • - Principal member | R35 000 | R70 000 | |
| • - Qualifying Spouse | R35 000 | R70 000 | |
| • - Qualifying child aged 14 and over | R35 000 | R70 000 | |
| • - Qualifying child aged 6 and over but younger than 14 | R19 250 | R38 500 | |
| • - Qualifying child younger than age 6 and/or still-born child | R10 000 | R20 000 | |
| **Additional spouses (ex-spouse in case of divorce)** | R35 000 | R70 000 | |
| **Legal Parents or parents-in-law** | R7 500 | R15 000 | R10 000 |
| | **Monthly premiums** | | |
| **Basic benefit** | R11.40 | R22.75 | |
| **Additional spouses** | R 5.20 | R10.40 | |
| **Parent cover** | R29.25 | R58.50 | R52.00 |

# 10 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:

- In-Fund Insured Death Cover (See point 4)
- Group Life Death Cover (See point 5) Please note that the lump sum disability cover cannot be converted.
- Spouse Insurance (See point 6)
- Critical Illness Insurance (See point 7)
- Income Disability Benefit (See point 8)

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

SGR225 08/2023

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BACK TO CONTENTS