

Changes in the March 2017 version of *The Fund in Detail* document

Aside from text refinements to improve readability and general updates, the main product changes from the previous edition have been summarised below. Please read this document in conjunction with the new version of *The Fund in Detail*.

The following requirement has been included in the Introduction chapter:

1. **The Pension Funds Act regulation 30 (2) t (ii) stipulates** that each subsidiary company in a group of companies must be registered as a separate Sub-fund in a type A umbrella fund. Even where all the employees in a group of companies have an identical benefit structure and the subsidiaries are 100% owned by the parent company, each subsidiary must still set up a separate Sub-fund.

The following changes have been made to the chapter on How the Fund works:

1. **The salary definition for members with a variable income** (e.g. commission and fee earners) is equal to the income which he/she received from the employer during the twelve months immediately preceding the date of the claim.
2. **The Risk salary definition** was broadened.
3. **Housing loan sureties** are no longer available via ABSA Bank and First National Bank has been approved as a provider.

The following changes have been made to the chapters on Group Insurance and Underwriting conditions:

1. **The naming of insurance cover has been changed** to align with standardised Sanlam Employee Benefits conventions.
2. **The Group Spouse's insurance ceases** at the earlier of the member's normal retirement age or attainment of age 70, the death of the member, the exit of the member from the Fund, in the event of divorce, or the spouse's attainment of age 70.
3. **The conversion option has been reworded** to allow In-Fund Preservation members, Phased Retirees and In-Fund Living Annuitants the opportunity to make use of this option.
4. **Group Family Insurance:** the cover amount for children younger than 6 years and stillborn is limited to a maximum of R10 000.
5. **The following Insured Benefits product maxima have been updated:**

Group Accident Insurance	The maximum benefit available is the lesser of 6 x annual salary or R 3 000 000.
Group Lump Sum Insurance	The maximum benefit available is the lesser of 8 x annual salary or R 10 000 000.
Group Income Disability Insurance	Alternative 2: The benefit increased from R183 000 to R 190 000 per month and the employer premium waiver increased from R47 000 to R49 000 per month. Alternative 3: The benefit increased from R183 000 to R 190 000 per month and the employer premium waiver increased from R47 000 to R49 000 per month.
Group Temporary Income and Lump Sum Disability Insurance	The benefit increased from R183 000 to R 190 000 per month and the employer premium waiver increased from R47 000 to R49 000 per month. The maximum benefit available is the lesser of 8 x annual salary or R 10 000 000.
Group Critical Illness Insurance	The maximum benefit available is the lesser of 3 x annual salary or R 2 200 000.

6. **The following condition under Cover requirements during the first three months has been deleted:** “Any claim, which may be lodged within three months from the commencement of the Sub-und/ amendment date, will be limited to the medical proof free limit, if the claim is related to an illness or injury which occurred within six months before the commencement date.”

The following change is applicable to In-Fund Living Annuitants:

1. **In the event of the death of an In-Fund Living Annuitant,** the dependants or nominees can either purchase a living annuity from the Fund or receive a cash lump sum.
2. **The maximum draw down percentage increased to 10%.**

The following changes have been made to the Trustee-approved default investment strategies:

1. **The Passive Lifestage Accumulation Portfolio:** invests in Satrix (SWIX) Balanced Tracker Fund.
2. **The Volatility Protection Strategy:** has historically invested contributions in the Sanlam Monthly Bonus Fund, but in early 2017 has commenced the process of investing new cash flows in the Satrix (SWIX) Balanced Tracker Fund with the intention that over time Volatility Protection Strategy will be invested 75% in the Sanlam Monthly Bonus Fund and 25% in the Satrix (SWIX) Balanced Tracker Fund.

The following changes have been made to the chapter on Special arrangements within the comprehensive option:

1. **Contracted Benefit Consultants may apply** to establish their own customised default investment strategies.
2. **Because the customised investment strategies will not be reflected on the standard hard copy Sanlam Umbrella Fund investment instruction forms,** any member instruction to invest wholly or partially in these portfolios must be submitted online via the Administrator's website.
3. **Customise investment choice:** The participating employer has the right to restrict and customise the available investment portfolio choices for the Sub-fund's members.
4. **Reporting requirements** in terms of Comprehensive Plus arrangements have been specified.
5. **A section on Glacier Institutional Wrap Funds Solution** has been added (page 45).

The following changes have been made to chapter on Operating expenses:

1. **Administration fees will be levied on members pending exits.** These are members who are no longer on the payroll, but their exits documentation is outstanding. The following fees are applicable:
 - Administration fees at 0.10% per annum (excluding VAT), recovered monthly, in respect of the first R1 500 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R25 per member per month (excluding VAT).
 - Contingency Reserve Account Levy at the current rate.
2. **Consulting fees:** In cases where an employer opts to have Sanlam provide the Contracted Benefit Consulting service, the following has been deleted: “Sanlam will retain 50% of the standard Consulting Fee for providing such a service, and the remaining 50% of the standard Consulting Fee will be paid to the chosen Contracted Financial Adviser.”

The following changes have been made to the chapter on Communication:

1. The chapter has been reworked to include all new member communication options.
2. The Retirement Optimisation Services available to all members of the Fund has been included.

The following requirement has been included in the chapter on Roles of the various parties:

1. **The Contracted benefit consultant** has the duty to timeously communicate and explain the outcome of the annual revision process to the Joint Forum and Participating Employer.

The following changes have been made to chapter on New Business terms and conditions:

1. **Membership data:** Underwriting conditions will apply to employees entering the fund three months or more after date of employment.
2. **Contributions:**
 - It is a participation requirement that all participating employers utilise the Retirement Fund Web and electronic contribution receipting facilities.
 - Late payment of premiums may also result in members not being covered in terms of the group insurance.
3. **Amendments:** If a participating employer amends their Sub-fund's benefit structure, and this change results in a change to their current insurer, a two months' notice period to the current insurer will be required.