



Live with confidence

SANLAM EASY RETIREMENT PLAN MEMBER GUIDE

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

Contents

How will you benefit from being a member of the Fund?	1
How does the Fund work?	1
How is the Fund managed?	3
Your member share and contributions	3
Member Share	3
What costs are payable and who pays for it?	3
Are you allowed to make additional voluntary contributions?	3
The Fund's investment portfolio	4
Your retirement benefits	4
Your withdrawal benefits	5
Your group insurance cover	6
Life insurance	6
Lump Sum Disability Insurance	6
Family Funeral Benefits	6
Have you nominated your beneficiaries?	7
How can you stay updated on your Fund information?	7
Who should you contact?	8
To obtain professional financial advice	8
For any serious complaints	8
Explaining the "technical jargon"	9



How will you benefit from being a member of the Fund?

Your employer has arranged for your membership in the Sanlam Easy Retirement Plan. A retirement fund lets you save for your retirement with confidence.

This guide provides information on the benefits that you may qualify for as a member of the Fund.

To help you understand the guide, we have included a list of explanations on the terms used in relation to the Fund. You will find this list at the back of the guide.

A retirement fund is the most cost-effective and convenient way to save for retirement in South Africa because:



Save on tax.

You can reduce your tax and save more for retirement with very little change to your monthly take-home pay.



Reduced insurance costs.

Life insurance through your retirement fund is cheaper than individual life insurance.



Make additional voluntary contributions.

There won't be any extra costs or commissions for any additional voluntary contributions you make.

This guide provides information on the benefits that you may qualify for as a member of the Fund.

How does the Fund work?

The Fund is an umbrella fund. That means your employer is one of many employers, with their employees, that belong to the Fund.

An umbrella fund typically offers good value for money and this means that only a small portion of your monthly contributions are used towards costs and the rest is being saved for your retirement.

The Sanlam Easy Retirement Plan offers a choice of fixed plans, all of which have their own benefit structure.

It is important to note that the normal retirement age is 65 for all members on the Fund and on the day that a member reaches the age of 65, the insured benefits (life, disability and funeral cover) will fall away with immediate effect. Membership to the Fund may however continue.

The Plan Options are reviewed effective 1 July each year, unless communicated otherwise.

Table 1: **Full plan structure**

Plan		SM1	SM2	SM3	SM4	SM5	SM6	SM7	SM8	SM9	SM10
Contribution		R 306.02	R 306.02	R 411.95	R 599.20	R 823.90	R 1 036.83	R 1 416.68	R 1 985.92	R 2 448.16	R 3 310.58
Death & capital disability cover	Cover	R 0.00	R 20 000.00	R 30 000.00	R 55 000.00	R 60 000.00	R 80 000.00	R 105 000.00	R 155 000.00	R 205 000.00	R 225 000.00
Funeral cover	Cover	R 0.00	R 15 000.00	R 17 500.00	R 17 500.00	R 17 500.00	R 17 500.00	R 17 500.00	R 20 000.00	R 20 000.00	R 20 000.00
Cost for risk benefits	Life & Lump Sum Disability Insurance	R 0.00	R 22.56	R 33.85	R 62.06	R 67.69	R 90.25	R 118.46	R 174.86	R 231.27	R 253.84
	Family Funeral Benefit	R 0.00	R 23.91	R 27.89	R 27.89	R 27.89	R 27.89	R 27.89	R 31.88	R 31.88	R 31.88
Total cost for risk benefits		R 0.00	R 46.47	R 61.74	R 89.95	R 95.58	R 118.14	R 146.35	R 206.74	R 263.15	R 285.72
Admin fee	Member Admin	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24	R 16.24
	Admin Intermediary	R 17.60	R 17.60	R 23.69	R 34.45	R 47.37	R 47.37	R 47.37	R 47.37	R 47.37	R 47.37
Total cost		R 33.83	R 80.30	R 101.66	R 140.64	R 159.19	R 181.75	R 209.96	R 270.35	R 326.76	R 349.33
Net contributions		R 272.19	R 225.72	R 310.29	R 458.56	R 664.71	R 855.08	R 1 206.72	R 1 715.57	R 2 121.40	R 2 961.25
% Allocation towards retirement savings		88.94%	73.76%	75.32%	76.53%	80.68%	88.74%	85.18%	86.39%	86.65%	89.45%

Plan SM1 is a basic savings plan with retirement benefits only, making it an investment plan for retirement. The other plans - SM 2 to SM10 - offer retirement savings as well as life, disability and funeral benefits. Employees can therefore be placed on plans that provide benefits in accordance with their income.

The Sanlam Easy Retirement Plan allows employees to contribute more than the specified contribution for each plan if they wish to do so, in the form of additional voluntary contributions.

This could be from bonuses or if you decide to contribute a little bit extra from your salary into your retirement savings.

The total additional voluntary contribution will be allocated to the member's investment account to create additional retirement funding.

All permanent employees under the age of 65 are required to join the Fund as specified by your employment contract.

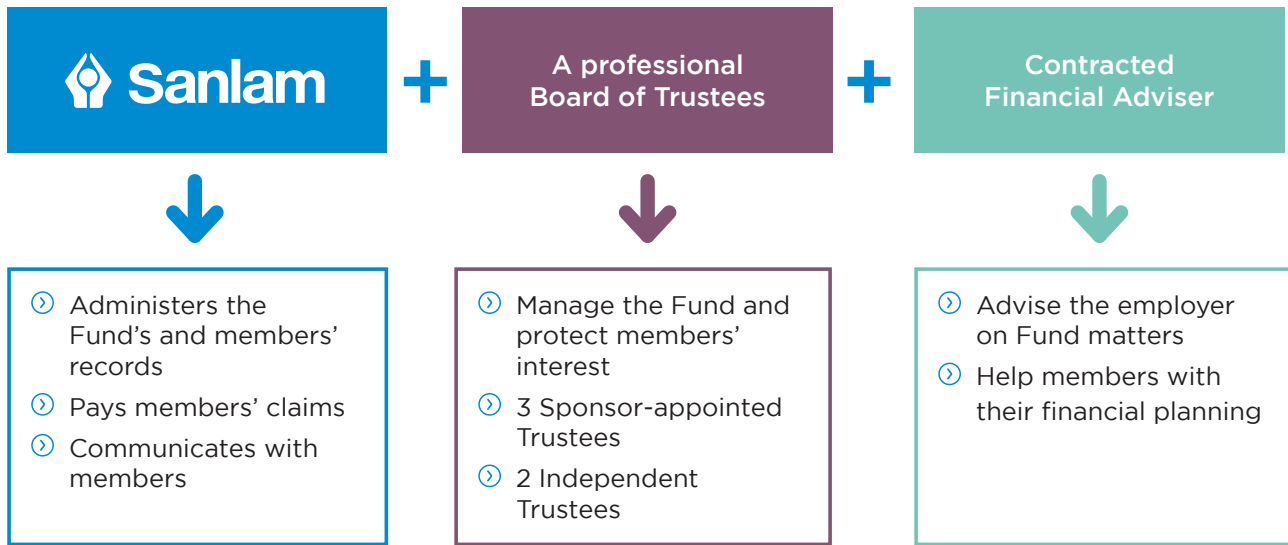
A unique feature of the Sanlam Easy Retirement Plan is that you can change your plan option on 1 July each year. This flexibility enables you to accommodate your changing circumstances.

Furthermore, benefits will not be eroded by inflation as the fund makes provision for annual inflation related contribution increases.

The Fund has a set of General Rules that applies to all members of the Fund. A copy of these rules can be requested from your Employer, or directly from the Fund.

How is the Fund managed?

The Fund's formal management structure, which includes a variety of legislative and professional parties, ensures that your money is safe.



Your member share and contributions

Member share

Each month, depending on the benefit plan chosen, a portion of your salary is saved towards your retirement. All applicable costs are deducted and the rest of the money is invested in the Fund's investment strategy which earns investment returns. All of this adds up to your **"member share"** in the Fund.

What costs are payable and who pays for it?

The following costs are payable towards your retirement fund:

- the Fund's operating expenses
- based on benefit plan chosen, there may be a cost for insurance cover
- each member pays an amount per month towards the Contingency Reserve Account.

You can see what the actual costs are according to your selected plan on your personal benefit statement from the Fund. Please refer to Table 1 on page 2, for the full plan structure.

Are you allowed to make additional voluntary contributions?

If you realise that your retirement savings is not at the level you would like, the most effective way to improve this position is to make additional contributions to the Fund.

The good news is that legislation allows you to make increased contributions to retirement funds that are fully tax deductible up to 27.5% of your salary (subject to a maximum of R350 000 per year).

Just request your employer to deduct an additional portion from your salary for saving in the Fund.



The Fund's investment strategy

Your monthly contribution to the Fund, after costs, is invested in the Sanlam Wealth Preservation Portfolio. The Sanlam Wealth Preservation Portfolio aims at providing capital protection and targeting a gross investment return above CPI+4% over a rolling 4-year period.

Your retirement benefits

You can retire on the last day of the month in which you reach the normal retirement age, which is 65 years. This age is indicated on your benefit statement from the Fund. The Fund allows for early retirement from age 55 onward, and also makes provision for early retirement as a result of ill health.

Your retirement benefit will equal your member share at the time of your retirement. You need to obtain a pension forecast to get an idea of what your retirement income will be at that time. For more information on this, contact an accredited Financial Adviser.

Legislation allows you to leave your money invested in the Fund at the time of your retirement and to postpone your retirement from the Fund. This option is known as Phased Retirement. Although you will have to retire from the service of your employer, you do not have to retire from the Fund and therefore you can remain a member of the Fund by preserving your member share in the Fund. Although you can no longer contribute to the Fund, your member share will remain invested and continue to accumulate investment returns.



Phased Retirement

Phased Retirement gives members the opportunity to postpone the payment of their retirement benefit to a date that is later than indicated in the rules of the Fund. This option is particularly suitable if a member wishes to pursue a second career and does not need immediate access to their retirement savings.

Retirement Reform Changes
(known as “T-Day”)
came into effect on
1 March 2021.

This means that from 1 March 2021, your member share will consist of two portions:

Vested Member Share



- The vested member share reflects all your savings as at 28 February 2021 (plus interest thereon).

Non-vested Member Share



- The non-vested member share reflects all your savings from 1 March 2021 (plus interest thereon).

You may decide to retire from the Fund at any stage after your 55th birthday. At this time, your entire member share will be paid as a retirement benefit and you would have the following choices:

- ① Use your retirement benefit to buy an annuity (monthly pension) from Sanlam or another registered service provider.
- ① Take a portion of your retirement benefit in cash and use the rest to buy an annuity (monthly pension) from Sanlam or another registered service provider. Your vested member share may be taken in cash. If your benefit is less than R247 500, your non-vested member share may also be taken in cash.

- ④ If your benefit is more than R247 500, then only one-third of the benefit may be taken in cash. The balance must be used to buy a pension. The cash payment may be subject to tax.
- ④ Cash payment may be subject to tax.
- ④ If you were 55 years or older on 1 March 2021 and belonged to the Sanlam Easy Retirement Plan at retirement: your vested member share (all your savings as at 28 February 2021 as well as all your savings from 1 March 2021 plus interest thereon) may be taken in cash. The cash payment may be subject to tax.
- ④ If you were 55 years or older on 1 March 2021 and belonged to a previous fund at retirement, but transferred to a the Sanlam Easy Retirement Plan after 1 March 2021:
 - your vested member share (all your savings as at date of transfer/saved in the old fund plus interest) may be taken in cash.
 - If your benefit is less than R247 500, your non-vested member share may also be taken in cash. If your benefit is more than R247 500, then only one-third of the benefit can be taken in cash. The balance must be used to purchase an annuity. The cash payment may be subject to tax.
- ④ Transfer your benefit to a preservation fund. Members must transfer their full retirement benefit to a preservation fund and will not be allowed to take a portion in cash.

Any cash portion payable from the Fund will be subject to tax. The current tax table for retirement benefits is as follows:

Retirement benefit	Rate of tax
R0 - R550 000	0% of taxable income
R550 000 - R770 000	18% of taxable income above R550 000
R770 001 - R1 155 000	R39 600 + 27% of taxable income above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000

Your withdrawal benefits

If you change jobs (whether you resign, are dismissed, get retrenched) before you retire, you will have a number of options regarding your accumulated member share. Determine your personal needs, but consider preserving your savings instead of taking cash.

Legislation allows you to leave your member share in the Fund at the time of your withdrawal, until retirement. Although you will have left your employer, you do not have to leave the Fund and therefore you can remain a member of the Fund. This means you will become a "Paid-up member".

If you leave your employer and do not provide the fund with an instruction within six months of leaving employment, you will automatically be defaulted to a Paid-up member.

Having the option to leave your savings invested in the Fund has many advantages for you, like:

- ④ Your savings will be preserved until you retire or withdraw from the Fund
- ④ You don't have to withdraw your savings at the time and possibly lose out in bad market conditions
- ④ Your member share will continue to grow in the Fund
- ④ You avoid the hassle of having to transfer your member share to another retirement fund
- ④ You continue to benefit from the favourable tax deductions of a retirement fund.



Your group Insurance cover

The Life Insurance, Lump Sum Disability Insurance and Family Funeral Benefits are not Fund benefits. These benefits are offered to members of the Fund, depending on the benefit plan chosen, via separate unapproved risk policies that are insured by Sanlam Developing Markets.

The unapproved risk benefits will cease in the following circumstances:

- ④ When the risk premiums are not maintained (if contributions are not received or are in arrears, the benefits will therefore cease).
- ④ When reaching normal retirement age (age 65) regardless as to whether you remain in the service of the employer and a member of the Fund.
- ④ When you leave the service of the employer prior to reaching normal retirement age.
- ④ When you retire.

Life insurance

Your nominated beneficiaries will receive the benefit payable as per your selected plan. The actual amount is reflected on your personal benefit statement from the Fund.

Lump Sum Disability insurance

You will receive a benefit equal to the disability cover offered by the chosen plan on approval of the claim by the insurer, after a waiting period of six months. You will also receive your member share as at the date of disability, the member share payable is subject to tax in terms of the Income Tax Act.

If the onset of disability occurs within five years prior to you turning age 65, the amount payable will be reduced by 20% of the disability benefit offered by the chosen plan for each year or part thereof by which the onset of such disability precedes the member's 65th birthday.

Lump Sum Disability Insurance will not be paid during the first 6 months of joining the Fund. You cannot claim for a medical condition that you knew about (or sought medical advice for) six months prior to joining the Fund. Furthermore, these limitations will also apply when you increase your cover, effective from the date at which the increased cover commences.

Family Funeral Benefits

The benefit payable is equal to the cover offered by the plan the you selected under the Fund.

If you select a Plan with a Funeral Benefit for the first time you must be between the ages of 18 and 64.

The following rules applies in respect of your spouse and children:

- ④ A spouse who is 84-years and older will not be covered under the Scheme
- ④ One Spouse and five Dependant Children will be covered, irrespective of the number of spouses in a customary marriage only one spouse may be nominated for cover.
- ④ Dependant Child means:
 - a child under the age of 22 (twenty-two) years including a stepchild or legally adopted child;
 - a stillborn child born after the 26th (twenty sixth) week of pregnancy;
 - a child who is permanently mentally or physically disabled in the opinion of the insurer totally dependent on you, and
 - a child under the age of 26 (twenty-six) years who is a full-time student at any registered university, technikon or tertiary educational institution, registered in terms of applicable legislation in the Republic of South Africa or such other institution as may be approved in writing by the insurer, and who is unmarried.



“Spouse” means the spouse of the member, including a party to a customary marriage concluded in accordance with the applicable indigenous law as well as a union concluded between parties married in accordance with the doctrines of any recognized religion or tradition, as well as a partner to a civil partnership in terms of the Civil Union Act, 2006, a common law spouse or life partner, provided that the member provides, upon request, proof to the satisfaction of the insurer of the permanency of their relationship with their life partner.

Have you nominated your beneficiaries?

In the event of your death, the Board of Trustees of the Fund and the Insurer will need to know who your dependants and beneficiaries are, so that they can allocate your member share in the Fund as at date of death to the right people.

Ensure that you complete the beneficiary nomination form and update this information regularly, especially when your circumstances change – for example through divorce, marriage or the birth of a child.

Your dependants will receive a benefit equal to your member share in the Fund as at date of death. The payment of this benefit is subject to Section 37C of the Pension Funds Act. Section 37C requires that the Fund, through the employer, trace all dependants and evaluate their degree of dependency on you prior to your passing before any benefit can be paid out. The benefit payable is subject to tax in terms of the Income Tax Act.

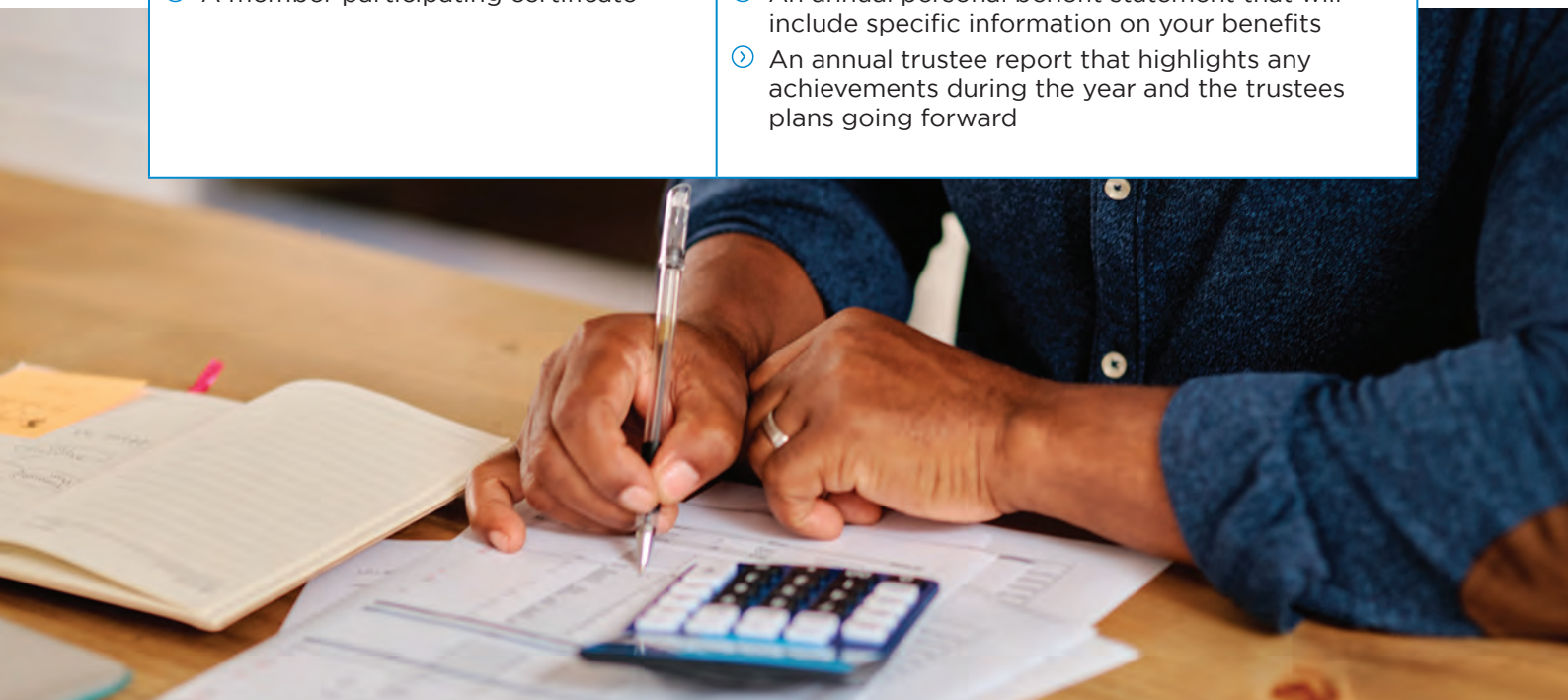
If your benefit plan includes Life Insurance and Family Funeral Benefit, your beneficiaries will receive the Life Insurance benefit and Family Funeral Benefit as per your chosen plan. These benefits are paid strictly according to your beneficiary nomination form and the Insurer will pay the benefit directly to your nominees. In the absence of a valid beneficiary nomination form, these benefits will be paid into your estate. These benefits are paid out tax-free.

How can you stay updated on your Fund information?

As a member of the Fund it is important that you understand how your retirement fund benefits work and that you keep yourself up-to-date on changes in the retirement fund industry. Sanlam will assist by providing frequent communication and information to you, via your employer.

Look out for the following information from the Fund:

On joining the Fund	On-going, via the employer
<ul style="list-style-type: none">① This member guide① A member participating certificate	<ul style="list-style-type: none">① A quarterly member newsletter① An annual personal benefit statement that will include specific information on your benefits① An annual trustee report that highlights any achievements during the year and the trustees plans going forward





Who should you contact?

To obtain professional financial advice

It is very important to obtain professional advice before you make any decisions regarding your benefits and/or investments in the Fund.

You may ask your employer for the details of their Contracted Financial Adviser, or alternatively, you may consult any FAIS-accredited financial advisor of your choice.

For any Fund administrative matters

Contact your employer, or the Fund's contact centre on 0861 223 646 or e-mail them at SCClientCare@sanlam.co.za



For any serious complaints

① You may send your written complaints to the Principal Officer Sheila Chanka via email: Sheila.Chanka@aca.sanlam.co.za

② **The Pension Funds Adjudicator**

Should your concerns not be addressed and resolved to your satisfaction within a period of thirty (30) days, you may lodge a written complaint with the Pension Funds Adjudicator.

- Tel number: 012 346 1738 / 012 748 4000
- Fax number: 086 693 7472
- E-mail address: enquiries@pfa.org.za

Please note that the guide is intended as general information only. As such, it offers you a summary of the main benefits contained in the Rules of the Fund and the relevant risk policies. If there are any differences between this Member Guide, the Rules of the Fund and the risk policies, we will use the Rules of the Fund and the provisions of the risk policies as the correct information.

Explaining the “technical jargon”

Beneficiary	Beneficiary means a nominee of a member or a dependant who is entitled to a benefit, as provided in the rules of the Fund.
Beneficiary nomination form	This is a form on which you list your dependants and nominees. The trustees will use this form as a guideline when they decide how to allocate your death benefits via the Fund in the event of your death. Where forms are not completed, it requires a huge amount of work to trace all the dependants. This may delay the payment of benefits. You must therefore complete a Beneficiary nomination form on joining the Fund and update it regularly.
Contingency Reserve Account	The Fund operating expenses do not include certain fees like Financial Sector Conduct Authority levies and fees, fidelity insurance premiums, actuarial and audit services, independent trustees' expenses, member communication and other fees. These fees are covered by way of a monthly Contingency Reserve Account payment.
Dependant	<p>The Act defines a dependant as any person:</p> <ul style="list-style-type: none"> • in respect of whom you were legally liable for maintenance, • whom you were not legally liable to maintain, if such a person: <ul style="list-style-type: none"> - was, upon your death in fact dependent on you for maintenance - is your spouse (that includes a person married to you in terms of the Marriage Act, the Recognition of Customary Marriages Act, the Civil Union Act or the tenets of a religion) - is your child, including a posthumous child, an adopted child and a child born out of wedlock, • in respect of whom you would have become legally liable for maintenance, had you not died.
Fund operating expenses	<p>The Fund's operating expenses include:</p> <ul style="list-style-type: none"> • Administration fees • Consulting fees paid to Contracted Financial Advisers
General Rules	All retirement funds are governed by a set of rules, which are registered and approved by the Financial Sector Conduct Authority. The General Rules contain all the rules and general conditions that govern the Fund and all members.
Normal retirement age	The date on which you may retire from employment, age 65 years.
Participating employer	When an employer arranges membership for its employees in a retirement fund (in this case the Sanlam Easy Retirement Plan), such an employer becomes a participating employer in the Fund.



Sanlam will process and protect your personal information as required by relevant laws and the Constitution of the Republic of South Africa. You can read the Sanlam Corporate Privacy Notice on <https://www.sanlam.com/legal/pages/sanlams-privacy-policy.aspx> ; it can be sent to you on request. You can update your contact details by registering and logging onto our member portal here: <https://cp.sanlam.co.za> or email: SCClientCare@sanlam.co.za or call: 086 122 3646.





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