

NEWS & M



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**IN-FUND LIVING ANNUITANT
MEMBER GUIDE**

Sanlam Umbrella Fund

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In-fund Living Annuitant



What is an In-fund Living Annuitant?

You have chosen to leave your retirement money invested in the Sanlam Umbrella Fund and to draw a monthly pension from the Fund. This means that you are an In-fund Living Annuitant of the Fund.

Leaving your money invested in the Fund has many advantages for you, like:

- ① You don't have to withdraw your money from the fund when you retire and possibly lose out in bad market conditions
- ① You avoid the hassle of having to transfer your retirement benefit to receive an out-of-fund annuity with another Insurer
- ① You pay competitive administration and investment fees
- ① You can invest in the portfolios of your choice on the trustee-approved investment menu
- ① You may at any time decide to transfer the balance of your retirement benefit to receive an out-of-fund annuity with another Insurer.

You remain a member of the Sanlam Umbrella Fund

Although you have retired from the service of your employer, you have not retired from the Sanlam Umbrella Fund and therefore you will still be a member of the Fund.

All your retirement savings (your entire member share) remains safely invested in the Fund and continues to earn interest. Your investments will now be used to pay you a monthly pension from the Fund.

The Fund's General Rules still apply to you, but the set of Special Rules, which applied to your previous employer, no longer applies to you.

In line with the requirements of Default Regulations, the Trustees of the Sanlam Umbrella Fund have made two In-fund Living Annuity options available to members, the Trustee Endorsed In-fund Living Annuity and the Extended Range In-fund Living Annuity.

Members who elect the Trustee Endorsed In-fund Living Annuity will be wholly invested in the Sanlam Capital Protection Portfolio, while members who elect the Extended Range

In-fund Living Annuity will have access to full range of investment choices available to members of the Sanlam Umbrella Fund (but only provided such strategies or portfolios are all available within the trustee-approved investment menu applicable to the Extended Range In-fund Living Annuitants).

Out of Fund Guaranteed Annuity

The Trustees acknowledge that a living annuity is not best suited to all members and have therefore negotiated an institutionally priced Out of Fund guaranteed annuity.

This option offers members a 5% annual increase and can be taken out as a single or joint life annuity with a 75% reversion to the surviving spouse.

These members will receive a monthly pension but no death benefit is applicable. For more information on this option, members may contact the Individual Member Support Service.

What benefits will you have?

The following benefits apply to you:

1. Pension payments
2. Death benefit

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Your pension payments

Monthly payments

Sanlam will deduct an amount from your investments (member share) at the end of each month and will pay this into your bank account as a pension. The monthly pension amount will be taxed as income according to the applicable tax tables.

How much will be paid

The pension amount that is paid to you on a monthly basis depends on the following factors:

- ① The size of your member share at the time of your retirement,
- ② The amount of investment income earned, and
- ③ The monthly “drawdown percentage” that you choose.

Members who have elected the Extended Range In-fund Living Annuity may select a drawdown percentage of between 2.5% and 10% (if no selection is made you will be defaulted to a drawdown rate of 5%). You will have the opportunity to review your selected drawdown percentage on 1 March every year and your new selection will then apply for the following year.

Members who have elected the Trustee Endorsed In-fund Living Annuity will be subject to the Trustee-prescribed maximum drawdown rates below which have been determined by age band and gender, since these relate to limits to preserve sustainability, which depends on longevity. Members may elect a lower drawdown rate, however members may not elect a drawdown higher than the prescribed drawdown rates.

Age	Males	Females
55 - 59	4.5%	4.0%
60 - 64	5.0%	4.5%
65 - 69	5.5%	5.0%
70 - 74	5.5%	5.0%
75 - 79	6.0%	5.5%
80 - 84	7.0%	6.0%
85+	8.0%	7.0%

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Transfer to another Insurer

You may decide to transfer your full retirement benefit to receive an out-of-fund annuity with another Insurer.

If the balance of your benefit falls below R75 000 you may withdraw the benefit in a cash lump sum.

What are the tax implications?

Should you decide to buy an annuity (monthly pension), the amount used to buy the pension will not be taxed, but the pension paid to you on a monthly basis will be taxed as a normal salary.

Benefits paid in cash lump sums will be taxed according to the relevant tax tables at the time the benefit is paid to you.

Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a tax/financial adviser before you decide what to do with any benefit payment from the Fund.

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Your death benefit

In the event of your death while you are still a member of the Fund, your dependants and/or nominees will receive your entire investment (member share) as a death benefit.

Your family should notify the Fund and complete the relevant forms in order to have your death benefit paid out.



What should you be aware of?

Ensure your loved ones are taken care of

Your beneficiary nomination information is one of the factors that the Fund's trustees will take into consideration when they allocate your death benefit in the event of your death. If this information is not available, it requires a huge amount of work to trace all your dependants/beneficiaries. This may delay the payment of benefits to your loved ones.

You need to update these details regularly, especially when your circumstances change (e.g. in case of a divorce or marriage).

You may capture your nomination information online via Sanlam Corporate's Member Portal (SC Portal) or the Sanlam Portfolio App.

Insured risk cover

As an In-fund Living Annuitant, you do not have any insurance risk cover such as death cover.

However, if your employer offered its members a conversion option, you will be able to take out an individual insurance policy at your own cost when you retire from your employer. This will then offer you similar insurance risk benefits as those you had prior to your retirement.

If you wish to exercise the conversion option, you will not have to provide Sanlam with medical evidence of good health, with the exception of a blood test to confirm your smoking and HIV/Aids status. This insurance policy must be taken out within 60 days after your last working day.

Speak to your financial adviser to find out how you can make use of this option.

If your employer did not offer the conversion option and you would like to take out insurance risk cover, please contact your financial adviser.

Your investments must work for you

Consider the investment risk

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

You need to ensure you remain invested in an appropriate investment strategy that meets your needs. As each individual's needs are different, we believe that it is in your best interest to consult with a qualified (registered) financial adviser.

The investment menu available to you

At the time you become an In-fund Living Annuitant, you must select your investment portfolios, provided these portfolios are on the list that the trustees of the Fund approved for In-fund Living Annuitants.

You may also choose to move your investments at any time, without having to pay an investment switch fee. All investment choices have to be made online at <https://cp.sanlam.co.za/>

The following is the list of investment portfolios available to you and you may choose a maximum of 4 portfolios.

The investment strategy for the Trustee Endorsed In-fund Living Annuity is the Sanlam Capital Protection Portfolio - members of this option will not have any other investment choice.



Single manager range	SIM Balanced Fund
	SIM Moderate Absolute Fund
	SIM Cash Fund
	SIM Temperance Balanced Fund
	SPW Balanced Fund
Multi-manager range	SMM 70 Portfolio
	SMM 50 Portfolio
	SMM 30 Portfolio
	SMM Moderate Absolute Fund
	SMM NUR Balanced Fund
	SMM Select Balanced Fund
	Sanlam Accumulation Portfolio
	Sanlam Living Planet Fund
	Sanlam The Most Aggressive Portfolio
	Sanlam Wealth Creation Portfolio
Smoothed Bonus range	Sanlam Monthly Bonus Fund
	Sanlam Stable Bonus Portfolio
	Sanlam Progressive Smooth Bonus
Index-tracking range	Satrix Enhanced Balanced Tracker Fund
External Single Manager range	Allan Gray Global Balanced Portfolio
	Camissa Balanced Fund
	Coronation Houseview Portfolio
	Foord Balanced Fund
	M&G Balanced Fund
	Ninety One Balanced Fund
	PSG Balanced Fund
	Truffle Balanced Fund



What does it cost to be an In-fund Living Annuitant?

There are certain fees payable to the Fund and these are automatically deducted from your member share on a monthly basis. The fees are:

<p>Administration fees</p>	<ul style="list-style-type: none"> • Trustee Endorsed In-fund Living Annuity are 0.05% per annum (excluding VAT), recovered monthly, in respect of the first R1 800 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R30 per member per month (excluding VAT). • Extended Range In-fund Living Annuity are 0.10% per annum (excluding VAT), recovered monthly, in respect of the first R1 800 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R30 per member per month (excluding VAT).
<p>Financial adviser fee</p>	<p>You and your Financial Adviser must agree upfront what fees are to be paid to him/her.</p> <ul style="list-style-type: none"> • An initial once-off fee of up to 0.50% per annum (excluding VAT), and • An on-going fee of up to 0.75% per annum (excluding VAT) recovered monthly from member share.
<p>Investment management fees</p>	<p>Investment management fees are calculated and charged on a monthly basis.</p> <p>A list of the latest investment management fees can be obtained on the latest investment fund fact sheets.</p>
<p>Contingency reserve account levy</p>	<p>Various Fund costs and expenses are paid from this account. The current levy is R3.00 per member per month including VAT.</p>



Communication

Sanlam's member self-service options on the Website and the Mobile App provide quick and easy access to important information regarding your retirement savings, benefits and other insurance products you may have with Sanlam.

How to get access to your online view

- ① Go to <https://cp.sanlam.co.za/>
- ① Select Register and insert your ID Number and Surname or Sanlam product number/membership number and click Search.
- ① Confirm your cell number and your e-mail address - click Next.
- ① Choose a username. A temporary password will be sent to your cell phone number.
- ① Enter the temporary password that was sent to you and change your password as the temporary password may only be used once.
- ① Enter the temporary password that was sent to you and change your password.

See a complete view of all your Sanlam products

- ① Once you have registered, you will see a summary of all your Sanlam products.
- ① Click on a product to view more details on that product.

Download the Fund's free Mobile App

Once you have registered, you can also download the "Sanlam Portfolio" App from the Google Play Store or Apple App Store for free.



Do you have a Financial Adviser?

If you choose to appoint your own financial adviser, the adviser must be compliant in terms of the Financial Advisory and Intermediary Services (FAIS) Act. The adviser does not act on behalf of the Fund or the Fund's trustees.

Any consulting fees payable to the adviser and the services to be provided must be agreed upon upfront between you and your adviser.

Individual Member Support

In order to comply with the default regulations the Sanlam Umbrella Fund now offers Individual Member Support to all its members.

The regulations introduce the concept of Retirement Benefit Counselling, which must be made available to members before they receive a withdrawal or retirement benefit.

This service offers all members of the Fund with much needed information to assist them in every step of their retirement savings journey, enabling members to make well-informed decisions about their retirement savings.

- **A self-help online retirement planning website:**
This website contains valuable educational content that guides members' decisions through a sequence of steps. A variety of calculations and other useful tools are also available.
- **Telephonic support by Retirement Benefits Counsellors** compliments and supports the role of the Contracted Benefit Consultant and Contracted Financial Advisor, with the aim to further improve members' retirement outcomes. Counsellors do not offer advice to members, but rather help members through the sequence of steps.
- **Toll free phone number:** 0800 111 956
- **E-mail address:** IMS@sanlam.co.za
- **Free SMS number:** 38300
- **Telephone number for members outside of South African borders:** +27 21 916 6499

Keep in touch

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

Contact the Fund's contact centre on **0861 223 646** or e-mail them to keep your details updated.

SCClientcare@sanlam.co.za

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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