



Sanlam Employee Benefits

Paid-up
Member Guide

Insurance

Financial Planning

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Wealth

Paid-up member



What is a Paid-up member?

You became a Paid-up member when you left your current employer, but chose to leave your member share in the Fund. You are not retiring yet and are possibly continuing your employment elsewhere.

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

- ④ You avoid the hassle of having to transfer your member share to another retirement fund
- ④ Your investment can continue to grow
- ④ Your member share will be preserved until you retire
- ④ You continue to benefit from the favourable tax treatment of your member share within a retirement fund.

You remain a member of the Fund

Although your employment has been terminated with your employer, you did not withdraw from the Fund and therefore you are still a member of the Fund.

All your retirement savings (your entire member share) remains safely invested in the Fund and continues to earn interest.

The Fund's Rules still apply to you.

What benefits will you have?

As a Paid-up member of the Fund, the following benefits apply to you:

1. Withdrawal benefit
2. Retirement benefit
3. Death benefit

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Your withdrawal benefit

You may decide to withdraw from the Fund at any stage up to the age as determined by the Fund rules. If you withdraw after this age, you are retiring from the Fund. At withdrawal, your entire investment (member share) will be paid and you would have the following choices:

- ① Transfer your entire benefit to another registered pension fund, provident fund, preservation fund or retirement annuity fund.
- ② Take a portion of your benefit in the form of a taxable cash lump sum and transfer the rest to another registered pension fund, provident fund, preservation fund or retirement annuity fund.
- ③ You can take your entire benefit in the form of a taxable cash lump sum.

What are the tax implications?

Benefits transferred are not taxed at present, except for a pension fund to provident fund or provident preservation fund transfer.

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 financial adviser before you decide what to do with any benefit payment from the Fund.

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Your retirement benefit

You may decide to retire from the Fund at any stage after the age as determined by the Fund rules. At this time, your entire investment (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 provider
- ② Take a portion of your retirement benefit in the form of a taxable cash lump sum, not higher than the permitted maximum, and use the rest to purchase an annuity (monthly pension) from Sanlam or any other registered provider of such products.
- ③ If you belonged to a provident fund before your retirement, you can take your entire retirement benefit in the form of a cash lump sum.
- ④ If you belonged to a pension fund before your retirement, you can only take your entire retirement benefit in the form of a taxable cash lump sum if the amount is not more than R247 500.
- ⑤ If your Fund's Rules allow for this, you may use your retirement benefit to purchase an annuity (monthly pension) from the Fund (payable by the Fund).

There are many annuity products available and making this decision can be complex. It is therefore strongly recommended that you seek the assistance of a financial adviser before you make any decisions regarding your retirement benefit payment from the Fund.

How to claim your benefits

Once you are ready to withdraw your money from the Fund, you need to complete the relevant benefit claim forms. The forms can be obtained from www.retirementfundweb.co.za.

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Your death benefit

your member share will be paid according to the rules of your Fund. The rules may specify that the benefit is paid to your estate or it may specify that your dependants and/or nominees will receive your member share. Find out from your Principal Officer what the rules of your Fund stipulate in this regard.

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).

The investment menu available to you

At the time you become a paid-up member, your investments will either stay in the same portfolios as they were prior to your termination from employment, or if a trustee default is available for your Fund, be transferred to this default.

If your Fund rules allow this, you may have further investment options. Contact your Fund's Principal Officer for information on the investment menu available to you. All investment choices have to be made online at www.retirementfundweb.co.za.

What does it cost to be a Paid-up member?

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

Administration fees	There is an administration fee payable per month. Find out from your Fund's Principal Officer what the current fee is.
Investment management fees	Investment management fees are calculated and charged on a monthly basis. A list of the latest investment management fees can be obtained on the latest investment Fund fact sheets.
Other fees	Some Funds recover other fees such as Fund expenses and Consultant fees. Find out from your Principal Officer if any of these apply to your Fund.

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.

Please logon to www.retirementfundweb.co.za and update your personal details without delay.

The trustees and Sanlam will make use of the Retirement Fund Web facility as the main communication tool to keep you informed of Fund matters.

The Retirement Fund Web facility offers you the following:

- ④ All the forms you may need
- ④ Up-to-date information on the growth of your investments

- ④ Information on investment returns and investment portfolios
- ④ You can view/update your personal information/beneficiary nomination
- ④ Documentation relating to the Fund, i.e. rules and policies

You are automatically granted access to this facility. You will be issued with a unique pin code and required to register yourself on the Retirement Fund Web.

If you are unsure as to whether you have registered, or if you have registered but cannot remember your user name, you may contact the web team for you access details via email: retirementfundweb@sanlam.co.za.



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