



Sanlam Employee Benefits

Phased Retiree  
Member Guide

Insurance

Financial Planning

Retirement

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Wealth

# Phased retiree members



## What is a Phased retiree?

You became a Phased retiree when you retired from your employer, but chose to leave your member share in the Fund.

Leaving your money invested in the Fund could have the following advantages for you, like:

- ① You don't have to withdraw your member share immediately and possibly lose out in bad market conditions
- ② You have time to think about what it is you will be doing with your member share
- ③ Your retirement savings can continue to grow
- ④ You continue to benefit from the favourable tax treatment of your member share within a retirement fund.
- ⑤ You may decide to retire from the Fund at any stage in the future, subject to the rules of your Fund.

## You remain a member of the Fund

Although you have retired in terms of your employment contract from the service of your employer, you have not retired from the 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 it can continue to earn investment income.

The Fund's Rules still apply to you.

# What benefits will you have?

As a Phased retiree of the Fund, the following benefits apply to you:

1. Retirement benefit
2. Death benefit

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## Your retirement benefit

You may decide to retire from the Fund at any stage. At that time, your entire investment (member share) will be paid as a retirement benefit and you would have the following choices:

- ④ Use your entire retirement benefit to purchase an annuity (monthly pension) from Sanlam or another provider.
- ④ 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 another provider.
- ④ 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. Be aware that such a cash payment is subject to tax.
- 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.
- ④ 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.

## 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 income.

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.

## How to claim your retirement benefit

Once you are ready to retire from the Fund, you need to complete the relevant benefit claim forms. The forms can be obtained from [www.retirementfundweb.co.za](http://www.retirementfundweb.co.za).

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## Your death benefit

In the event of your death while you are still a member of the Fund, 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 Phased retiree, 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](http://www.retirementfundweb.co.za).

## 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](http://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:

- ① All the forms you may need
- ② Up-to-date information on the investment performance of your portfolio

## What does it cost to be a Phased retiree member?

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

<b>Admin fees</b>	There is an administration fee payable per month. Find out from your Fund Principal Officer what the current fee is.
<b>Investment management fees</b>	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.
<b>Other fees</b>	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.

- ③ Information on investment returns and investment portfolios
- ④ You can view/update your personal information/beneficiary nomination
- ⑤ 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](mailto:retirementfundweb@sanlam.co.za).



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