



Sanlam employee benefits
retirement fund administration

Insurance

Financial Planning

Retirement

Investments

Wealth

about retirement fund administration

At Sanlam, retirement fund administration is far more than collecting contributions and paying benefits. For us, it is about treating our clients' life earnings with the respect it deserves, because we know what has gone into earning it.





We are fully dedicated to designing and managing retirement fund plans for more than 630 000 members, providing a cost-effective and secure IT platform, communicating with members and trustees, and compliance with all the laws and regulations.

We strive to administer retirement funds in such a way that each fund member understands the reason for retirement savings, financial goal-setting and investment strategies to ensure financial independence at retirement.

Retirement fund members have increasingly become responsible for planning their own retirement. As a result, they need appropriate solutions and regular encouragement to assess their retirement benefits and other investments.

Sanlam's multi-disciplinary retirement fund administration team takes care of every aspect of fund administration – from member communication to death benefit distribution.

Reliability & staying power:

Sanlam has been providing holistic retirement fund administration services for over 80 years. We administer more than 94 stand-alone retirement funds, with over 630 000 members and a further 390 000 dormant members. Our list of top-tier clients confirms market confidence in our capabilities.

Cost-effective SA-based administration platform:

Having a South African-based administration platform means development costs are controlled. This is specifically important in the dynamic SA pension environment where new legislation can significantly contribute to the cost of administration. Sanlam's buying power impacts the IT developer's decision-making process and as a result improves our administration agility.

Tailor-made administration solutions:

We are able to adapt our administration solution into flexible options to suit a client's specific needs. This is evident from the variety of industry funds we administer – from the mining sector, unions, local government and central government to the manufacturing industry and financial services industry.

Management of fund's total balance sheet:

Our business model of daily balancing ensures the continuous matching of a fund's assets and liabilities. All available cash is invested and the appropriate funds are used to pay benefits and fund expenses.

Empowered trustees:

Our solution brings all the areas of the value chain together, ensuring data integrity that gives the trustees of a retirement fund access to relevant and instant information on their fund. This allows trustees to focus on the critical issues of governance and on their fiduciary duties. Our services empower the trustees to deliver effective communication to all stakeholders.

Daily pricing, investment, disinvestment & switching:

Daily pricing reduces delays between fund investment or disinvestment decisions and actual transactions. It further reduces the influence of volatile market movements on the value of members' savings. As a result, member payments are based on daily market values.

Integrity of data:

With our unitised environment, our databases are completely transparent and of high integrity. With only a two-day price lag, we offer members and trustees total piece of mind with full access to all transactions and information via our interactive website.

Integrated work flow system:

All transactions can be traced so that enquiries can be handled quickly, accurately and efficiently. Our work flow capability provides improved management and control, case tracking, proactive case management and service-level reporting.

Member call centre:

Our client-friendly call centre ensures improved convenience to members.

Cash-flow monitoring:

Investment information is updated daily with information received from the asset managers via automated links. Unit prices are calculated automatically from the source information and fed directly into the member database.



Employer training:

A dedicated client services team ensures that employers are fully trained on our administration systems as well as the Retirement Fund Web facility.

Specialist administration:

Management attention is focused on the core administration function. As IT development is outsourced to a vendor, it allows the administration executives time to focus on client service and business process management and control. Skilled staff members with years of experience in the employee benefits industry underpin our success.

Geographical spread of operations:

We are able to physically interact with our clients and provide prompt service. Our two campuses, in Bellville and Centurion, operate independently and provide our clients with enhanced business continuity in the event of a disaster affecting the operations of one campus.

our business model

**Our core business model is structured on
a triangle principle with three dedicated
and specialised databases.**



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Liabilities:

Member Record Administration (MRA)

- ① Member records are updated with contributions collected, and contributions are invested for retirement on behalf of members.
- ① Member records are kept updated with new information, e.g. personal information changes.
- ① Benefits are paid to a member in the event of resignation, dismissal, disability, retrenchment, retirement or death.
- ① Variable investment options are administered according to trustees' requirements.
- ① **Automated general ledger journals are posted to Fund Accounting for each member record transaction.**
- ① Members have access to accurate fund values on a daily basis and can monitor the performance of their investments.
- ① Benefit payments to members are based on accurate daily market values.
- ① Members may select investment portfolios to suit their financial objectives.

Accounting:

Fund Accounting Administration (FA)

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- ① Accounting records are kept updated with the various transactions that take place in a fund.
- ① Annual financial statements are produced. Various reports are provided to all stakeholders.
- ① Unit holdings and unit prices between the asset and liability databases are reconciled daily.
- ① Bank accounts are reconciled weekly. General ledger accounts are reconciled monthly.
- ① Net trade reports are generated daily by offsetting unit sales against unit purchases.
- ① Financial statements are produced timely and accurately.
- ① All stakeholders in a fund are empowered to perform their duties and obligations.



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Assets:

Investment Administration (IA)

- ① Cash flow between a fund and the relevant investment managers are closely monitored.
- ① Unit prices are calculated daily.
- ① Investment administration reporting is produced. SA Reserve Bank reporting is generated.
- ① Market value adjustments are done daily between IA and FA via general ledger postings.
- ① Maintains excellent fund governance.
- ① Ensures that fund assets are correctly reported.

Choice of flexible administration options.

Member Record Administration:



Our offering includes the administration of:

- Member investment portfolio choices.
- Multiple lifestage programmes.
- Variable contribution rates and categories.
- Non-contributing members.
- Choice of approved and unapproved risk benefits for members.
- Pension-backed loans. (direct, bank and/or employer loans)
- Beneficiary nomination process.
- Death benefit distribution services.
- Assistance with pension fund adjudicator complaints and divorce order assessments.
- Payments of divorce order and maintenance orders.
- Unclaimed member records.
- Pension payroll.
- Monthly living annuity payments in the fund.
- Expected monthly contribution schedule to employers.
- Arrangements with insurers for monthly disability income payments and collection of contributions.

Investment Administration:



Our offering includes the following options:

- Providing monthly unitisation. (if daily unitisation is not suitable)
- Managing Regulation 28 monitoring and reporting processes.
- Rebalancing underlying assets of a fund for scheme-level products.
- Rebalancing of underlying investment portfolios.
- Negotiating service levels with investment managers with regard to the exchange of data and instructions.

Fund Accounting Administration:



Our offering includes the following:

- Providing tailor-made trustee reporting and administration reporting.
- Providing service-level monitoring.
- Providing secretarial services for board and sub-committee meetings.
- Managing Section 28 liquidation processes.
- Paying third-party service providers appointed by a fund.
- Calculating and paying fees and levies to regulatory authorities.
- Submitting approved financial statements to the Financial Sector Conduct Authority.
- Facilitating queries from the Financial Sector Conduct Authority regarding financial statements.

Beneficiary fund:

To assist boards of trustees of a fund to deal with beneficiary benefits, we have established the Legacy Beneficiary Fund. This is a specialised solution for benefits payable to the beneficiaries of a deceased member.

This solution is ideal for a board of trustees to fulfil its mandate of investing a deceased member's benefits, in order to make future payments for the care of minor beneficiaries.

Investment Administration:

Investment Administration (IA) will act as the link between the fund's administrator and asset managers, monitoring and managing cash flows between the service providers.

The Investment Administration function forms part of our basic administration model, but it can also be provided as a stand-alone service to a retirement fund that requires a unitised and daily/monthly priced administration environment.



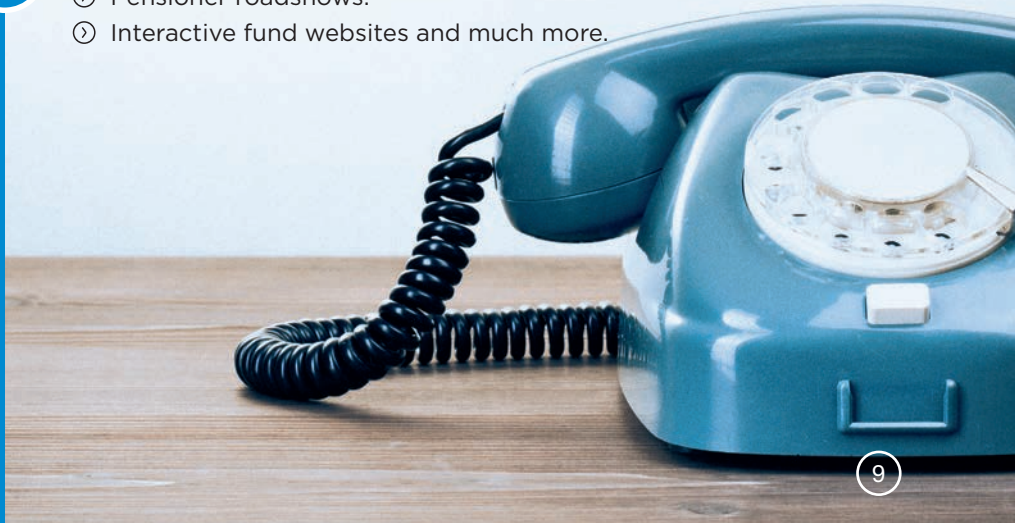
Communication:



We believe member communication and education are key to creating and raising awareness among employees about the need to start saving, or to increase their level of savings to the point where they can provide adequately for their own retirement. Our flexible communication product can assist a fund in achieving this with a tailor-made strategy.

This service can include a variety of communication solutions such as:

- ① An electronic member booklet.
- ① Member newsletters.
- ① A trustee report.
- ① Email or SMS campaigns.
- ① Posters and job aids.
- ① Member inductions or any other such roadshows/presentations.
- ① Pensioner roadshows.
- ① Interactive fund websites and much more.



Unclaimed benefit fund:

Dealing with unclaimed benefits can be a challenge to the board of trustees of a fund. Sanlam provides an answer to this challenge with the Sanlam Unclaimed Benefits Pension Preservation and Provident Preservation Funds, which offer a specialised solution for unclaimed benefits.

This solution is available to any pension or provident fund's board of trustees, whose objective is to preserve their fund's unclaimed benefits in a suitable solution. The solution includes unclaimed benefits accrued in a fund in respect of members, former members, nominees or dependants.

Regulation 28 monitoring:

In response to the requirements of Regulation 28 of the Pension Funds Act, we are able to provide trustees of a fund with a comprehensive monitoring and reporting service.


This service is available to all funds that lack appropriate measures to ensure compliance with new legislative requirements.

Drafting of fund rules:

We can draft a retirement fund's rules and rule amendments, irrespective of whether or not the fund is administered by Sanlam. Our dedicated team of specialists keep abreast of all legislative changes affecting the retirement fund industry.

The team assesses and interprets the impact of legislative changes and updates the fund rules accordingly. The team is also supported by a large network of Sanlam legal and drafting specialists.

The services available include:

-  **Advising boards of trustees on rules and rule amendments.**
-  **Drafting of rules and rule amendments.**
-  **Registration of rules and rule amendments with the FSCA.**



the awards that confirm our competence

The following accolades serve as an acknowledgement of Sanlam's continued position as a leader in the retirement fund industry:





- Batseta's Imbasa Yegolide Award for Risk Benefit Underwriter of the Year 2018.
- The Institute for Retirement Funds Africa Best Practices Award to the Sanlam Umbrella Fund for Fund Governance in 2017.
- The Institute for Retirement Funds Africa Best Practices Award to the Sanlam Umbrella Fund for Fund Investment Practices in 2017.
- The Institute for Retirement Funds Africa Gold Standard Award to the Sanlam Umbrella Fund for the AGM as a Communication project, as well as a Special Merit Award for the AGM as communication to stakeholders in 2017.
- The Financial Intermediaries Association Award for Employee Benefits Supplier of the Year 2018, 2017, 2015, 2014, 2012 and 2011.
- The Institute for Retirement Funds Gold Standard Award to the Sanlam Umbrella Fund for their Communication Strategy in 2016 and 2011.
- The Institute for Retirement Funds Gold Standard Award to the Sanlam Umbrella Fund for a member communication project in 2016.
- The PMR Silver Arrow Award for excellent retirement fund administration in 2015 and 2014.
- The Institute for Retirement Funds Best Practices Award to the Sanlam Umbrella Fund for Financial and Legal Compliance and Financial Annual Reporting in 2014.
- The Institute for Retirement Funds Gold Standard Award to the Sanlam Umbrella Fund for Communication Strategy and a Special Mention Award for a member communication project in 2014.
- The Principal Officers Association Imbasa Yegolide Award for Risk Benefit Underwriter of the Year 2013.
- The PMR Golden Arrow Award for excellent retirement fund administration in the Boland region in 2013 and 2012.



- ④ The PMR Diamond Arrow Award for outstanding retirement fund administration and first place overall in this category in 2013.
- ④ The PMR Golden Arrow Award for excellent retirement fund administration in the City of Cape Town and Cape Peninsula Survey in 2012.
- ④ The Principal Officers Association Imbasa Yegolide Award for Actuarial Firm of the Year 2012 that was won by our consultation company, Simeka Consultants & Actuaries.
- ④ The Principal Officers Association Imbasa Yegolide Award for the Umbrella Fund of the Year 2011 and 2010.





call us 

More Information

This document summarises the options available from Sanlam Employee Benefits' Retirement Fund Administration. You may find more information in the individual brochures on specialised services or you can contact us at:

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