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Sanlam Corporate

# SANLAM UNITY UMBRELLA FUND PRODUCT GUIDE

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# 01 Introduction

**This document summarises the terms and conditions of the participation in the Sanlam Unity Umbrella Fund (“The Fund”) as applicable at the date of publication. These terms and conditions apply from 1 July 2021 to all participating employers in the Fund. The document may be amended from time to time with 30 days’ notice to the participating employers.**

The Fund is administered in terms of a set of General Rules and Special Rules registered in terms of Section 12(4) of the Pension Funds Act and is approved in terms of Section 1 of the Income Tax Act, and insurance policies issued by Sanlam. In the event of a discrepancy between these registered rules and policy documents versus this document, then the provisions of the registered rules and policy documents shall prevail.

The Sanlam Unity product offering is one of three Sanlam product offerings under the Sanlam Umbrella Fund product range, the other product offerings being the Standard and Comprehensive Options. Each product offering has been designed to meet the needs of a specific target market.



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# The Fund in a nutshell

The Fund is an umbrella provident fund in which many employers and their employees participate in order to derive benefit from economies of scale. These cost savings ultimately translate into enhanced retirement payouts to members. It is a structure that enables employers to offer their employees packaged, flexible retirement savings and insured benefits.

The Sanlam Unity Umbrella Fund aims to provide a simple, cost effective and administratively efficient retirement funding and group insurance solution.

The Board of Trustees, in consultation with Sanlam, provides a packaged solution comprising an appropriate balance of retirement savings, death, disability and funeral cover that aims to meet the needs of the target market within acceptable cost parameters. The packaged solution is reviewed from time to time to ensure it keeps pace with market developments. The packaged solution is founded on the solidarity principle whereby uniform charging structures apply to all members.

A leading edge administration platform, excellent governance structures, transparency and integrity underpins the Sanlam Unity Umbrella Fund's offer.

Any transaction can be traced so that enquiries can be handled quickly, accurately and efficiently. Our real-time reporting, which can be accessed via the Internet, will always provide you with the latest available information.

# Why Choose the Sanlam Unity Umbrella Fund?

- ④ **Solid offer:** We have a highly competitive administration offering with superior service and competitive rates
- ④ **Trusted partner:** As a leading financial institution, Sanlam will provide the best solutions to meet your needs
- ④ **Cost-effectiveness:** Clients benefit directly from economies of scale by being part of a significant Umbrella Fund backed by a major financial institution
- ④ **Packaged solution:** The Board of Trustees, in consultation with Sanlam, regularly reviews the mix of retirement funding and insurance benefits to ensure these keep pace with market developments
- ④ **Communication and service:** Sanlam's wide footprint in South Africa facilitates physical interaction with our clients to ensure clear communication and prompt service
- ④ **Advanced systems and processes:** Key advantages of our innovative administration
  - **Daily pricing:** Because benefit payments are based on daily unit prices, the investment instructions can be effected according to the values of the specific day of the instruction
  - **Daily balancing:** By balancing assets, liabilities and ledger daily, there is complete accuracy in administering funds
  - **Workflow:** Any transaction can be traced so that enquiries can be handled quickly, accurately and efficiently. Our real-time reporting, which can be accessed via the Internet, will always provide you with the latest available information



## Key Benefits

- ⤵ Well-structured product
- ⤵ Highly competitive cost structure
- ⤵ Leading edge administration platform
- ⤵ Excellent governance structures
- ⤵ Professional investment management
- ⤵ Transparency and integrity

## Unique Features

- ⤵ Alignment of the interests of members, participating employers, intermediaries and Sanlam
- ⤵ Member representation via the election of independent Trustees
- ⤵ The backing of Sanlam's financial muscle
- ⤵ An excellent track record
- ⤵ A sustainable offering in the light of environmental and Government pressures to reform the South African retirement fund industry

# Member Representation

- ⤵ Members have equal representation on the Board of Trustees, who is responsible for the ongoing management and control of the Fund and ensures that the benefits selected are in fact provided.
- ⤵ An Annual General Meeting is held each year. At this meeting the trustees report directly to the member representatives of the Joint Forum, and answer any questions they may have. In addition members are entitled to elect member representative trustees from a list of industry specialists that are independent of the sponsor. These individuals have the knowledge, training and independence to protect members against any possible conflict of interest.
- ⤵ All participating employers are recommended to establish a representative committee (Joint Forum) on which members are entitled to elect 50% of the representatives. This ensures that members are represented where matters pertaining to the Sub-fund are discussed.

Members have equal representation on the Board of Trustees who is responsible for the ongoing management and control of the Fund and ensures that the benefits selected are in fact provided.

# 02 Governance

## Management of the Fund

The Sanlam Unity Umbrella Fund is managed by a Board of six trustees, three of whom are appointed by Sanlam and three of whom are elected by the member representatives from a panel of suitably qualified industry professionals – all independent of Sanlam. Elected trustees are appointed for a 3 year period.

A professional Principal Officer supported by a Fund Secretariat manages the day-to-day operations of the Fund's governance and ensures compliance with all regulatory requirements.

The appointed administrator of the Fund is Sanlam Life Insurance Limited. Sanlam Corporate, a division of Sanlam Life Insurance Limited is responsible for the administration of the Fund, hereafter referred to as "the Administrator"

The Administrator maintains the records of each member including member share values, and processes and settles all exit benefits payable to members.

The following measures have been adopted by the Board of Trustees to ensure proper fund governance, compliance and the management of risks.

- ④ An acceptance of Trusteeship signed by each trustee (based on form A of annexure A to PF 130)
  - ④ A trustee training protocol
  - ④ A declaration of interests signed by each trustee (based on form C of annexure A to PF 130 and PF 129)
  - ④ A protocol on the acceptance of gifts signed by each trustee (a departure from the narrow provisions of form B of annexure A to PF 130)
  - ④ A system of appraisal to assist the board in assessing its efficiency as well as those of the Trustees (based on annexure B to PF130)
  - ④ A fund governance and risk management plan, in terms of which the duties of the trustees over the next 3 years are identified and allocated to responsible persons, with an indication of action items and 'due by' dates
  - ④ The preparation of a fund register that contains all the legal and contractual documentation of the Fund
  - ④ A year planner in which meeting dates and action items are identified
  - ④ A master process and format for the agenda and minutes at each trustee meeting to ensure that matters are prioritised and are receiving the trustees' attention and that all actions and decisions are recorded
  - ④ A range of protocols to clarify processes and procedures, and to identify the persons responsible for overseeing and ensuring compliance
- The trustees have delegated certain duties to committees each comprising the relevant specialist skills. In doing so, the trustees remain responsible for the entire operations of the Fund, and the committees report to the trustees via the Principal Officer and Fund Secretariat.
- ④ Equal member representation on both levels of decision making namely representative committee meetings (Joint Forums) at employer level and the Board of Trustees where they are represented by industry professionals who are independent of the sponsor and in a position to protect members against any potential or perceived conflicts of interests
  - ④ A trustee code of conduct (based on annexure A to PF 130)

Appointed committees supporting the trustees of the Sanlam Unity Umbrella Fund:

- ④ An Administration Committee
- ④ An Audit Committee
- ④ A Communication Committee
- ④ A Complaints Committee
- ④ A Death Benefits Allocation Committee
- ④ A Governance & Risks Committee
- ④ An Individual Member Products and Servicing Committee
- ④ An Insured Benefits Management Committee
- ④ An Investments Committee
- ④ A Remuneration Committee

## The Sanlam Unity Umbrella Fund and the King IV Report on Corporate Governance

The King IV Code of Governance became effective on 1 November 2016 and served as a general governance criterion against which companies and all other entities, including retirement funds, should assess their level of governance.

The trustees of the Sanlam Unity Umbrella Fund have embraced these principles and have implemented measures to ensure compliance with King IV even before it became effective. The Fund is also in compliance with the requirements of PF 130, a good governance guide specifically prepared for retirement funds by the Financial Sector Conduct Authority (FSCA).

As a result, the Fund achieved a very high compliance rating on the Governance Assessment Instrument for retirement funds (GAI), managed and maintained by the Institute of Directors. The Fund has also since been awarded the trophy as well as the gold standard for its governance and compliance practice and its financial reporting practice in the IRFA industry best practice competition.

The Board adopted the principles of good governance contained in the King IV report on corporate governance. The Board also subscribes to the revised Governance

Assessment Instrument as a form of objective monitoring and support and are very happy with the results. The following is new -

- ④ The vocabulary is no longer listed company specific. It contains a special supplement to help adapt the Code to retirement fund governance.
- ④ The 75 principles have been reduced to a mere 17, the latter being specifically applicable to institutional investors such as retirement funds.
- ④ King IV is focused on outcomes. It emphasises not what practices have been implemented but rather what their impact has been on achieving the 17 principles.
- ④ King IV requires funds to “apply and explain”. The reader of the explanation must be able to make an informed decision about whether the organisation has achieved the principles and realised the four outcomes; of ethical culture, performance in a sustainable manner, effective controls and legitimacy.

## Joint Forums

All participating employers are recommended to establish a Joint Forum comprising employer and member representatives for each Sub-fund. Member representatives from every Joint Forum are invited to elect the independent Trustees of the Sanlam Unity Umbrella Fund.

Joint Forums are designed to facilitate the process of consultation and decision making between the participating employer and its employees in respect of their group retirement benefits within the spirit of the Labour Relations Act, No 66 of 1995. The Joint Forum is convened and chaired by the Contracted Benefit Consultant, who guides the Forum to ensure the Sub-fund’s benefit structure remains relevant.

The Joint Forum is not responsible for the operation and management (fund governance) of the Sanlam Unity Umbrella Fund. This remains the duty of the Board of Trustees.

The trustees recommend that every Sub-fund should hold an initial Joint Forum meeting within 4 months of the establishment of the Sub-fund to review the installation process and the associated communication to members, and should thereafter meet at least once every year.

The trustees accept that it might be appropriate and cost effective for the Joint Forum to either:

- ① meet every two years, or alternatively
- ② for the member representatives to attend Centralised Joint Forum meetings organised by the Board of Trustees for multiple Sub-funds instead of the requirement to hold their own Joint Forum meetings

The Employer has the right to consider, approve or disapprove any decision made by the Joint Forum that might have an effect on the company's finances or its labour relations. The employer remains the contracting party in its communication with the Fund and other relevant service providers to the Fund.



A panel of independent candidates is short-listed by a committee chaired by the Principal Officer taking into account qualifications, knowledge, and experience, and on condition that candidates must be entirely independent of Sanlam and not associated with a major competitor umbrella fund product offering. The resumés of all candidates are distributed to every Joint Forum electronically along with a ballot paper, and the member-elected representatives at each Joint Forum (maximum two per participating employer) can vote for their preferred candidates. The election procedure will be electronic but ballot papers completed by hand will also be accepted. The independent trustees are then elected based on the number of valid votes received by the election closing date, following a counting of votes by the Fund Secretariat.

## Equal Member Representation on the Board of Trustees

All participating employer and member representatives are invited to an Annual General Meeting. At this meeting they can meet the trustees face to face and question them on their report. In addition, once every three years, the member representatives who serve on the Joint Forum are entitled to elect the independent, member representative trustees from a list of recommended industry specialists. These member-elected independent trustees have the knowledge, training and independence to protect members against any possible conflict of interest.

A top-down photograph of a person's hand holding a white coffee cup filled with black coffee. The cup is on a light-colored wooden desk. To the right of the cup is a silver laptop. The background shows some papers and a pen.

# Sanlam's Corporate Governance Policy and Practice

The Sanlam Board of Directors is committed to the principles of the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance (King IV), and to the highest level of corporate governance and best practice.

Sanlam sees value in subscribing to a system whereby ethics, personal and corporate integrity and governance practices set the standards for compliance. Sanlam is working to apply all the material aspects of King IV to its business.

A blue-tinted photograph of a desk. In the foreground, there is a silver laptop. To the right, there is a blue water bottle and a pen. The background shows a wooden desk and some papers.

More information  
regarding corporate  
governance is available  
on request or you can  
visit us at  
[www.sanlam.co.za](http://www.sanlam.co.za)

# Sanlam's Black Economic Empowerment Status

Sanlam understands that economic transformation is a national economic priority, and black economic empowerment (BEE) is a corporate responsibility.

Sanlam recognises that the principles enshrined in the Financial Sector Charter (FSC) are aimed at creating a broadbased BEE model through:

- ① Creating opportunities for previously disadvantaged employees and graduates, through accelerated skills development and employment opportunities
- ② Procuring goods and services from black-owned enterprises while working with them to develop these enterprises
- ③ Investing in communities, in black entrepreneurs and in projects that support infrastructure development, low-cost housing and agriculture
- ④ Ensuring that equity stakes are made available to black communities, and financing those.

In March 2019, Sanlam achieved a level 1 B-BBEE status. For the past 20-odd years, Sanlam has successfully contributed to BEE through the Group's Ubuntu-Botho partnership, numerous empowerment deals via a range of initiatives, Sanlam Sky Solutions, which is focused on creating access to financial services at the lower end of the market, and the initiatives run by the Sanlam Foundation, to mention but a few. Further economic value is added through procurement of services and enterprise development initiatives.

## Sanlam's Plans and Targets

A more representative workforce and investment in our people remain our primary focus, however our overall strategic objective with regard to the BBBEE scorecard is to improve on our BBBEE rating.

Ubuntu-Botho Investments (Pty) Limited, our BEE partner at Sanlam Group level, was born out of our strategy to reapply the principles of mutual co-operation – the original principles upon which Sanlam was founded more than 90 years ago and has grown so successfully.

In Africa, mutual co-operation is embodied in the terms “ubuntu” and “botho” (Nguni and Sotho, respectively), meaning, “I am because you are”.

Behind these words lie humanity, respect, good values and the understanding that each one of us is inextricably a part of the community around us.

The UB consortium has three anchor shareholders:

- ① Sizanani-Thusanang Helpmekaar led by Patrice Motsepe (55%)
- ② Sanlam/Ubuntu-Botho Community Development Trust (20%)
- ③ The Broad-based Empowerment Groupings (25%)

Further information on BEE, Ubuntu-Botho and sustainable development in Sanlam is available on our website [www.sanlam.co.za](http://www.sanlam.co.za)

# How the fund works

## Minimum Requirements

The minimum requirement for an employer to participate in the Fund is a membership of 20 members.

It is a Sanlam Unity participation requirement that all participating employers utilise the Sanlam Corporate Portal (SC Portal) and electronic contribution receipting facilities so as to streamline the administration of their retirement fund.

The minimum net monthly member plus employer contribution rate towards retirement savings is 5% of salaries and is subject to the net employer contribution rate being positive for all members.

## Contributions

Contributions are payable monthly in arrears. The employer has the option to include death and disability insurance for his members.

Life and Lump Sum Disability insurance are structured on an approved basis within the provident fund. The Funeral Benefit is provided as an unapproved scheme, separate from the provident fund, and the cost of these risk premiums can either be included or excluded in the total contribution amount paid to the fund.

Members may make additional voluntary contributions at any time to enhance their retirement benefit.

A lump sum, to which a member has become entitled on withdrawal from another approved pension or provident fund prior to joining the Fund, may be transferred to the Fund.

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The minimum requirement for an employer to participate in the Fund is a membership of 20 members.

## Normal Retirement Age

The normal retirement age is 65 years, but members are permitted to retire early from age 55 onwards with the permission of their employer.

# Life insurance

Cover is expressed as a multiple of salary for all members. On commencement, the employer chooses between 0, 1, 2 or 3 times annual pensionable salary as the Life insurance that is paid in respect of the member in addition to his/her member share. This insurance cover is provided subject to the terms and conditions as set out in Sanlam's insurance policy.

A maximum benefit of R600 000 will apply to the Life insurance, for participating employers joining the Fund from 1 December 2017.

The maximum age at entry is the earlier of Normal Retirement Age or the age of 65 years. The Life Insurance ceases for members actively at work at the earlier of Normal Retirement Age or the age of 70 whichever occurs first.

In case of members with a variable income (e.g. commission or fee earners), the annual remuneration amount, whereupon cover is based, is limited to the average income which he/she received from the employer during the twelve months immediately preceding the date of the claim. If he/she has received an income from the employer for less than twelve months, the rates quoted will also be based on the average income over the period of income received.

A committee approves the payment of death benefits due to beneficiaries of deceased members, in terms of Section 37C of the Pension Funds Act, No 24 of 1956. Where the trustees are of the opinion that it would not be in the interest of a minor beneficiary that his/her benefit be paid to his/her parent or guardian, the benefit may be paid to a registered beneficiary fund. The trustees have approved the use of the Sanlam Trust Beneficiary Fund as well as the Legacy Beneficiary Fund. The Board of Trustees will only be able to pay the benefits allocated to minor beneficiaries into a trust in very limited circumstances, e.g. where the member has nominated a trust to receive the benefits on behalf of the minor.

# Lump Sum Disability insurance

A lump sum of between 0, 1, 2 or 3x annual pensionable salary (equal to the Life insurance) is payable after a waiting period of six months if the member is totally, permanently and continuously prevented, even with further in-service training:

- ① from following the regular occupation which he/she practised immediately before; and,
- ② from following the occupations which he/she, in view of his/her training and experience, may reasonably be expected to follow,
- ③ and experiences loss of income.

This insurance cover is provided subject to the terms and conditions as set out in Sanlam's insurance policy.

A maximum benefit of R600 000 will apply to the lump sum insurance, for participating employers joining the Fund from 1 December 2017.

The lump sum will be reduced by 1.667% per month to nil over the last five years before the normal retirement age. Cover ceases at the earlier of normal retirement age or attainment of age 65.

**Drivers:** The member must be unable to follow any occupation in order to qualify for the benefit.

# Funeral benefit

The Funeral benefit ceases upon the normal retirement age of 65 of the principal member.

The cover amounts which can be selected are R5000, R10 000, R15 000 and R20 000. Benefits are paid in respect of the death of the principal member, qualifying spouse or qualifying children according to the following scale:

- ① Principal member, qualifying spouse or qualifying children aged 14 and over are covered for 100% of the selected cover amount.
- ② Qualifying children aged 6 and over but younger than 14 are covered for 50% of the selected cover amount.
- ③ Qualifying children younger than 6 and still-born children are covered for 25% of the selected cover amount.
- ④ Accident cover for the principal member only is 100% of the selected cover.

The cover will continue for members actively at work after the normal retirement age until actual retirement or the age of 70, whichever occurs first. The maximum age at entry for the principal member is before the age of 65 years and for qualifying spouses before the age of 75 years.

All cover ceases at the first of the following events:

- ④ When the principal member ceases to be an employee
- ④ Upon retirement of the principal member
- ④ When a premium is not paid continuously
- ④ If the scheme is dissolved

When the principle member dies, cover for the member's qualifying spouse and qualifying children ceases.

The Funeral benefit is charged as a fixed rand amount per member per month.

Funeral insurance for extended family members is offered as an additional unapproved risk scheme, underwritten by Sanlam Sky.

## Additional Unapproved Risk Schemes

Futura SA Administrators (Pty) Ltd offers additional unapproved risk schemes targeted and designed to meet the needs of employees. These risk schemes are underwritten by Sanlam Group Risk, and include a range of group insurance products. Premiums in respect of these unapproved risk schemes are paid monthly, and are paid separate and additional to the monthly contributions paid towards the Fund.

Funeral cover for extended family members is offered as an additional unapproved risk scheme, underwritten by Sanlam Sky.



# Housing Loan Surety

Participating employers can apply for a housing loan facility for their members whereby a loan is granted to a member by a financial institution. The Fund then grants a surety in favour of the financial institution, which is secured by the member's share. The loan may only be used for housing purposes envisaged in the Pension Funds Act.

The trustees have approved housing loan facilities via First National Bank. These banking products are designed to protect the member from over-indebtedness, and to comply with both the letter and spirit of the Pension Funds Act, No 24 of 1956 and the National Credit Act, No 34 of 2005.

The maximum surety in respect of all financial service providers is 50% of the member's share at the date of application. The maximum installment is 25% of the member's net remuneration. The minimum loan is R5 000 and the repayment period is a maximum of 15 years, but must be paid before a member retires from the service of the employer.

# Investments

The trustees of the Fund have a formal investment strategy in place whereby the Fund aims to provide stable long term returns in excess of inflation that suits the majority of the members' long-term investment needs.

The Fund currently utilises two underlying investment portfolios in order to achieve its objectives. The Fund's assets are split as follows:

- 75% Sanlam Monthly Bonus and
- 25% Satrix Enhanced Balanced Tracker Fund

The Trustees review the investment strategy continually, and will make periodic changes to the underlying investments in line with the objectives of the strategy.

# Investment Management Fees

Investment management fees are levied by professional investment managers employed by the trustees in terms of the Fund's approved investment strategy. These fees will vary from time to time depending on the investments selected by the trustees.

The investment management fees of the two portfolios underlying the trustees' approved investment strategy are as follows:

Portfolios	Fees
Sanlam Monthly Bonus Fund	Sanlam's cost in relation to the investment plan is recouped by recovering the following fees: <b>Investment Management Fees:</b> 0.425% per annum <b>Guarantee Premium:</b> A guarantee premium of 1.60% per annum <b>Annual Performance Linked Fee:</b> The investment manager may be incentivised with performance fees (capped at 0.30% p.a.). Details of the performance fees actually paid over the past calendar year are available on request.
SATRIX Enhanced Balanced Tracker Fund	0.36% per annum on both South African and International Assets.

# Underwriting Conditions for Group Insurance

Participating employers who joined the Fund prior to 1 December 2017, are subject to a medical proof free limit as stated on the signed quotation.

A maximum benefit of R600 000 will apply to the Life and Lump Sum Disability insurance, for participating employers joining the Fund from 1 December 2017.

## General

### Sanlam Group Risk

The insurer of all group insurance under the Sanlam Unity product offering is Sanlam Group Risk, being the specialist corporate risk insurer within the Sanlam Group.

### Membership

Quotations are only for eligible employees under the normal retirement age and who are actively employed by the participating employer. Membership is compulsory for new qualifying employees. In the opinion of Sanlam Group Risk, an actively employed member should be capable of performing his/her normal duties with the employer. In the case of take over of an existing fund where members past normal retirement age were covered, members falling into this category are eligible, provided such continued cover is indicated on the quotation.

Cover will take effect from the date on which membership commences and applies 24 hours a day.



In the event that a quotation is accepted after the effective date of commencement, any insurance claim that is submitted and that occurred prior to the employer's signature of the Confirmation of Acceptance shall not be admitted unless the Insurer agrees to admit the claim on an ex-gratia basis. Sanlam Group Risk's decision in such circumstances shall be final and binding.

**Cover will take effect  
from the date on  
which membership  
commences and  
applies 24 hours a day.**

## Absence from Work Upon Commencement of Membership

### On date on which membership commences:

The insurance of a member who is absent from work (because of sickness or an accident) on the date on which his membership commences, will take effect only after 60 days from the date on which he/she resumes his/her normal duties with the employer or after medical evidence of good health has been provided (whichever is the earlier). The member will not be covered if he/she dies before he/she is capable of resuming his/her normal duties. The Insurers will decide whether the employee is fit to do his/her normal duties, and may require relevant proof and information in this regard before admitting a claim.

### Temporary absence:

If a member is temporarily absent from the service of the employer with the employer's consent, the member will continue to be covered for insurance but not for longer than two years. Periods of absence that are interrupted by periods of service of less than three months are added together to determine whether the period of two years has elapsed or not. Insurance premiums, Administration Fees, Consulting Fees and Contingency Reserve Account Levies remain payable to the Insurer and the Fund during periods of absence.

## Take-over of Existing Benefits

Should any member's benefits change as a result of the take-over, the lesser of the previous or the new benefits will apply to members, other than existing or pending disability claimants, who are not "actively in

service" on the take-over date.

The commencement date with regard to the participating employer will be a date (first day of a month) following the notice of acceptance.

## Members Who Work Outside the Borders of the RSA

Sanlam Group Risk can provide cover for members who work temporarily outside the borders of RSA, based on the following conditions:

- ④ All payments to and from Sanlam Group Risk will be in RSA currency
- ④ Cover and premiums will continue for a period of 6 months, at the same level as before these members started working outside the RSA
- ④ If the cover needs to be extended after 6 months, the employer needs to advise Sanlam Group Risk and new conditions, if any, will be confirmed
- ④ The cover will automatically cease after 24 months. If necessary, new arrangements will have to be negotiated at that stage
- ④ Sanlam Group Risk requires a schedule of these members indicating the following, in addition to the general member information:
  - The country
  - Nature of work responsibilities
  - The expected period of stay
- ④ These members must remain on the local payroll
- ④ Sanlam Group Risk reserves the right to have the final assessment of disability claims done locally
- ④ The normal territorial limitations with regard to claims in payment will apply.

Sanlam Group Risk can provide cover for members who work temporarily outside the borders of RSA

# Definitions

## Qualifying Spouse

A qualifying spouse in the case of a member means the person with whom he/she is joined in marriage.

If a member is joined in marriage with two or more persons, qualifying spouse means only that one of them whom the member nominated in a written document and submitted to the employer during the person's life.

If the employer advises Sanlam that the insured has failed to nominate only one of them, only the one with whom he/she is joined in marriage first will qualify.

Once a nomination has been made, it remains in force as long as the member is joined in marriage with the nominated person.

Marriage means:

- ① a marriage or union in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, or the Civil Union Act, 2006, or the tenets of a religion (applicable to insurance provided via the Fund and via a separate scheme); or
- ② a union where two persons are living together as if married, with the commitment of continuing to do so permanently (applicable to insurance provided via a separate scheme) provided that:
  - they have been doing so for at least 6 months; and
  - in the format prescribed by the Employer from time to time, they applied in writing to the employer, before the death of any one of them, for their union to be registered by the Employer; and
  - one or both of them are not joined in a marriage or union (as contemplated in the first bullet of the definition) with another person.

## Qualifying child

A qualifying child in the case of a member (principal member) means his/her qualifying child or his/her qualifying spouse's child.

This includes a legally adopted child, a stepchild, a foster-child and a posthumous

child, who is dependent on the principal member, provided that the child:

- ① is unmarried and has not reached the age of 21 years; or
- ② is unmarried, has not reached the age of 26 years and is a full-time student at an educational institution of a public nature; or
- ③ is incapacitated by a physical or mental infirmity from maintaining himself/herself and such incapacity commenced when the child was either under the age of 21 or under the age of 26 years while a full-time student at an educational institution; or
- ④ is nominated in the required format before the risk is accepted;
- ⑤ except a stepchild who on the date of the member's death was not dependent on the deceased for maintenance to any extent.

## Still-born child

A still-born child means a child that has had at least 26 weeks of intra-uterine existence, but showed no sign of life after complete birth.

## Funeral Benefit

On the date of commencement, the employer must provide a membership list indicating the names and dates of birth of the principal members.

A qualifying spouse in the case of a member means the person with whom he/she is joined in marriage.

# Pre-existing Health Conditions

If existing underwritten business is taken over or there is an amendment such as an increase to an existing benefit, the entry date for the members is the date on which membership or the amendment commenced in respect of this benefit with the Insurers or with the previous Insurer. Should any benefits change as a result of the take-over, amendment or increase in benefit, the smaller of the previous or the new benefit will apply.

## Disability insurance

The benefit does not apply if the date on which the disability started occurs within 12 months of the entry date and the disability arises directly or indirectly from/or is traceable to:

- ④ A bodily injury which occurred; or
- ④ A diseased condition of which the member was aware or experienced symptoms or for which the member received medical treatment; during the six months immediately before the entry date.

**Drivers:** The member must be unable to follow any occupation in order to qualify for the benefit.

## Claim Conditions

The participating employer must submit claims in writing to the Administrator, using the claim forms provided, within the timeframes set out in the policy.

The Insurer may from time to time insist on further requirements before considering a claim. If applicable, this information will be requested in a separate letter.

No benefit will be paid if Sanlam Group Risk is not notified of the claim within six months of the event. At termination of the Sub-fund, a period of six months will be allowed in which notice can be given of claims that occurred before the termination date.

No insured benefits will be paid unless the claim is approved and settled by the Insurer.

## Exclusions

Except where the policy provides otherwise the following exclusions are applicable:

- ④ No benefit will be paid if the event giving rise to the claim is:
  - a direct or indirect consequence of active participation in
  - war, invasion, acts of foreign enemies, hostilities,
  - war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, military of usurped power, insurrection, civil commotion assuming the proportions of or amounting to an uprising; or
  - an act of terrorism; or
  - a riot; or
  - a strike, whether lawful or unlawful, during which lives are endangered, public or private property damaged, or an attempt or attempts are made to damage such property; or
  - any other unlawful act or conduct of whatever nature during which lives are endangered, public or private property damaged, or an attempt or attempts are made to damage such property.
  - a direct or indirect consequence of
  - any radioactive contamination or the use of nuclear, biological or chemical weapons; or
  - attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective whether any of the aforesaid has been performed with the specific use of information technology.
- ④ No disability benefits will be paid if:
  - a member is a professional sportsman, professional sportswoman or a professional diver.
  - the disability is attributable to a member's having negligently or wilfully exposed himself/herself to danger, except in the interests of the law or to protect his/her or another's life or property.
  - the disability is attributable to an Insured's intentional self inflicted injury.
  - the disability can be substantially removed by surgery or any other medical treatment which, taking into account the risk and the prospect of success, an Insured can reasonably be expected to undergo.

# Medical Proof Free Limit (Cover Free of Medical Evidence)

Participating employers who joined the Fund prior to 1 December 2017, are subject to a medical proof free limit as stated on the signed quotation. Individual personal limits as agreed by the insurer may apply for members who have exceeded the medical proof free limit. No evidence of health and insurability will be required for an amount of cover less than or equal to the medical proof free limit.

Sanlam Group Risk will only give a member cover in excess of the medical proof free limit, after the member has provided medical evidence of good health. If the evidence is not acceptable, the excess cover may be declined.

A maximum benefit of R600 000 will apply to the Life and Lump Sum Disability insurance, for participating employers joining the Fund from 1 December 2017.

## Takeover of Cover

Sanlam Group Risk will take over the cover of members who have already provided medical evidence of good health to the previous insurer. Future increases are, however, subject to Sanlam Group Risk's underwriting conditions. Existing loadings and/or limitations will also be taken into account by Sanlam Group Risk and must be disclosed at the date of take-over.

Existing cover, for which no medical evidence of good health was provided, i.e. cover under the previous insurer's proof free limit, will also be taken over provided that substantially the same membership is covered as previously and for substantially similar benefits.

Any future increases in the existing cover are subject to medical evidence of good health.

## Cover Requirements During the First Three Months

During the first 3 months, cover will not be limited to the medical proof free limit subject to limitations on pre-existing conditions. In addition:

- ④ The benefit is limited to maxima as per the policy document
- ④ A member must be actively employed by the employer
- ④ It is applicable in the following situations:
  - In respect of new entries, i.e. new staff joining the employer
  - In case of salary increases to members and their cover is not already limited
  - In case of a change in the benefit structure to members and their cover is not already limited
  - When a new Sub-fund is established and certain members' cover exceeds the medical proof free limit on the commencement date
- ④ The premium must be paid on the full cover
- ④ The salary on which a claim is based will be less than or equal to the actual salary paid
- ④ Any claim, which may be lodged within three months from the commencement of the Subfund / amendment date, will be limited to the medical proof free limit, if the claim is related to an illness or injury which occurred within six months before the commencement date. When medical evidence of good health has been provided within the three-month period, the cover applies as determined by the Insurers

**Please note – The benefit will be limited to the medical proof free limit if the death or disability of the insured is directly or indirectly caused by or is traceable to suicide or attempted suicide, which occurs within the said three months. The waiving of the medical proof free limit is not applicable in the case where there is a take-over of cover from another Insurer. Those members who are taken over from another Insurer are transferred with their existing cover provided certain conditions are met.**

# Individual Membership

# 05

**The Fund makes provision for individual membership to continue even after a member leaves the employment of his/her participating employer.**

## **Paid-up Members**

These are members who have left employment prior to retirement, and elect to preserve their entire member share in the Fund. Paid-up Members are administered as part of a central Paid-up Member group rather than as part of their former participating employer's Sub-fund.

If a member has left employment and has not provided the Fund with a written instruction for the payment of his/her benefit within 6 months of leaving employment, he/she

will be defaulted into the Fund's investment strategy.

Members who have housing loan guarantees or any amount owing to their employer at date of exiting employment, are permitted to become Paid-up Members. Sanlam Corporate will settle this amount directly from the member's member share before becoming a Paid-up member. Tax will be deducted before Sanlam Corporate settles the outstanding amount.



Paid-up Members' can elect to:

- ① withdraw his or her entire member share at any time before retirement (subject to paying tax at the prescribed rates); or
- ① transfer his or her entire member share at any time before retirement to another registered pension fund, provident fund, preservation fund or retirement annuity fund (transferred amounts are not taxed at present, except a pension fund to provident fund transfer); or
- ① retire from the Fund at any time after attaining age 55 and elect a cash lump sum not higher than the permitted maximum, and purchase a compulsory annuity with the balance of his or her member share from any registered provider of such products.

## Phased Retirees

These are members who have retired from employment after attaining age 55, but have deferred making an election pertaining to their retirement pay-outs from the Fund, and therefore the entire member share remains in the Fund.

Phased Retirees are administered as part of a central Phased Retiree group rather than as part of their former participating employer's Sub-fund.

Members who have housing loan guarantees or any amount owing to their employer at date of exiting employment, are permitted to become Phased Retirees. Sanlam Corporate will settle this amount directly from the member's member share before becoming a Phased Retiree.

Phased Retirees can elect to:

- ① retire from the Fund at any time and elect a cash lump sum not higher than the permitted maximum, and purchase a compulsory annuity with the balance of his or her member share from any registered provider of such products.
- ① transfer their full retirement benefit to a preservation fund.

## Operating Expenses

The operating expenses applicable to these members are as follows:

- ① Subject to a minimum fee of R26.50 per member per month (excluding VAT).

- ① Contingency Reserve Account Levies at the current rate.

## Death Benefits

The member share is payable when a Paid-up Member or Phased Retiree dies. The trustees determine the distribution of death benefits due to beneficiaries of deceased members in terms of Section 37C of the Pension Funds Act, No 24 of 1956. Where the trustees are of the opinion that it would not be in the interest of a minor beneficiary that his/her benefit be paid to his/her parent or guardian, the benefit may be paid to a registered beneficiary fund.

The trustees have approved the use of the Sanlam Trust Beneficiary Fund as well as the Legacy Beneficiary Fund. The Board of Trustees will only be able to pay the benefits allocated to minor beneficiaries into a trust in very limited circumstances, e.g. where the member has nominated a trust to receive the benefits on behalf of the minor.

## Servicing Model

There is no longer an employee-employer relationship in respect of Paid-up Members and Phased Retirees. Hence the members in these groups are administered in a different fashion to participating employer Sub-funds, and the administrator must be able to communicate directly with these members.

This implies that member contact details such as physical and postal addresses, cellular phone numbers, e-mail addresses and bank account details will be captured as part of the implementation process for all new Paid-up Members and Phased Retirees.

The preferred communication channel for the members in these groups is the SC Portal. It is a participation requirement that all Paid-up Members and Phased Retirees sign up to access the SC Portal. This state-of-the-art Internet portal allows members online access to their Fund information and data.

See Chapter 9 for more details.

# Taxation

## at a Glance

# 06

The Sanlam Unity Umbrella Fund offers a number of tax savings, both for employers and members.

Taxation legislation is complex and subject to change. It is therefore vital for participating employers and members to be advised on the appropriate tax structuring of contributions and group insurance from a tax specialist. The participating employer must ensure that all contributions are taxed correctly by their payroll system.

On the next page is a table which briefly sets out the tax implications on various benefits/ contributions as applicable for the 2021/2022 year of assessment. The tax exempt amount (R25 000 in case of withdrawal and R500 000 in case of retirement/death) is a lifetime amount. In applying the tax tables all previous lump sums received or accrued will be taken into account.

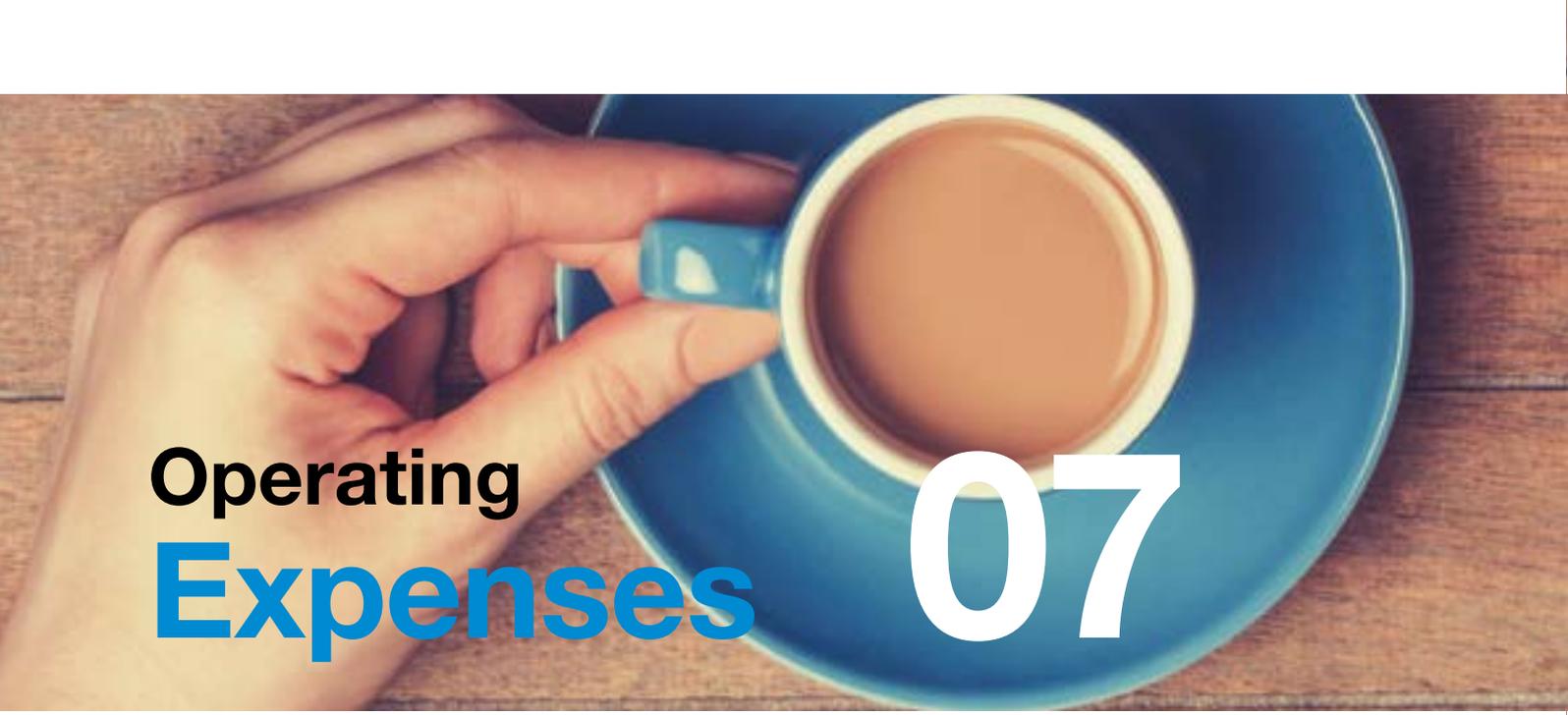
**Taxation legislation is complex and subject to change.**

**It is therefore vital for participating employers and members to be advised on the appropriate tax structuring of contributions and group insurance from a tax specialist.**



**Provident Fund components (Including any approved Life insurance and Lump Sum Disability insurance)**

Employer contributions	The full contribution is tax-deductible for the employer. Note that employer contributions are taxed as a fringe benefit in the employee/member's hands.	
Employee contributions	Employee/member contributions and employer contributions are tax-deductible up to 27.5% of remuneration or taxable income (whichever is the greater) per year, subject to an annual cap of R350 000.	
Funeral benefit contribution	Taxed in the hands of the employees	
Additional voluntary contributions by employees	Employee and employer contributions up to 27.5% of the employees' taxable income or remuneration (whichever is the greater) can be deducted, subject to an annual cap of R350 000. Contributions in excess of 27.5% or the R350 000 limit will be rolled over to future tax years and will be deductible in such or subsequent years. Amounts not previously deductible will be tax deductible upon and/or after retirement. Any contributions to a retirement fund after 1 March 2015 that did not rank as a tax deduction will be subject to estate duty in the estate of a member that dies.	
Pensions purchased upon retirement	Pensions are taxable at marginal rates of tax in the year payable	
Lump sum on retirement, death or retrenchment	R0 - R500 000	: 0% of taxable income
	R500 001 - R700 000	: 18% of taxable income above R500 000
	R700 001 - R1 050 000	: R36 000 + 27% of taxable income above R700 000
	R1 050 001 +	: R130 500 + 36% of taxable income above R1 050 000
Lump sum on withdrawal	R0 - R25 000	: 0% of taxable income
	R25 001 - R660 000	: 18% of taxable income above R25 000
	R660 001 - R990 000	: R114 300 + 27% of taxable income above R660 000
	R990 001 +	: R203 400 + 36% of taxable income above R990 000
	Amounts transferred to preservation funds or other approved pension, provident or retirement annuity funds will not be taxed.	
Funeral benefit payouts	No tax is payable	



# Operating Expenses

# 07

The Fund's operating expenses comprise the following:

## Administration Fees

Administration Fees are levied by Sanlam to cover the cost of administering the scheme, and are deducted as:

- ⤵ A flat percentage of salary per member per month as stated in the signed quotation, plus
- ⤵ An asset based fee of 0.5% per annum including VAT levied monthly i.e. approximately 0.042% of assets per month.

Administration Fees do not include the Investment Management Fees charged for the management of investments.

On commencement the Administration Fee is guaranteed until the Fund's next review date, and thereafter is subject to review at 1 month's notice.

In respect of participating employers that do not utilise the electronic receipting contribution process, an additional administration fee of 20% will be levied on top of the flat percentage of salary per member per month as stated in the signed quotation.

Administration fees will be levied on members pending exits. These are members who are no longer on the payroll, but their exit documentation is outstanding. The following fees are applicable:

- ⤵ Subject to a minimum fee of R26.50 per member per month (excluding VAT).
- ⤵ Contingency Reserve Account Levy at the current rate.

## Consulting Fees

A Consulting Fee is payable monthly to each participating employer's FAIS-accredited financial adviser for providing the Contracted Benefit Consulting and/or Contracted Financial Advisory services.

## Contingency Reserve Account Levy

The administration fees do not include the normal costs and disbursement incurred by the Fund, e.g. the FSCA levies and fees, fidelity insurance premiums, actuarial services, audit services, independent trustee expenses, member communication, and other fees and disbursements. These fees are recovered by way of a monthly contingency reserve account levy which is determined by the trustees in terms of a budgeting process. The Contingency Reserve Account Levy is currently 0.36% per annum of assets including VAT levied monthly i.e. approximately 0.03% of assets per month.

# Investment Management Fees

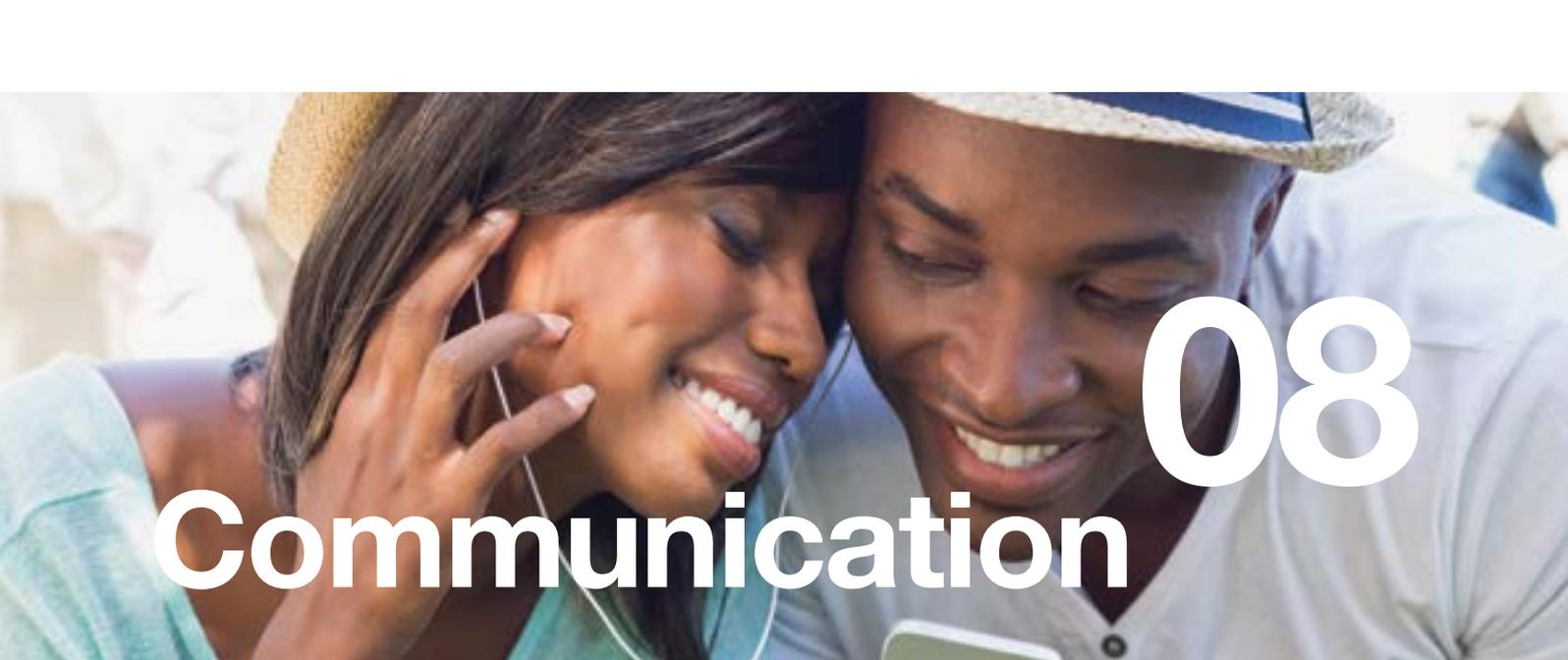
Investment management fees are levied by professional investment managers employed by the trustees in terms of the Fund's approved investment strategy. These fees will vary from time to time depending upon the investments selected by the trustees. Details of the current fees are available in the monthly fact sheets of the relevant investment portfolios.

# Annual Revision Date

Administration Fees, Consulting Fees and insurance premiums are reviewed annually on 1 March each year following negotiations between the Sponsor, the Insurers and the Board of Trustees. Participating employers will be given 1 month's written notice of any changes to administration fees, consulting fees and insurance premiums.

The Contingency Reserve Account Levy is subject to review at any time.





# 08 Communication

## Member Communication

The trustees recognise that appropriate communication with all stakeholders is the key to assisting Fund members to take control of their own financial destinies.

The trustees further view it as critical that Fund members are empowered and influenced to arrive at good retirement outcomes.

The Fund has a formal communication strategy in place that formalises a number of solutions and processes, with the aim of ensuring that members are educated on all aspects related to their retirement so that they may make informed decisions about their retirement planning and savings.

In order to deliver the solutions identified as part of the communication strategy, the Fund and Administrator require that the participating employer provides contact details for each member of the Fund.

## Participating Employer

The participating employer, Contracted Benefit Consultant and Contracted Financial Adviser can extract reports online, using the Sanlam Corporate Portal (SC Portal) facility that contains daily-updated information on the participating employer's members for purposes of fulfilling their duties and obligations in respect of the Fund.

The trustees and Sponsor make use of the SC Portal to ensure participating employers and their members have access to information

such as the Fund's General Rules, Special Rules, Insured Benefits policies, Investment Policy statement and other relevant and useful information.

In terms of the Policyholder Protection Rules (Long-Term Insurance Act), 2017, it is required that policyholders, including members, of group schemes are to be provided with the insured benefits policy. Participating Employers are required to make the policy available to members and retain proof thereof. Sanlam may request proof of such communication, from time to time, for the purpose of monitoring compliance with this legislation.

The mandatory appointment of a FAIS accredited Contracted Benefit Consultant is intended to ensure that participating employers and Joint Forums are kept abreast of legislative and product updates, and also that the appropriateness of the chosen benefit structure is regularly reviewed. The mandatory Joint Forum process ensures that members are also consulted on such developments via their member representatives, and is a valuable additional communication channel.

## Members' Contact details

To ensure that members are able to register online and benefit from the digital solutions available to them, the Fund and Administrator requires that the participating employer provides contact details for each member at the inception date of the Sub-fund.

Members' contact details will only be used for communication related to their retirement fund and will not be used for the purpose of marketing new products to members.

# Member Portal

The trustees and Sponsor make use of the Member Portal as an electronic communication tool and for the disclosure of fund information to members. Upon joining the Fund, members may register to view their personal insurance and retirement information online via Sanlam's Member Portal.

The information is updated on a daily basis, and reflects updated information as contained on the Fund's administration platform.

Members are able to access updated benefit statements at any time and view further valuable information related to:

- ⤵ Their retirement savings
- ⤵ Where their money is being invested
- ⤵ Their group insurance benefits
- ⤵ Factors to consider during certain life events
- ⤵ Useful educational topics.

The web portal also allows members to interact with Sanlam and they are able to perform a number of functions related to their retirement information.

- ⤵ By using the Retirement Calculator, members may evaluate and tailor their retirement plans.
- ⤵ Members may view their beneficiary information on record with Sanlam and make changes if they wish.

## “Sanlam My retirement app”

Fund members may download the “Sanlam My retirement app” that will provide them with effortless access to all their retirement information via any mobile device.

## Day One Tools

The Day One tools include two key educational elements which will help members embark on a good retirement plan when they join employment.

- ⤵ A 5 minute video, which clearly explains both the calculator and how a retirement fund works.
- ⤵ A member replacement ratio calculator, which projects a member's retirement outcome and suggests what they can do to improve it.

# Sanlam's Member Call Centre

Members also have access to a call centre where they can ask questions relating to their benefits under the Fund, and enquire as to progress on benefit payments. The call centre agents have enquiry access to the workflow system so that they can appropriately respond to member queries. The call centre agents are not registered with the FSCA to give advice and accordingly cannot provide financial advice to members.

The call centre's details are:  
Telephone number: 086 122 3646  
E-mail address: SCClientCare@sanlam.co.za

## Individual Member Support

In order to comply with the default regulations the Sanlam Unity 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

# The Contracted Financial Adviser

The mandatory appointment of a FAIS-accredited Contracted Financial Adviser for each participating employer is intended to ensure that members have access to much needed face-to-face financial advisory services. This can be particularly important at the time benefits are due to be paid, when members are required to make significant financial decisions pertaining to their own retirement funding and insurance needs.

## Event Based Communication

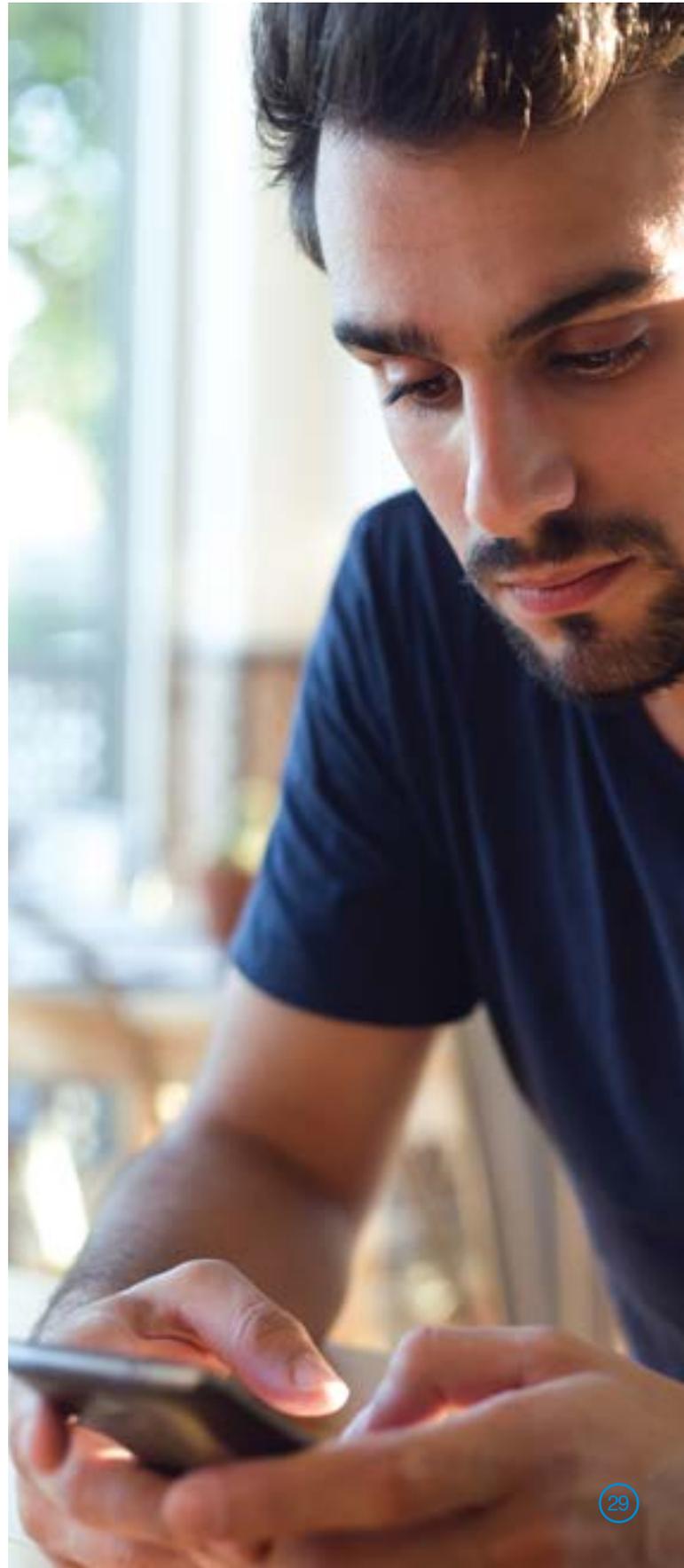
Specific communication is issued to members at certain pre-determined events, with the aim at educating and empowering members.

- ④ Upon entry into the Fund, every member is issued a member certificate by the Administrator.
- ④ When a participating employer joins the Fund, a member guide is issued and made available to members on the Member Portal. Participating employers may also request to obtain printed member guides from the Fund's Administrator.
- ④ Every member receives an annual benefit statement compliant with the guidelines issued by the FSCA.
- ④ Monthly investment fact sheets and quarterly investment updates are issued and made available on the Member Portal.
- ④ An electronic member newsletter that contains Fund updates, topical information, industry updates, etc. is issued on a quarterly basis.

## Protection of Personal Information

Sanlam Life Insurance Limited ("Sanlam Life"), a subsidiary of Sanlam Limited, will process and protect your personal information as required by relevant laws and the constitution of the Republic of South Africa ("RSA"). We may send your personal information to service providers outside of the RSA for storage or further processing on Sanlam Life's behalf. We will not send your information to a country that does not have information protection legislation similar to

that of the RSA, unless we have a binding agreement with the service provider which ensures that it effectively adheres to the principles for processing of information in accordance with the Protection of Personal Information Act No 4 of 2013. For more information, please refer to the Sanlam Group Privacy Notice on [www.sanlam.co.za](http://www.sanlam.co.za), alternatively it can be sent to you on request.



# Sanlam Corporate Portal

# 09

## Communication via the internet

The Sanlam Corporate Portal (SC Portal) provides our employers, and consultants with state-of-the-art retirement fund administration processes via the Internet.

It is a participation requirement that all participating employers utilise the SC Portal facility to streamline the administration of their Sub-fund.

The trustees and Sponsor make use of the SC Portal facility as an electronic communication tool and for the disclosure of fund information to participating employers and members.

## How it works

Participating employers and consultants are issued with a unique pin-code that ensures confidentiality and security of member information.

Participating employers utilise this facility to transmit data to the Administrator electronically, thus streamlining the administration of their retirement fund.

## How to gain access

The participating employer, and the Contracted Benefit Consultant as defined in the Confirmation of Acceptance document will automatically receive access to the SC Portal.

# Data transmitted via the SC Portal

The participating employer submits the following data electronically to the Administrator:

- ④ Updated monthly expected contribution schedule with member data
- ④ New members joining the Sub-fund
- ④ Exiting members on withdrawal or retirement
- ④ Death claim notification and information
- ④ Changes in member information
- ④ Details related to temporary absence of a member
- ④ General communication

## Replacement ratio calculator

This easy-to-use calculator has been designed to offer members an indication of the level of income they could receive as a percentage of their current pensionable salary if they purchased an annuity at retirement, based on their accumulated savings and contributions rates.

The calculator automatically populates members' retirement fund information currently on record with Sanlam Corporate. Members then have an option to change certain assumptions or input additional retirement savings they are making, thus allowing for a comprehensive overview of their retirement savings situation.

The calculator also provides participating employers and Contracted Benefit Consultants with the option to request a "bulk report" for all members from a particular employer group in one report. The report is provided in excel format, which allows one to manipulate the data in a flexible manner. Additional outputs include employer level graphs and summary tables based on the demographics for that employer.

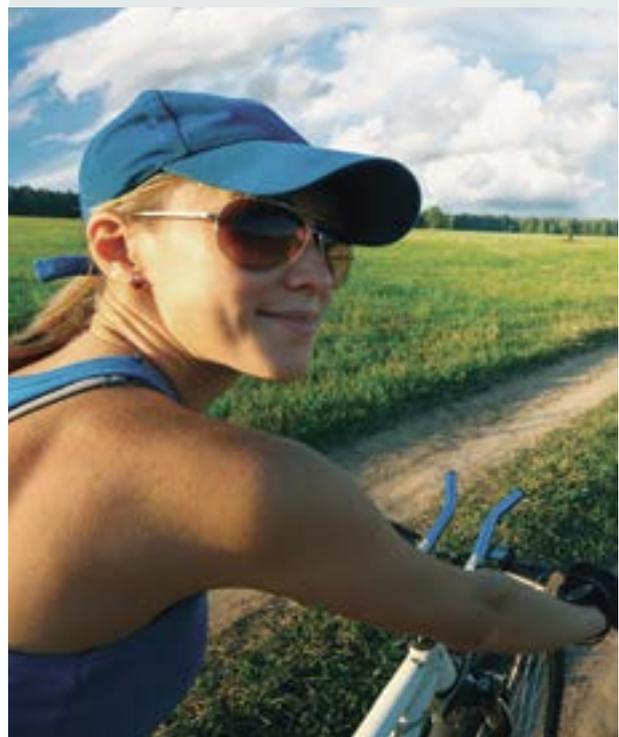
Users should note that the projections do not constitute an annuity quotation and that actual quotations would need to be obtained from the appropriate service provider for members close to retirement.

## Other functionalities available

The following further functionalities are currently available to users:

- ④ View up-to-date member benefit statements
- ④ View general member information
- ④ View all payments made for members
- ④ Trace all transactions on a history log/audit trail
- ④ View monthly reports relating to member data
- ④ View documentation relating to the Fund i.e. Rules and Policies
- ④ Information on investment returns and investment portfolios

**For more information, visit [www.RetirementFundWeb.co.za](http://www.RetirementFundWeb.co.za).**



# Roles of Various Parties

## Board of Trustees

The Board of Trustees is the body responsible for the management of the Fund and oversees the interests of the members. The Board appoints the administrators, decides where investments may be placed and has the ultimate decision on allocation of death claims in terms of section 37C of the Pension Funds Act, No 24 of 1956. The Board is assisted in fulfilling its duties by a Principal Officer and Fund Secretariat.

## Administrator

Sanlam Corporate is responsible for the administration of the Fund, and as such members enjoy the full backing and protection of Sanlam. Sanlam Corporate employs approximately 1150 retirement fund administration staff countrywide, and administers approximately 600 000 members of South African retirement funds. The Fund is administered on the leading edge Retirement Fund Administration platform.

The Administrator is responsible for providing a comprehensive administration service in terms of the requirements of the legislation. The full ranges of duties of the Administrator, as well as the associated service level agreements, are set out in a formal administration contract that has been signed between the Sanlam Unity Umbrella Fund and the Administrator.

# 10



# Responsibilities

## Participating Employer

The participating employer undertakes to:

- ① Apply to the Administrator, on the required registration form, for access to the web facility for authorised personnel.
- ① Provide the Administrator, via the web, with accurate, updated data and information that is reasonably necessary to perform its administration services.
- ① Follow-up with Sanlam if no response is received regarding any SC Portal transaction.
- ① Establish and maintain proper controls to ensure only authorised personnel are granted access to view, change or update information and that persons no longer authorised to access data and information are deregistered with Sanlam.
- ① Make available and maintain the necessary computer hardware and software as well as network access to an Internet service provider and ensure these are free from computer viruses.

## Administrator

The Administrator undertakes to:

- ① Provide encryption of data and information during transmission and use the data and information provided by the employer for the purpose of effective administration services.
- ① Restrict access of data and information under its controls to authorised persons only.
- ① Sanlam will be entitled to accept that data and information provided by the participating employer via the SC Portal is correct and complete, and that persons registered with Sanlam have been duly authorised by the participating employer.



# Futura SA Administrators (Pty) Ltd

Futura is contracted by Sanlam to provide an additional layer of support to the Fund's participating employers and members. Futura has significant experience and a highly credible track record of delivery as an umbrella fund specialist assistance company in the targeted market, and has performed these functions for the Fund since its establishment in 1999. Futura plays a valuable role by liaising between the various other stakeholders in the Fund, and ensuring a harmonious offering centred around client service excellence.

## Sponsor

The sponsor is Sanlam, who is responsible for providing the necessary professional and technical resources so that an appropriate product offering can be delivered to the marketplace. The sponsor also provides the necessary capital to grow the membership of the Fund in order to deliver economies of scale for the ultimate benefit of members. The sponsor aims to make a profit by delivering these services to the Fund, and adheres to the governance requirements of the Fund as laid down by the trustees.

# Client Solutions Specialist

Sanlam's nationwide team of Client Solutions Specialists is responsible for assisting potential clients and intermediaries with all aspects of the sales and installation process. The Client Solutions Specialists are employee benefits professionals who have received expert training on all aspects of the product offering. They are equipped to support potential clients and intermediaries with making appropriate benefit structuring decisions, and are available to provide training and support on the various product features.

The Client Solutions Specialists will provide an official Sanlam Unity Umbrella Fund quotation in line with the specifications chosen by the employer, and thereafter will oversee the completion and signature of all required new business forms in order to implement a new Sub-fund.

# Sanlam Unity Umbrella Fund Client Relations Manager

Once all the paperwork that is required to implement a new Sub-fund is completed, the Client Solutions Specialist hands over to the Sanlam Unity Umbrella Fund Client Relations Manager who will thereafter liaise directly with the participating employer and the Contracted Benefit Consultant to ensure smooth and effective administration processes going forward.

Together with their reporting teams, the Client Relations Managers are responsible for the post-sales service and are the first point of contact in respect of administration queries, documentation and client support.

These post-sales service teams are employed by Futura SA Administrators (Pty) Ltd and provide ongoing professional servicing of our Sanlam Unity Umbrella Fund clients.

The contact details are:  
Telephone number: 087 702 5922  
E-mail address: [Unity@FuturaSA.co.za](mailto:Unity@FuturaSA.co.za)



# Participating Employer

Each participating employer undertakes to comply with all requirements and duties imposed on employers in terms of the Rules, this, the *Sanlam Unity Product Guide* and the *Sanlam Unity Installation Guide* as amended from time to time. These documents contain the participation requirements to ensure compliance with all relevant insurance policies effected by the Fund, all service level agreements entered into with providers and all protocols adopted by the trustees and to adhere to all legislative requirements. In particular the employer undertakes:

- To appoint an HR contact person to deal with all operational issues and/or a Communication contact person to whom all rate review communication, AGM invitations, surveys and other Joint Forum matters will be channelled. Where the participating employer and the Contracted Benefit Consultant agree that the Contracted Benefit Consultant will act as the only employer contact person and that all communications must be channelled via the Contracted Benefit Consultant, the Fund will require the Contracted Benefit Consultant to complete an indemnity (contained in the Confirmation of Acceptance document) to indemnify the Fund and the Administrator from any liability that may arise as a result of the arrangement between the employer and the Contracted Benefit Consultant. More than one person may be appointed by the employer to perform these functions but the HR contact person will be responsible unless the various duties are identified and agreed in writing.
- To deduct the employee and employer contributions stipulated in the Special Rules and ensure that they are transferred to the Fund's bank account by the end of each month, using the assigned reference number so that deposits can be easily identified. Should contributions be deducted from members' salaries and not transferred to the fund, the Joint Forum, failing which, the HR officer must take appropriate legal action on behalf of the members. A failure to make contributions will result in the suspension of participation.
- To update and maintain member records on a monthly basis and to transfer the information to the Administrator in the prescribed format by the end of each month. Without the data the Administrator will not be able to invest money and settle fees and premiums.
- To ensure that each member signs a beneficiary nomination form and a schedule of dependants form with regard to death benefits and update them regularly (preferably annually) and ensure that the forms are filed and stored.
- To provide the trustees with the required documentation and to gather information in respect of beneficiaries in the event of the death of a member.
- To inform the Administrator, within one month of joining, of the details of any new employees who are eligible to participate in the Fund. It is the duty of the HR contact person to monitor and ensure that all eligible employees are members of the Fund.
- To submit benefit claim forms in respect of exiting members as specified.
- To support members in the establishment of a Joint Forum on which they enjoy representation and where they can discuss and participate in reviewing the benefit structure of their Sub-fund. The employer will remain the contracting party for the Sub-fund, and will act on behalf of the Joint Forum. Failing the establishment of a Joint Forum, the HR contact person will be responsible to perform the duties of the Joint Forum.
- To distribute and communicate to employees all information intended for members.
- To identify and assist with the training of personnel to perform the various tasks identified, such as ensuring that records are maintained, payments are made, information in respect of deceased members is gathered, and that members are assisted to gain access to fund data via the SC Portal facility.
- To ensure that the Administrator receives all information that is reasonably necessary for the performance of the administration service.
- To utilise the SC Portal facility for submitting all relevant documentation to the Administrator.

# Contracted Benefit Consultant

The trustees of the Sanlam Unity Umbrella Fund allow every participating employer to make use of the services of a Contracted Benefit Consultant to provide advice on benefit and fund structure to the participating employer on an annual basis.

The Contracted Benefit Consultant undertakes to comply with all requirements and duties imposed on Consultants in terms of the Rules and this The Product Guide document, as amended from time to time. The Contracted Benefit Consultant is also responsible for the following services:

- To assist the participating employer with completion of all documents required for fund installation including section 14 transfer documentation where applicable
- To assist the participating employer in complying with all administrative duties and requirements set out by Sanlam and in accordance with the rules of the Fund, including:
  - assisting with ensuring adherence by members to all medical underwriting requirements
  - assisting the employer to utilize the SC Portal facility for submitting all data to the administration department electronically
  - assisting with ensuring an adequate process for members to complete forms as required (e.g. beneficiary nominations forms)
  - assisting with product related and general member queries
- To assist the employer with election of member representatives to the Joint Forum
- To assist the participating employer in establishing a representative committee (Joint forum)
- To timeously communicate and explain the outcome of the annual revision process to the Joint Forum and the participating employer.
- To obtain a personal access code to the SC Portal that will allow the Contracted Benefit Consultant to obtain any information required in order to provide advice to the participating employer

- To provide the services of a Contracted Financial Adviser to members as detailed below. The Contracted Benefit Consultant must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 to render the above services
- To keep abreast of all official communication issued by the Fund, including all Fund Updates as set out in the monthly Consultant Toolkit, and to timeously convey all such information, as appropriate, to the Joint Forum, the participating employer and the members as part of the ongoing advice process.
- To assist the participating employer and Joint Forum as regards any desired changes to the Sub-fund's benefit design, including advice on the implications thereof, assistance with the necessary processes to implement any such changes, and assistance with any necessary member communication pertaining to such changes.

# Contracted Financial Adviser

The Contracted Financial Adviser must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 Act, (No 37 of 2002), but does not act on behalf of the Fund or Trustees. The Contracted Financial Adviser is responsible for the following services:

- To provide individual members with financial advice as required
- To advise members of the importance of completing beneficiary nomination forms
- To advise members on their options in case of retirement, withdrawal or disability
- Be available to advise beneficiaries of deceased members on their options
- To assist the participating employer with ensuring an adequate process for members to complete forms as required (e.g. beneficiary nominations forms)
- To field product related and general member queries



## New Business

# 11

# Terms and Conditions



## Validity

Quotations are valid for 90 days from the date of issue and are subject to Sanlam Corporate standard terms, conditions and assumptions.

## Membership Data and Details

The quotation is based on the details and data provided by the employer. The fees are subject to change, if the details and data that were supplied were incomplete or differ on commencement.

In addition, the quotation excludes members (unless otherwise stipulated in the quotation):

- ⌋ who are contract workers
- ⌋ who are past the cover cease age
- ⌋ in respect of whom no salary was provided at quotation stage
- ⌋ in respect of whom no date of birth was provided at quotation stage
- ⌋ who currently receive disability income benefits

# Quotation Conditions

A suspensive condition of the quotation is that the Administrator will conduct a reconciliation of data to ensure that it is compatible so as to ensure a smooth take-on. The take-on date will only be confirmed after this reconciliation has been completed and once the Administrator is satisfied with the status of the information.

Quotation requests for Sub-funds that have previously been underwritten, and

comprising more than 400 members, must be accompanied by claims experience from the previous administrators.

When a new claim is received during the transitional period before all assets are transferred:

- ④ The Administrator will calculate the part of the benefit that accrues to the member for the period since the take-on date, arrange for a tax directive and pay the claimant
- ④ The previous administrator remains responsible for the payment of the benefit that accrues to the member for the period before the take-on date

# Administration Conditions

## Customer Due Diligence

The FIC Amendment Act, 2017 and party due diligence requirements obligates Sanlam to identify and verify all persons and entities we interact with. Therefore all participating employers of the Sanlam Unity Umbrella Fund need to provide the most updated documentation verifying ownership.

## Membership Data

- ④ The correct membership data must reach the Administrator before or on the commencement date. Thereafter, it must be submitted within two working days before the end of the month.
- ④ To ensure a smooth take-over, there will be a full reconciliation between the number of members and member credits received by the Administrator and the number of members and member credits transferred by the previous Administrator. Any differences will need to be explained by the previous administrator.
- ④ It is a legislative requirement that all existing eligible, permanent employees are given the opportunity to join the Fund on or after the commencement date. However, underwriting conditions will apply

to existing employees joining the Fund more than three months after the date of inception of the Sub-fund. The above is applicable to new funds and not existing funds transferring to the Sanlam Unity Umbrella Fund.

## Contributions

- ④ It is a participating requirement that all participating employers utilise the SC Portal and electronic contribution process.
- ④ Employer and employee contributions must be paid over to the Fund within five days of the end of the period for which the contributions are due. Interest is payable according to legislation on late payment of contributions. Late payment of premiums may also result in members not being covered in terms of the group insurance.
- ④ Contributions will be allocated to individual member accounts on a monthly basis.
- ④ The contribution payment received must reconcile fully with the final contribution data.
- ④ In the case of temporary absence, e.g. maternity leave, the employer must continue to pay the contributions for insurance and operational expenses for these members.
- ④ In the case of Participating Employers in financial distress, e.g. as a result of a national state of disaster, employers are urged to contact their Client Relations Manager who will advise them on the available solutions offered by the Fund.

## Claims

All documentation in respect of new claims must be submitted to the Administrator before the end of each month. The assets of members who exit the Fund and for whom claim documentation has been received will be disinvested and transferred to an interest-bearing investment at the end of each month.

## General and Special Rules

The Sanlam Unity Umbrella Fund is governed by a set of General Rules registered in terms of Section 12(4) of the Pension Funds Act and is approved in terms of Section 1 of the Income Tax Act. Once a quotation has been accepted, a set of Special Rules for each Sub-fund will be drafted based on the Confirmation of Acceptance document. The Special Rules will be signed by the trustees within one month of the commencement date, and thereafter submitted to the FSCA. The trustees will ensure that both the General Rules and all Special Rules comply with the requirements set out in Section 12(4) of the Pension Funds Act and Section 1 of the Income Tax Act. Participating Employers have access to the General and Special Rules via SC Portal.

As required by the Pension Funds Act Regulation 30(2)(ii), each subsidiary company in a group of companies must be registered as a separate Sub-fund in an umbrella fund. Even if all the employees in a group of companies have identical benefit structures and even if all the subsidiaries are 100% owned by a parent company, each subsidiary must still be registered and set-up as a separate Sub-fund.

## Late Entrants

If an employer establishes a new fund and any existing employee who does not join the fund within 3 months of being given the choice to join the fund, he/she will only be able to enjoy risk benefits later, with the approval of the insurer, and has provided proof of good health (medical underwriting).

## Guarantees

On commencement, the Administration Fee and insurance premium rates are guaranteed for 12 months, and thereafter are subject to review at 1 month's notice. This guarantee will cease to apply in the event that there is, in the Sponsor's opinion, a material change

in the membership profile or Sub-fund data from that employed for purposes of determining the quoted fees.

## Amendments

Rates quoted on amendments affected during the year will only be valid until the next annual revision date of the Fund.

## Installation

The confirmation of acceptance must be signed prior to the commencement date. It is a prerequisite that the Administrator thereafter receives completed and signed documentation for installation by the 15th of the month prior to month of intended participation. In the event of documentation being received after this date, the Administrator can choose to move the effective participation date to the following month and any contributions received will only be invested in the new participation month.

## Additional/non-standard Services

- Certain prescribed fees are payable by the Fund to the statutory authorities. These fees are debited against the Central Contingency Reserve Account.
- The standard administration fees make provision for English correspondence. The Sanlam Unity Umbrella Fund can accommodate correspondence in a second language, and this will be quoted for separately on request.
- Special fees can be negotiated for additional services. These fees will depend on the nature of the requested additional services, and the associated additional resource requirements and costs.

## Correspondence

Communication between the various parties will as a general rule be done by e-mail.

# Dissolution Fees and Conditions

- ④ The notice period for terminating participation in the Sanlam Unity Umbrella Fund is two calendar months.
- ④ If the dissolution is not finalised within three months for reasons that cannot be attributed to delays on the part of the Sponsor, the Administrator or the Fund, any additional costs incurred may be recovered. These costs will be based on a reasonable fee per hour. Additional charges may be levied by the liquidator or any statutory charges payable.

# Disclosure

## Enquiries

On acceptance of a quotation, the employer enters into a contract/agreement with Sanlam Corporate. Any queries about the administration of the Sub-fund should be addressed to the Administrator.

After the acceptance of a quotation, any complaint in respect of the Fund or the Contracted Benefit Consultant may be sent in writing to:

**Compliance, Sanlam Corporate:**  
**PO Box 1, Sanlamhof 7532, or via Fax:**  
**(021) 957 2255.**

## Complaints

Complaints can be addressed in writing to the Sanlam Unity Umbrella Fund Complaints Committee, which is a special committee of the Board of Trustees. Both the Principal Officer and the Fund Secretary serve on this committee. The committee will investigate your complaint and help resolve your concerns. The contact details are as follows:

### CONTACT DETAILS

**Sanlam Unity Umbrella Fund Complaints Committee**  
**Fax: (021) 957 1105 / 2143**

**E-mail:**  
**[Sanlamumbrellafund@sanlaminvestments.com](mailto:Sanlamumbrellafund@sanlaminvestments.com)**

Should an employer or a member's concerns not be addressed and resolved to his or her satisfaction within a period of thirty days, he/she may lodge a complaint with the Pension Funds Adjudicator. The contact details are as follows:

### CONTACT DETAILS

**Riverwalk Office Park**  
**41 Matroosberg Road**  
**Ashlea Gardens**  
**Pretoria 0082**  
**Tel: (012) 346 1738/(012) 748 4000**  
**Fax: 086 693 7472**  
**Email: [enquiries@pfa.co.za](mailto:enquiries@pfa.co.za)**

## Claims Notification

Prescribed claim forms must be completed and sent to the Administrator. The Administrator and/or Sanlam Group Risk may, from time to time, insist on further requirements before considering a claim. This information will be requested in writing.

No disability or death benefit will be payable if the Administrator is not notified of the claim for the benefit within six months of the member's death or disability.

## Cooling-off Period

Should a quotation be accepted, there is no cooling-off period during which membership of the Fund can be reconsidered, and cancellation at a later stage could result in potential financial loss.

## Replacement

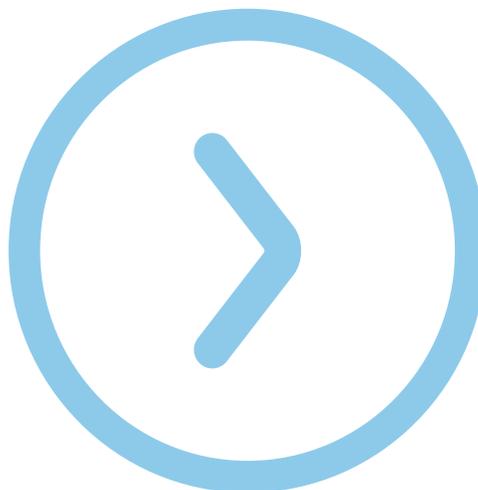
Replacing an existing fund could be potentially detrimental to members. Detail of the actual and potential financial implications, costs and consequences of the replacement product should be disclosed in full by the intermediary and should cover:

- payment of new charges
- loss of cover
- change in investment risk
- recoupment of unrecovered expenses under the replaced policy

- loss of tax advantages (if any) In terms Financial Advisory and Intermediary Services Act, No 37 of 2002 (FAIS). Sanlam is a duly authorised, licensed financial services provider and all its representatives must adhere to, inter alia, the following requirements:
  - Give appropriate advice in accordance with the client's needs and financial situation
  - Keep proper record of the advice and request the client's signature to the record of advice

## Administrative Errors Rectification

The Administrator will be liable for, and will indemnify the Fund in respect of any loss or damage which arises as a result of the fraud, theft, dishonesty, negligence or breach of contract by the Administrator or any director, employee, officer, servant or agent of the Administrator. Such liability shall, however, be limited to direct damages actually suffered and loss incurred. Without derogating from the foregoing, the Administrator shall place the members in the position they would have been had the aforementioned eventualities not occurred. The members will not be entitled to any windfall profits as a result of the aforementioned eventualities.



# Standard administration services 12

This is a summary of some of the service levels agreed between Sanlam Unity Umbrella Fund and the Administrator.



The service levels are not intended to reflect performance guarantees, but rather the expected level of service deliveries against which the Sanlam Unity Umbrella Fund trustees can measure service provider performance delivery, and which clients can reasonably expect from the relevant service providers in most circumstances barring those where specific reasonable mitigating reasons apply.

## 1. Installation of new employer Sub-fund

Time line and process as outlined in the Installation Guide.

Until the Sub-fund is fully installed (i.e. the first month's contribution receipting cycle has been completed) the time- frames below are not applicable.

## 2. Monthly fund contributions and schedules

Action	Responsible party	Time standards
<b>Electronic Contribution Process:</b> Email notification to the participating employer that the system is ready for the new month's input.	Administrator	By the 20th of every month
Log on to the Administrator's web and confirm that all data is correct or update the necessary changes	Participating employer	By the 1st, not later than the 5th of each month

## 2. Monthly fund contributions and schedules

Action	Responsible party	Time standards
Confirm that all changes are correct and authorise payment of the contributions to Sanlam using the web payment facility: By the 1st, not later than the 5th of each month.	Participating employer	By the 1st, not later than the 5th of each month
Allocate the net contribution for retirement benefits to member accounts and transfer to the selected investment managers in accordance with the selected portfolios of members/Board of Trustees.	Administrator	Within 5 business days of employers online confirmation and receipt of correct payment
Calculate interest on contributions received late and inform participating employer of amount due in terms of Section 13A of the Pensions Funds Act.	Administrator	Monthly
<b>Payment via debit order:</b> Provide expected monthly contribution schedule.	Administrator	By the 20th day of each month
Provide monthly electronic member data in agreed format, including information regarding exits, new members and relevant changes via the SC Portal, or general email inbox.	Participating employer	7 days before the end of each month
Arrange for debit order to be collected from participating employer's bank account.	Administrator	1st day of the month (unless agreed otherwise)
<b>EFT payments:</b> Provide expected monthly contribution schedule.	Administrator	By the 20th day of each month
Make an electronic funds transfer into the relevant bank account using the unique fund reference number supplied and provide the final matching contribution schedule electronically via the SC Portal, or general email inbox: By the 1st day, but not later than the 5th of each month.	Participating employer	By the 1st day, but not later than the 5th of each month
Reconcile the contribution and take up differences with the participating employer. Receipt the contributions onto the administration system. Allocate the net contribution for retirement benefits to member accounts and transfer to the selected investment managers in accordance with the selected portfolios of members/Board of Trustees.	Administrator	Within 10 business days from receipt of correct contribution payment and contribution schedule
Calculate interest on contributions received late and inform participating employer of amount due in terms of Section 13A of the Pension Funds Act.	Administrator	Monthly

### Note:

*If contributions are not invested in member accounts within 10 DAYS from the date of receipt of correct contribution and matching schedule and the cause of the delay is attributable to Sanlam Corporate, then the full net interest earned in the bank account in respect of these moneys for the period beginning from the date the SERVICE LEVEL was breached and ending 30 days from the date of receipt of both the contribution and matching schedule shall be added to the member accounts concerned, and all such bank account interest allocations shall be reported to the SECRETARIAT; and*

*If contributions are still not invested beyond 30 days from the date of receipt of both the correct contribution and matching schedule, and the cause of the delay is attributable to Sanlam Corporate, then the administration errors rectification policy as specified in the then current version of SANLAM UNITY UMBRELLA FUND PRODUCT GUIDE shall apply, and any affected member accounts shall be accordingly rectified and all such rectifications shall be reported to the SECRETARIAT.*

### 3. Section 14 transfers in

Action	Responsible party	Time standards
Obtain all information and relevant documentation i.e. <ul style="list-style-type: none"> <li>• Original Section 14 application</li> <li>• Approval letter from FSCA</li> <li>• Schedule containing individual member asset allocation and values.</li> </ul>	Fund Secretariat	
Issue written investment instruction in prescribed format.	Participating Employer and Contracted Benefit Consultant	Within 5 business days of notification of approval
Investment of Section 14 assets received according to instruction.	Administrator	Within 10 days after receipt of assets in Fund's bank account and completed documentation

### 4. Interest allocations to member accounts

Action	Responsible party	Time standards
<b>Bank interest on contributions:</b> Interest accumulated on contributions received in the Fund's bank account	Administrator	Distributed periodically to member accounts as per Trustee protocol
<b>Bank interest on Section 14 transfers (in):</b> Interest accumulated on lump-sum transfers received into the Fund's bank account	Administrator	Allocated to member accounts together with lump-sum transfers

### 5. Maintenance of member data

Action	Responsible party	Time standards
Provide monthly electronic member data in agreed format via the SC Portal or e-mail.	Participating Employer	By the 1st day of the month, but not later than the 7th
Update member records and make all applicable changes.	Administrator	Within 10 business days after completion of monthly data reconciliation process

## 6. Member benefit statements

Action	Responsible party	Time standards
Issue one statement for each member per annum.	Administrator	Within 8 weeks after completion of annual cycle
Receive statements and deliver to Employer's office.	Contracted Benefit Consultant	On receipt
Distribute statements to individual members in confidential manner.	Participating Employer	On receipt

## 7. Member benefit payments at withdrawal or retirement

Action	Responsible party	Time standards
Submit the required official withdrawal forms and associated documentation to Administrator.	Participating Employer	Within 5 business days from date of the member's exit
<ul style="list-style-type: none"> <li>Disinvest the member's share from the Fund, after the member has made an election.</li> <li>Request a tax directive from SARS</li> </ul>	Administrator	Within 5 business days after receipt of all completed documentation and information and last contribution received
<ul style="list-style-type: none"> <li>Settle any applicable deductions</li> <li>Transfer the member's remaining benefit according to instruction</li> </ul>	Administrator	Within 3 business days of receipt of all necessary information, including the SARS tax directive
Provide breakdown of payment and tax certificate to member.	Administrator	Within 2 days after payment

*If the payment of the benefit does not take place within 30 days of the expiry of the agreed service level standard, and the cause of the delay is attributed to Sanlam Corporate, then bank interest will be allocated for the days exceeding the 30 day period.*

### 8. Benefit payments on member's death (benefits provided via the Fund)

Action	Responsible party	Time standards
Notification of member's death in writing.	Participating Employer	As soon as notice is received
Submit the completed required official death claim forms and associated documentation to Administrator.	Participating Employer	Within 6 months of the death
Disinvest the member's share from the relevant Fund investment portfolio.	Administrator	Within 5 business days after receipt of official notice of death and last contribution in respect of the member has been received
Board of Trustees death benefits allocation committee meets once a month to decide on allocation to beneficiaries.	Board of Trustees	Only death claims where all supporting documentation has been provided are reviewed
Payment instruction issued to Administrator in terms of Section 37C.	Administrator	5 business days after expiry of 30 day objection period from the Trustee resolution
Settle any applicable deductions. Transfer member's remaining benefit according to Trustee instructions.	Administrator	Within 8 business days of receipt of all requirements including tax directive from SARS
Provide breakdown of payment and tax certificate.	Administrator	Within 2 business days after payment

### 9. Funeral benefit payments

Action	Responsible party	Time standards
Submit the required official funeral claim forms and associated documentation to the Insurer.	Participating Employer	Within risk policy time frames
Settle the claim and pay the benefit to beneficiaries.	Insurer	Within 48 hours of receipt of all documents and requirements

### 10. Member benefit payments in case of disability/lump sum disability (benefits provided via the Fund)

Action	Responsible party	Time standards
Notification of the member's disability in writing.	Participating Employer	Within risk policy time frames
Submit the required official forms and associated documentation to Administrator.	Participating Employer	Within risk policy time frames

### 11. Member benefit payments in case of disability/lump sum disability (benefits provided via the Fund)

Action	Responsible party	Time standards
<ul style="list-style-type: none"> <li>Reconcile schedules containing the member's last contribution</li> <li>Disinvest the member's share from the Fund</li> </ul>	Administrator	Within 5 business days after receipt of all completed documentation and information
Assessment results and payment of disability benefit to the Administrator.	Insurer	10 business days turnaround time
<ul style="list-style-type: none"> <li>Settle any applicable deductions</li> <li>Transfer the member's remaining benefit according to instruction</li> </ul>	Administrator	Within 3 business days of receipt of all requirements including tax directive from SARS

### 12. Member benefit payments in case of disability/income disability

Action	Responsible party	Time standards
Notification of member's disability in writing.	Participating Employer	Within risk policy time frames
Submit the required official forms and associated supporting documentation to Administrator.	Participating Employer	Within risk policy time frames
Reconcile schedules confirming member's contributions are up-to-date and provide documents to the Insurer.	Administrator	Within 5 business days after receipt of all completed documentation and current premiums
Receive assessment results from Insurers.	Administrator	Within 30 days after expiry of waiting period
Set up arrangements with Insurers and Employer for payment of the benefit.	Administrator	Within 5 business days of receipt of all requirements

### 13. Amendments process

Action	Responsible party	Time standards
Request new quotation in line with required amendment.	Contracted Benefit Consultant	Prior to any amended contributions collected
Time lines and process outlined in Amendment request document.		

### 14. Joint Forum report

Action	Responsible party	Time standards
Provide Employer reports to Contracted Benefit Consultant.	Administrator	10 business days from receipt of request

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## General Fund Information

### Regulatory Information for Sanlam Unity Umbrella Fund

Statutory Alternatives	Fund Status
Registered name	Sanlam Unity Umbrella Fund
Registered as an	Umbrella Provident Fund
Umbrella sponsor	Sanlam Life Insurance Ltd
Registration date	27/07/2010
Approval date	02/08/2010
Registration number:	12/8/36634
Approval number	18/20/4/041148
Funding model	Defined Contribution Fund
The Fund's financial reporting period	1 June to 31 May
Fund exemptions	Valuation exempt, not audit exempt. Received permanent/full valuation exemption on 31 May 2013.
The Fund's registered postal address	PO Box 1, Sanlamhof, 7532
The Fund's registered physical address	2 Strand Road, Bellville, 7530
Bank account detail	ABSA, Sanbel Acc no: 4074118518

# Fund Officers for **Sanlam Unity Umbrella Fund**

	Principal Officer	Responsible Person
Full name	Kobus Hanekom	Erina le Grange
Company	Kobus Hanekom	Sanlam Corporate: Umbrella Solutions
Address	PO Box 1, Sanlamhof, 7532 2 Strand Road, Bellville, 7530	PO Box 1, Sanlamhof, 7532 2 Strand Road, Bellville, 7530
Telephone number	082 490 5727	(021) 947 6504
Email address	kobus@kobushanekom.co.za	erina.legrange@sanlam.co.za

## Professional service providers

Independent External Auditor	Sanlam Unity Umbrella Fund
Company	PricewaterhouseCoopers
Postal address	PO Box 2799, Cape Town, 8000
Physical address	No 1 Waterhouse Place, Century City, 7441
Telephone number	(021) 529 2000

## Appointments for **Sanlam Unity Umbrella Fund**

	Administrator	Sponsor
Company	Sanlam Life Insurance Ltd: (Sanlam Corporate: Core Solutions)	Sanlam Life Insurance Ltd: (Sanlam Corporate: Umbrella Solutions)
Postal address	PO Box 1, Sanlamhof, 7532	PO Box 1, Sanlamhof, 7532
Physical address	2 Strand Road, Bellville, 7530	2 Strand Road, Bellville, 7530
Telephone number	(021) 947 9111	(021) 947 1125
Reg number S13B / FAIS	24/85	

	Secretariat	Consultant: Governance & Compliance
Responsible person	Erina le Grange	Kobus Hanekom
Company	Sanlam Corporate: Umbrella Solutions	Kobus Hanekom
Address	PO Box 1, Sanlamhof, 7532 2 Strand Road, Bellville, 7530	PO Box 1, Sanlamhof, 7532 2 Strand Road, Bellville, 7530
Telephone number	(021) 947 6504	082 490 5727
Email address	erina.legrange@sanlam.co.za	kobus@kobushanekom.co.za
Reg number S13B / FAIS	N/A	Simeka FAIS Licence No. 13900

Specialist Investment Consulting	Sanlam Unity Umbrella Fund
Responsible person	Willem le Roux
Company	Simeka Consultants & Actuaries
Postal address	PO Box 350, Sanlamhof, 7532
Physical address	Simeka House, Farm 2, Vineyards Office Estate, 99 Jip de Jager, Bellville, 7530
Telephone number	(021) 912 3324
Email address	willem@simekaconsult.co.za
Reg number FAIS	Simeka FAIS Licence No. 13900

Risk Insurer	Sanlam Unity Umbrella Fund
Company	Sanlam Life Insurance Ltd
Postal address	PO Box 1, Sanlamhof, 7532
Physical address	2 Strand Road, Bellville, 7530
Telephone number	(021) 947 9111
FSCA approval number	24/185
Type of risk	Group Life insurance, Group Lump Sum Disability insurance, Funeral benefit

# Board of Trustees for Sanlam Unity Umbrella Fund

Trustee Member	David Gluckman	Marius Saayman	Mkuseli Mbomvu	Joelene Moodley	Jolly Mokorosi	Cheryl Mestern
Date appointed	01/03/2020	01/03/2020	01/03/2020	01/01/2020	01/01/2020	01/01/2020
End of term	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
Compliance with Trustee Training Protocol	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant
Compliance with Governance Procedures (PF130)	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant
Sponsor appointed or member elected	Sponsor appointed	Sponsor appointed	Sponsor appointed	Member elected	Member elected	Member elected
Status relative to the Sponsor	Executive with extensive experience in the retirement funds industry	Independent alternative with extensive Financial Management Experience	Executive with extensive experience in corporate governance	Independent	Independent	Independent
Trustee Fee	Employed by sponsor	Contracted by the Sponsor. Agreed trustee fee	Employed by sponsor	Agreed trustee fee	Agreed trustee fee	Agreed trustee fee
Performance Assessment	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements
Attendance at Trustee meeting: 25 June 2020	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at Trustee meeting: 19 November 2020	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at Trustee meeting: 18 February 2021	Yes	Yes	Yes	Yes	Yes	Yes
Attendance of AGM webinar: 21 September 2020	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at Trustee meeting: 10 June 2021	Yes	Yes	Yes	Yes	Yes	Yes

**Agreed Trustee Fee:** The standard trustee fee payable in respect of the meetings (8:30 to 17:00) is R7 957 plus VAT. Accommodation and transport costs are not for the trustees' own account. The fee consists of an attendance fee of 50% and a preparation fee of 50% of the agreed fee. Fees for the attendance of the AGM are R11 594 plus VAT and travel costs. Committees' participation and additional research is remunerated at an hourly fee of R1 797 plus VAT. This is a very small percentage of the fees paid to independent trustees.

# Annual Assessment of the Board, Committees and service providers

	Entity Assessed	Rating
1	The Board of Trustees	Exceeds job requirements
2	Chairman	Exceeds job requirements
3	Principal Officer	Exceeds job requirements
4	Fund Secretariat	Exceeds job requirements
5	Administration Committee	Exceeds job requirements
6	Death Benefits Committee	Exceeds job requirements
7	Audit Committee	Exceeds job requirements
8	Investments Committee	Exceeds job requirements
9	Complaints Committee	Exceeds job requirements
10	Communication Committee	Exceeds job requirements
11	Risk and Governance Committee	Exceeds job requirements
12	Investment consultant	Exceeds job requirements
13	Administrator	Exceeds job requirements
14	Benefit Consultant	Exceeds job requirements
15	External auditor	Exceeds job requirements



# Protection of Personal Information Standards and Requirements

The offering provided by the Fund in respect of each participating employer and its members, requires the direct involvement and the processing of personal information by a number of stakeholders.

This chapter contains the requirements that all Operators and Authorised Persons must comply with to ensure that the Fund Data is always processed in compliance with the provisions of the Protection of Personal Information Act (POPIA).

The participating employer is represented by a number of officers identified in the Confirmation of Acceptance (COA) document and each of them has different functions requiring various levels of access to the Fund Data. They include the HR Officer, Financial Authoriser, Communication Contact Person and the Medical Correspondence Contact Person.

The participating employer is further supported by persons authorised to fulfil certain functions. They include:

- ④ The Contracted Benefit Consultant (CBC), who is authorised by the participating employer to engage with the Fund, the Fund administrator, the insurers as well as the members of the Fund.
- ④ The Contracted Financial Adviser (CFA), who is authorised to provide financial advice to the members who agree to such services.
- ④ The members of the Joint Forum established by the participating employer, who are authorised as a committee to monitor and manage service delivery and assist with member communication and support initiatives.

The participating employer, the CBC, the CFA and each member of the Joint Forum are required to comply with the provisions of POPIA to the extent that they are authorised and required to process personal information as set out in this document and or the Confirmation of Acceptance (COA) document.

# 1. Interpretation

1.1 The following definitions apply to this chapter and all other references relating to the management of Data Protection Legislation:

## “Authorised Person/s”

Third parties, who are the service providers contracted by a participating employer and who are identified in the COA and Product Guide and perform the Services subject to the terms set out therein these include the CBC, the CFA and the members of the Joint Forum.

## “Data Protection Legislation”

POPIA or such other legislation as may become applicable to the protection of Personal Information in South Africa.

## “Data Subject”

The member to whom Personal Information relates.

## “Fund Data”

All data in respect of the Fund, its members and its participating employers, service providers, and other related data, howsoever obtained by an Operator or Authorised Person, including the Personal Information, that may be stored in a database or other electronic or physical format; all software and associated material and documentation, including information contained therein; any of the business, financial affairs, dealings, trade secrets, transactions, methods of business, customers, clients, fees or other Personal Information and Intellectual Property whatsoever relating to the business, property or affairs of the Fund.

## “Information Officer”

The person registered as such in terms of section 55 (2) of POPIA with the office of the Information Regulator.

## “Intellectual Property”

Any and all information of a proprietary nature in relation to the technology, business, products, processes, services or operation of the Fund, including any patent, trademark, logo or design, which has been registered or is capable of being registered, as well as any copyrightable works, trade secrets and know-how.

## “Operator/s”

A Service Provider of the Fund appointed by the Board of Management, who Processes Personal Information for the Fund in terms of a contract or mandate, without coming under the direct authority of the Fund as responsible party. A participating employer will be an Operator when Fund Data is made available by the Fund to the participating employer or by the participating employer to any one of the participating employer’s representatives.

## “Personal Information”

All information relating to an identifiable natural or juristic person and processed as part of the Services, as envisioned in Data Protection Legislation.

## “Personal Information Breach”

Any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, any Fund Data or Personal Information.

## “POPIA”

The Protection of Personal Information Act 4 of 2013.

## “Process” or “Processing”

Any operation or activity or any set of operations, whether or not by automatic means, concerning Personal Information, this includes – the collection, receipt, recording, organisation, collation, storage, updating or modification, retrieval, alteration, consultation or use; dissemination by means of transmission, distribution or making available in any other form; or merging, linking, as well as restriction, degradation, erasure or destruction of information.

## “Responsible Party”

The Sanlam Unity Umbrella Fund (the Fund).

## “Service/s”

The services to be provided by the participating employer, the CBC, the CFA and each member of the Joint Forum as set out in the Confirmation of Acceptance document (COA) read with this document (The Sanlam Unity Umbrella Fund Product Guide).

## 2. Data Protection

2.1 The Fund and the Fund's administrator, Sanlam, will process and protect the Fund Data as required by Data Protection Legislation and the Constitution of the Republic of South Africa.

[Click here](#) to access the Fund's Privacy Notice. Sanlam's Corporate Privacy Notice is available [here](#).

2.2 Operators and Authorised Persons may be exposed to Fund Data while providing the Services.

2.3 All Fund Data provided by the Fund or the participating employer to which Operators and Authorised Persons may be exposed, will constitute Personal Information and, where applicable, Intellectual Property belonging to the participating employer or the Fund as the case may be.

2.4 All Fund Data will remain the property of the Fund and Operators and Authorised Persons will not obtain any rights thereto.

2.5 Fund Data in the possession of Operators and Authorised Persons, or to which Operators and Authorised Persons may have access, may be used by them only in the performance of the Services they agreed to provide.

2.6 Operators and Authorised Persons must take all reasonable steps and precautions to preserve the integrity of Fund Data and to prevent any corruption or loss of such data.

2.7 Each Operator and Authorised Person shall:

2.7.1 At all times strictly comply with its obligations under Data Protection Legislation.

2.7.1 Not do any of the following: copy, compile, collect, collate, process, store, transfer, alter, delete, interfere with or in any other manner use Fund Data for any purpose other than, or to the extent necessary, to provide the Services agreed without the prior written consent of the Fund.

2.7.2 Immediately inform the Information Officer (IO) of the Fund in writing if any Fund Data it has access to is compromised and how it will manage such compromise and what steps will be taken to rectify the situation.

2.8 Ensure that all its own systems and

operations which it uses to provide the Services, including all systems on which Fund Data is copied, compiled, collated, processed, transmitted, stored, collected, altered or deleted or otherwise used as part of providing the Services, will at all times be of a standard required by Data Protection Legislation.

2.8.1 Ensure that they have the necessary processes and measures to safeguard Personal Information in place and to:

- ④ Have adequate protection against external system attacks, viruses and any other similar risks.
- ④ Have reliable and comprehensive offsite data protection as part of their disaster recovery plans in place to mitigate the risk of physical destruction of property, information and systems;
- ④ Develop and maintain adequate measures to protect against inappropriate access to systems, data and any other sensitive information through appropriate storage facilities, password requirements, building-entry systems, IT firewalls and other similar processes and/or systems; and
- ④ Maintain the necessary cyber insurance to cover a data breach in which Members' Personal Information is stolen by a hacker or cybercriminal.

2.8.2 Not, without the written consent of and/or on the terms approved by the Fund, do anything, or omit to do anything that would cause the Fund Data to be transferred to and/or stored in a country other than South Africa. Should the Fund Data need to be processed outside South Africa, the Operator/Authorised Person must obtain the Fund's consent in writing before the Fund Data is transferred to and/or stored in another country and confirm to the Fund in writing that such other country has information protection legislation similar to that of South Africa. The Operator/Authorised Person must ensure that such processing is in line with transborder processing as envisaged by Data Protection Legislation and that all legislative requirements of the transferee country are met.

2.9 Subject to legislative, regulatory, contractual and other legitimate conditions, Members have certain rights in terms of how their information is processed.

A Member can request access to information or guidance on how to lodge a complaint or direct a request to exercise afforded rights to the Fund's Information Officer, or his/her deputy/ies, or the Information Regulator.

2.10 The Operator's and Authorised Person's obligations under this clause shall survive the termination of the existing agreement between the Fund and the Operator or between the participating employer and the Authorised Person setting out the Services, respectively.

2.11 Each Operator and Authorised Person shall comply with such guidelines, policies and procedures as the Fund may lay down from time to time for the retention and destruction of data and will retain data only as long as necessary for the identified purposes or to meet legal requirements or Fund policies.

2.12 Each Operator and Authorised Person shall implement and maintain, at its cost and expense, appropriate, reasonable technical and organisational measures to prevent loss of, damage to or unauthorised destruction of Personal Information and unlawful access to or Processing of Personal Information.

## 3. Confidentiality

3.1 Operators and Authorised Persons must treat, and hold as confidential in compliance with the applicable Data Protection Legislation, all Fund Data which they may receive or which becomes known to them during the provision of the Services agreed to.

3.2 In order to protect the confidentiality of Fund Data, Operators and Authorised Persons will be required to comply with the following requirements:

3.2.1 They will only make Fund Data available to those of their staff, agents and services providers who are actively involved in the execution of their Service obligations.

3.2.2 They will initiate internal security procedures in terms of applicable Data Protection Legislation to prevent unauthorised disclosure and will take all practical steps to impress upon those staff who need to be given access to Fund Data, the secret and confidential nature thereof.

3.2.3 Subject to the right to make the Fund Data available to their staff, agents and service providers and their right to use such Fund Data in performing the agreed Services, they will not at any time, either use any Fund Data or directly or indirectly disclose any Fund Data to third parties.

3.2.4 They will secure the integrity and confidentiality of Fund Data in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent the loss or damage or unlawful access to or processing of such Fund Data.

3.2.5 They will notify the Fund immediately where there are reasonable grounds to believe that any Fund Data has been accessed or acquired by any unauthorised person.

3.2.6 All written instructions, notes, memoranda and records of whatever nature relating to the Fund Data which have or will come into the possession of Operators and Authorised Persons and their staff, will be, and will at all times remain,



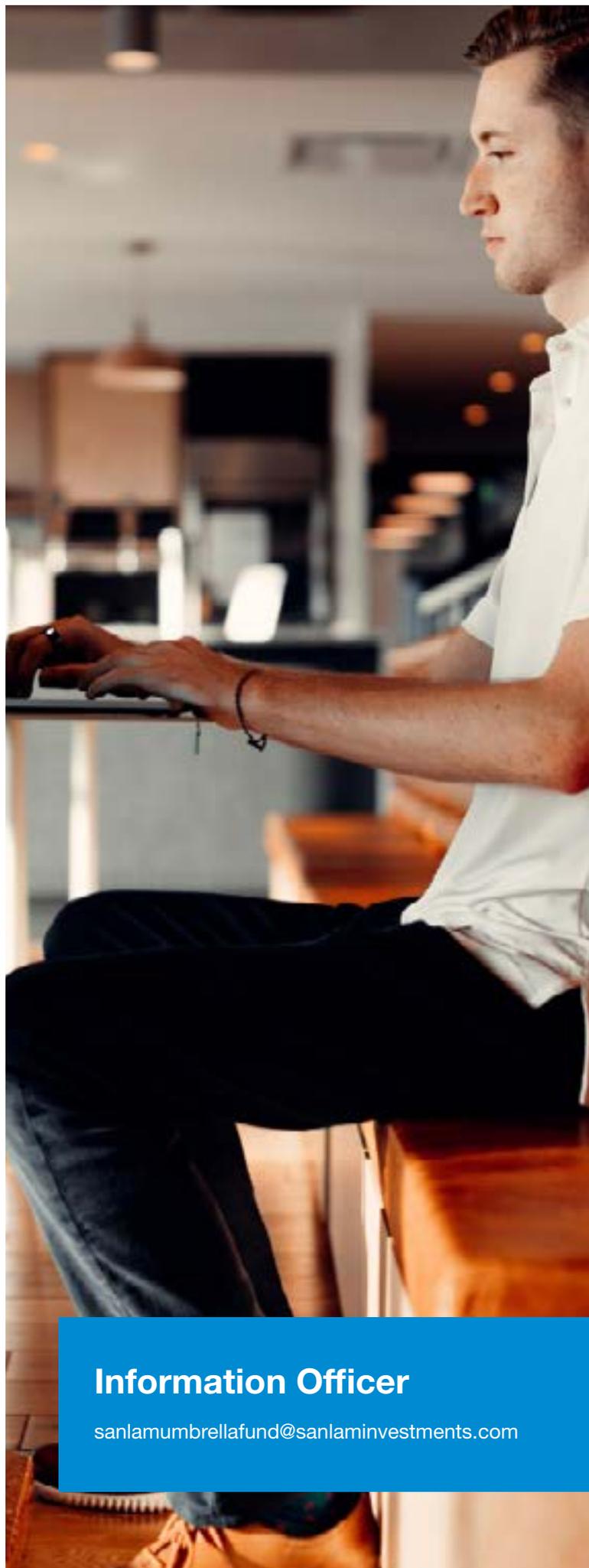
the sole and absolute property of the Fund and will be promptly handed over to the Fund when no longer required for the purposes of providing the Services agreed to.

- 3.3 Upon termination of the Service relationship, Operators and Authorised Persons shall deliver to the Fund or, at the Fund's option, destroy all originals and copies of Fund Data and/or Personal Information of the Fund in its possession.
- 3.4 The foregoing obligations will not apply to any Fund Data or information which:
  - 3.4.1 Is lawfully in the public domain at the time of disclosure;
  - 3.4.2 Subsequently and lawfully becomes part of the public domain by publication or otherwise;
  - 3.4.3 Subsequently becomes available to a Operator or Authorised Person from a source other than the Fund, which source is lawfully entitled without any restriction on disclosure to disclose such Fund Data;
  - 3.4.4 Is disclosed pursuant to a requirement or request by operation of law, regulation or court order; or
  - 3.4.5 Is disclosed for the purposes of providing financial and investment advice to Members of the Fund at their request.
- 3.5 This clause on the protection of Fund Data will remain in force after the existing Service agreement has been terminated.

## 4. Breach notification

In respect of any Personal Information Breach, Operators and Authorised Persons will, without undue delay:

- 4.1 Notify the IO of the Fund of any Personal Information Breach;
- 4.2 Provide the IO of the Fund with details of the Personal Information Breach;
- 4.3 Action such report and any other activities required under law; and
- 4.4 Immediately inform the IO of the Fund in writing as to how it will manage such compromise and what steps will be taken to rectify the situation.



**Information Officer**

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