



**Sanlam Umbrella Solutions**  
Guide for Contracted Benefit Consultants



# Introduction

The trustees of the Sanlam Umbrella Fund and the Sanlam Unity Umbrella Fund require that every participating employer use the services of a Contracted Benefit Consultant to provide advice on fund structure and benefits to the participating employer and its employees on an on-going basis.

This guide summarises the duties and responsibilities applicable to Contracted Benefit Consultants who manage and monitor an employer's participation in the Sanlam Umbrella Fund and the Sanlam Unity Umbrella Fund.

It should be read in conjunction with the latest version of The Fund in Detail document for the Sanlam Umbrella Fund and the Product Guide for the Sanlam Unity Umbrella Fund.

The Contracted Benefit Consultant undertakes to comply with all requirements and duties set out in this guide and the Sanlam Umbrella Fund - Fund in Detail document as amended from time to time, the Sanlam Unity Umbrella Fund Product Guide as amended from time to time.

## 1. Financial Advisory and Intermediary Services Act (FAIS)

The Financial Advisory and Intermediary Services Act (FAIS) specifically regulates advice and intermediary services. These may be broadly defined as follows:

- **Advice:** guidance, proposal or recommendation to a client about a financial product listed in the Act.
- **Intermediary service:** a service other than advice in relation to a financial product

Any business where advice and/or intermediary services are rendered must be licensed as a financial services provider and comply with the provisions of FAIS.

The Contracted Benefit Consultant must be compliant in terms of the FAIS Act (Pension Fund Benefits 1/7) (no 37 of 2002) to render these services to a participating employer. Where services are provided on funeral policies Contracted Benefit Consultants are required to comply in terms of the FAIS Act (Long-Term Insurance 1/1) (no 37/2002).

## 2. Protection of Personal Information

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**.

The Contracted Benefit Consultant is authorised by the participating employer to engage with the Fund, the Fund administrator, the insurers as well as the members of the sub-Fund. Thus, the Contracted Benefit Consultant is required to comply with the provisions of POPIA to the extent that the consultant is authorised and required to process personal information as set out in the latest version of The Fund in Detail document for the Sanlam Umbrella Fund, the Product Guide for the Sanlam Unity Umbrella Fund and the Confirmation of Acceptance (COA) document.

The Contracted Benefit Consultant may be exposed to Personal Information, and Intellectual Property belonging to either the Fund or the participating employer, while providing the benefit consulting services. The Contracted Benefit Consultant must ensure to take all reasonable steps and precautions to preserve the integrity of Fund Data and to prevent any corruption or loss of such data.

The Contracted Benefit Consultant shall at all times comply with its obligations under the Data Protection Legislation, as well as ensure that all its own system and operations that it uses to provide benefit consulting services are of the standard required by the Data Protection Legislation.

## 3. Product Specific Training (PST) Requirements

When a Contracted Benefit Consultant quotes on the Sanlam Umbrella Fund or the Sanlam Unity Umbrella Fund for the first time, he/she is required to complete Product Specific Training (PST).

Product Specific Training is the training in respect of a particular financial product which is assessed, it includes amendments to that particular financial product. The training is continuous to keep up to date with product updates.

Product Specific Training (PST) provides all Contracted Benefit Consultants with an understanding of the workings of the Sanlam Umbrella Fund and the Sanlam Unity Umbrella Fund, the governance of the Funds, the structure of the Funds, product minimums, investment options, where applicable and insured benefit options, where applicable. All Contracted Benefit Consultants must complete the training assessment and obtain a pass mark of 80%.

The Sanlam eLearning Tool provides the relevant study material and accreditation assessments to assist the Contracted Benefits Consultants to, through self-learning, meet these competency requirements.

The study material for the Sanlam Umbrella Fund Assessment consists of the following:

- ④ The Fund-In-Detail
- ④ Comprehensive Plus Flash Fact

The study material for the Sanlam Unity Umbrella Fund Assessment consists of the following:

- ④ The Sanlam Unity Umbrella Fund Product Guide

Contracted Benefit Consultants are required to study the material, after which, complete each assessment for the product he/she is authorised to sell. Upon completion, a certificate of completion will be generated as proof of accreditation.

Contracted Benefit Consultants can access the Sanlam eLearning tool by **clicking here**.

Alternatively, if an FSP is registered on **SanPort**, the Consultants are able to complete the assessments on this platform.

**Click here** for the registration guide to the Sanlam eLearning online tool.



## 4. Duties and responsibilities of Contracted Benefit Consultant

Unless otherwise agreed or in accordance with the signed agreement between the participating employer and Contracted Benefit Consultant, the Contracted Benefit Consultant's responsibility is to:

- ④ Advise the participating employer on benefits and fund structure including the most appropriate default investment strategy.
- ④ Review the participating employer's benefit selection on a regular basis, within a time period prescribed by the Authority.
- ④ Support the participating employer in identifying any need for risk benefits, communication and/or investment consulting.
- ④ Assist the participating employer and Joint Forum about 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.
- ④ Assist participating employer with completion of documentation for implementation of the sub-fund including section 14 documentation, where applicable.
- ④ Ensure the Fund receives member cell phone numbers with all new business data and at annual revision.
- ④ Assist the participating employer with written member communication and presentations should a sub-fund Section 14 transfer be required at inception, as well as all other requirements such as notification of termination to current service providers.
- ④ Assist the participating employer with amendments and any other documentation required by the sub-fund for effective administration purposes.
- ④ Assist the employer in developing tailored member communication material and member presentations, if required for the participating employer sub-fund.
- ④ Ensure the Fund receives member cellphone numbers with all new business data and at annual revision.
- ④ Ensure that the participating employer complies with all requirements and duties imposed on employers in terms of the Fund Rules, The Fund in Detail document or the Product Guide (where applicable) as amended from time to time, which forms part of the quotation, as well as the Installation Guide.
- ④ Guide and support the participating employer through the process of nominating and electing member representatives to the Joint Forum.
- ④ Arrange the Joint Forum meetings and perform secretarial functions (at least one per annum).
  - Ensure minutes of all Joint Forum meetings are taken, distributed to all attendees and signed once approved as an accurate reflection of the meeting by the Joint Forum.
  - On request, provide the Fund Secretariat with signed minutes of Joint Forum meetings.
- ④ Ensure that the Joint Forum members are invited to Centralised Joint Forum meetings where smaller funds do not hold regular meetings, and to encourage the member and employer representatives to attend such forums.
- ④ Assist the participating employer with all administrative duties.
- ④ Ensure members are aware of additional medical requirements, where the participating employer has appointed the Contracted Benefit Consultant as the Medical Correspondence Person.
- ④ Assist the participating employer with general member queries and product related queries.
- ④ Discuss the outcome of the Fund's annual revision process with the Joint Forum and participating employer, prior to the effective date of the revision.
- ④ Where necessary, refer members to a qualified Financial Adviser to fulfil the services of a Contracted Financial Adviser.
- ④ Keep abreast of all official communication issued by the Fund, including all Fund updates and industry information 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 consulting process.
- ④ Obtain a username and password and use the Sanlam Corporate Portal to access all fund related information.
- ④ Drive Member Portal and Member App registration.
- ④ Provide the Fund with the employer contact person's details to deal with all operational issues and/or the communication contact person who will channel all rate review communication, AGM invitations, Surveys and other Joint Forum matters.
- ④ Where a participating employer changes ownership, the Contracted Benefit Consultant must notify the Fund promptly and ensure that the employer understands that a Rule amendment is required and that members will be issued with new member certificates and nominations forms to complete.
- ④ Liaise regularly with the employer to ensure the smooth running of participation in the sub-fund.

## 4.1 On-boarding a new Participating Employer

The Contracted Benefit Consultant will be assisted by a dedicated Client Relations Manager who is supported by a Client Support Specialist when establishing and implementing a new participating employer on the Sanlam Umbrella Fund and/or the Sanlam Unity Umbrella Fund.

The Contracted Benefit Consultant must ensure that all FAIS Act requirements regarding advice on benefit structure to the employer, communication to members on their proposed benefits and termination of existing fund contracts with other service providers, if applicable, have been met, including Rule 12 Intermediary Agreements and Rule 20.3 Termination and replacement of group scheme policy by policyholder of the Long-Term Insurance Policyholder Protection Rules of 2017 (PPRs).

The completed and signed documentation together with updated member data should be submitted by the 15th of the month before inception date to ensure that the implementation is completed before the first contribution is due.

During the month of implementation, a starter pack meeting is held either virtually or at the employer's office. At this meeting, various items are reviewed to ensure that the structure and costs, as quoted, are correct. Once the employer is satisfied that all documentation is correct, all parties sign off the starter pack discussion points.

The Client Relations Manager, together with the Client Support Specialist, is responsible for assisting the employer with any challenges regarding the day-to-day administration and will handle any queries in this regard.

**The table below provides a timeline of actions that will take place during the implementation month (assumes an implementation date of 1 June):**

Date	Action
15 May	Employer signs up to join Sanlam Umbrella Fund.
17 May	Employer and Contracted Benefit Consultant receive an e-mail confirming receipt of documentation (exceptions will apply for groups).
1 June	Employer and Contracted Benefit Consultant receive a welcome e-mail introducing their Client Relations Manager.
1 to 15 June	Employer receives starter pack containing: <ul style="list-style-type: none"> <li>① Draft special rules</li> <li>① Draft certificate of participation</li> <li>① Personal health statement</li> <li>① Member guides</li> </ul>
25 June to 5 July	Client processes, and submits their monthly changes (e.g. new entrants, exits, salary changes etc.) and finally approves the payment all via the Electronic Monthly Contribution Process.
5 to 20 July	Operations team finalises 1st month's receipting. Client Relations Manager sets up meeting with employer and provides Retirement Fund Web and Electronic Contributions Process training.
20 July	Employer receives email to access July data & performs 2nd month's receipting via Electronic Contributions Process  Client Relations Manager to be available to assist Employer (visit or telephonic).

## 4.2 Amendment of an existing Participating Employer's fund:

The Sanlam Umbrella Fund allows for changes to the sub-fund's records and benefit structure. The Contracted Benefit Consultant's responsibility is:

- ④ To check for accuracy and ensure that all required documents as set out on the amendment form for the relevant amendment have been included.
- ④ To ensure that all required documents are submitted two months before the effective date of the change, where there is a Special Rule change required.
- ④ To ensure that all required documents are submitted one month before the effective date for any other requests.
- ④ To access the amendment form in the Consultant Toolkit.
- ④ To ensure the employer fully understands the implications of Fund amendments to membership numbers and the underwriting requirements.

### Important notes:

- ④ Amendments can only be implemented from a future date, after receipt of the signed documents.
- ④ Amendments that reduce member benefits (or have the potential to reduce benefits) can only be implemented from the first of the month following registration and approval by the FSCA.
- ④ Amendments can only be implemented after the previous month's contributions have been received.
- ④ Amendment requests must be emailed to the Client Relations Manager.

## 4.3 Communication

The mandatory appointment of a FAIS-accredited Contracted Benefit Consultant is designed to ensure that participating employers and Joint Forums are kept up-to-date with legislative and product updates, as well as to regularly review the appropriateness of the benefit structure chosen.

### Consultant Toolkit – Newsletter

The Sanlam Umbrella Fund and Sanlam Unity Umbrella Fund's Consultant Toolkit is the Funds' main communication channel between the administrator and Contracted Benefit Consultant. Participating employers who have subscribed also have access to this monthly toolkit.

The monthly newsletter is mailed via email to all subscribed Contracted Benefit Consultants. The newsletter provides the consultant with Fund changes and industry updates.

It is therefore the responsibility of the Contracted Benefit Consultant to subscribe to the Consultant Toolkit newsletter to keep abreast of the Fund changes and industry updates. To subscribe to the monthly newsletter please click here or visit <https://seb-news.sanlam.co.za/>

### Sanlam Corporate (SC) Portal

The Contracted Benefit Consultant may draw online reports using the Sanlam Corporate Portal facility, which contains updated information about the participating employer's sub-fund for the purpose of fulfilling their responsibilities and obligations with respect to the Fund.

Contracted Benefit Consultants have access to information such as the Fund's General Rules, Special Rules, Policies on insurance benefits, the Investment Policy Statement, various employer reports and other relevant and useful information.

Following the on-boarding of a new participating employer's sub-fund, the Contracted Benefit Consultant will be required to register on the Sanlam Corporate Portal and must login to view fund-related information. To access the Sanlam Corporate Portal, visit <https://cp.sanlam.co.za/>

### Benefit statements for Members

Every member will receive an annual benefit statement from the Fund that shows his/her member share and benefits available. These statements are distributed electronically to members with an email address or cell phone number. The balance is distributed electronically to a designated HR representative and/or Contracted Benefit Consultant for onward distribution to the member.

Benefits Statements are printed in exceptional cases where digital distribution cannot be accommodated. These will be issued via the Contracted Benefit Consultant and should be distributed to each individual member confidentially.

## 5. Consulting fees

Consulting Fees are paid monthly to each participating employer's FAIS-accredited adviser for providing the Contracted Benefit Consulting services. Consulting fees are agreed upon by the participating employer and the Contracted Benefit Consultant and are determined at the commencement of a sub-fund. The trustees have approved the following standard remuneration scale per participating employer for the full range of contracted services:

Annual contribution	Percentage
The first R200 000	7.50%
More than R200 000 up to R300 000	5.00%
More than R300 000 up to R600 000	3.00%
More than R600 000 up to R2 000 000	2.00%
More than R2 000 000	1.00%

- ④ Calculated using total retirement contributions plus insured benefit premiums (excluding insured benefit premiums in respect of insurance policies falling outside the Sanlam Umbrella Fund's risk pool).
- ④ Retirement contributions plus risk premiums are combined to determine one annualised amount to be used to calculate consulting fees at inception.
- ④ The annualised amount is expressed as a percentage of salaries, as a flat Rand amount per member per month or a percentage of assets under management.
- ④ Membership and total salaries will affect the amount of consulting fees payable from month to month.

### Tailored consulting fees

Participating employers can negotiate a tailored consultancy service with their advisers at an appropriate fee, in lieu of the standard consulting fee scale. In such cases, a contract needs to be signed by both the participating employer and benefit consultant, and it must include all the trustees' requirements for Contracted Benefit Consulting services.

### Review of consulting fees

Consulting fees are not subject to review as part of the annual revision process or with any amendments to benefits but can be reviewed at any time by negotiation and agreement between the Contracted Benefit Consultant and the Participating Employer.

If the Contracted Benefit Consultant wishes to review their consulting fee and implement it as part of the Fund's annual revision process, an amendment request document must be completed and submitted to the Fund. When this window is open, a reminder is sent to

the Contracted Benefit Consultant via the Consultants Toolkit newsletter, along with the process that must be followed.

Any consulting fee reviews are thereafter implemented by way of the Fund's formal amendments process. The earliest effective date of an amendment of consulting fees is the 1st of a month following receipt of all required documentation.

Any agreed change on the consulting fee will only be implemented on receipt of the signed amendment document. The amendment document can be found on the Sanlam Umbrella Fund Consultant Toolkit. The completed and signed document should be submitted directed to the Client Relations Manager.

### Payment process

Contracted Benefit Consultants can select from two payment options:

1. Via the Consultant's Sanlam commission code.
2. Via the Consultant's bank account.

Consulting fees are only paid once the relevant participating employer's monthly contributions are successfully captured on the administrator's platform. It is the responsibility of the Consultant to provide the Sanlam Umbrella Fund/Sanlam Unity Umbrella Fund with confirmation of the correct commission code and banking details by way of a bank statement header or cancelled cheque, at inception.

## Consulting fee statements

Consulting fee statements for the Sanlam Umbrella Fund are distributed monthly on the first working day of each month, to those Contracted Benefit Consultants who received a payment.

Consulting fee statements for the Sanlam Unity Umbrella Fund are distributed monthly to brokers not paid via the Sanlam commission code. These statements can also be requested from **[Nonceba.Vikilahle@sanlam.co.za](mailto:Nonceba.Vikilahle@sanlam.co.za)** Nonceba Vikilahle (SC) and

**[Judy.Hendricks@sanlam.co.za](mailto:Judy.Hendricks@sanlam.co.za)** Judith Hendricks (SC).

Sanlam brokers can access their consulting fee statements via **<https://sanport.sanlam.co.za/crpelearning/Sanport>**.

## Enquiries for Consulting Fees

All Sanlam Umbrella Fund queries regarding consulting fees should be e-mailed to **[ConsultingFees.SUF@sanlam.co.za](mailto:ConsultingFees.SUF@sanlam.co.za)**.

All Sanlam Unity Umbrella Fund queries regarding consulting fees should be emailed to **[Vikilahle@sanlam.co.za](mailto:Vikilahle@sanlam.co.za)** Nonceba Vikilahle (SC) and **[Judy.Hendricks@sanlam.co.za](mailto:Judy.Hendricks@sanlam.co.za)** Judith Hendricks (SC).

You may also contact your dedicated Client Relations Manager for assistance.

## Changes to Contracted Benefit Consultant Information

Any changes to the Contracted Benefit Consultant's personal details (e.g. Sanlam Commission code, banking details, and address details) are done by means of the normal amendment process.

Any changes in the Consultant's FAIS status or role should also be communicated via the normal amendment process. Please note that a change to the FAIS status of a Consultant may result in suspension of payment of consulting fee

Any change on the Consultant's information will only be implemented on receipt of the signed amendment document. The amendment document can be found on the Sanlam Umbrella Fund Consultant Toolkit. The completed and signed document should be submitted directly to the Client Relations Manager.

## “Consulting fees” vs “Commission”

Contracted Benefit Consultants are paid a consulting fee for specific services rendered to a participating employer after successful instalment on the Sanlam Umbrella Fund/Sanlam Unity Umbrella. The consulting fee needs to be negotiated between the participating employer and the Contracted Benefit Consultant.

Commission is normally an incentive paid by the insurer for writing new business and also is payable as monthly commission on risk benefits on books. The Sanlam Umbrella Fund and the Sanlam Unity Umbrella Fund do not pay such a fee. No upfront commission is payable with our model and thus there is no annual recalculation and potential claw backs as we pay the exact fee amount calculated on a monthly basis, taking all fund changes into account.

## 6. Annual revision date

The Sanlam Umbrella Fund Administration fees (including asset-based administration fees) and insurance premiums are reviewed annually on 1 April each year. The Sanlam Unity Umbrella Fund Administration fees and insurance premiums are reviewed annually on 1 March each year. The reviews follow negotiations between the Sponsor, the Insurers and the Board of Trustees. Insurers may invoke a new revision date as a result of national state of disaster. Participating employers will be given at least one 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.

The Contracted Benefit Consultant must ensure to discuss the outcome of the Fund's annual revision process with the Joint Forum and participating employer, prior to the effective date of the revision.





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