



Live with confidence

PAID-UP MEMBER GUIDE

Sanlam Unity Umbrella Fund

June 2022

www.sanlam.co.za

Financial Planning | Investments | Insurance | Health | Retirement | Wealth

Paid-up members



What is a Paid-up member?

You have chosen to leave your member share in the Sanlam Unity Umbrella Fund until a future date. This means that you are a Paid-up member.

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

- ① You avoid the hassle of having to transfer your member share to another retirement fund
- ① Your investment can continue to grow
- ① Your member share will be preserved until you retire
- ① You continue to benefit from the favourable tax treatment of your member share within a retirement fund

You remain a member of the Sanlam Unity Umbrella Fund

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

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

The Fund's General Rules still apply to you, but the set of Special Rules, which applied to your previous employer, no longer applies to you.

Although the Fund rules do not allow you to make any further contributions to the Fund, you may transfer any other retirement savings you may have from other pension, provident or preservation funds into the Fund to consolidate all your retirement savings.

What benefits will you have?

The following benefits apply to you:

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

01

Your withdrawal benefit

You may decide to withdraw from the Fund at any stage up to the age of 70 years. If you withdraw after this age, you are retiring from the Fund. At withdrawal, your entire investment (member share) will be paid and you would have the following choices:

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

What are the tax implications?

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

Benefits paid in cash lump sums will be taxed according to the relevant tax tables at the time the benefit is paid to you.

Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a financial adviser before you decide what to do with any benefit payment from the Fund.

02

Your retirement benefit

Retirement Reform Changes (known as “T-Day”) came into effect on 1 March 2021. This means that from 1 March 2021, your member share will consist of two portions: a vested member share and a non-vested member share. The vested member share reflects all your savings as at 28 February 2021 (plus interest thereon). The non-vested member share reflects all your savings from 1 March 2021 (plus interest thereon).

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

You may decide to retire from the Fund at any stage after your 55th birthday. At this time, your entire investment (member share) will be paid as a retirement benefit and you would have the following choices:

- ① Use your retirement benefit to draw a monthly pension from the Sanlam Umbrella Fund.
- ② Use your retirement benefit to buy an annuity (monthly pension) from Sanlam or another provider.
- ③ Take a portion of your retirement benefit in cash and use the rest to buy an annuity (monthly pension) from Sanlam or another provider. Your vested member share may be taken in cash. If your benefit is less than R247 500, your non-vested member share may also be taken in cash. If your benefit is more than R247 500, then only one-third of the benefit may be taken in cash. The balance must be used to buy a pension. The cash payment may be subject to tax.
- ④ If you were younger than 55 years on 1 March 2021 and belonged to the Sanlam Umbrella Provident Fund at retirement, your vested member share may be taken in cash. If your benefit is less than R247 500, your non-vested member share may also be taken in cash. If your benefit is more than R247 500, then only one-third of the benefit may be taken in cash. The balance must be used to buy a pension. The cash payment may be subject to tax.

- ④ If you were 55 years or older on 1 March 2021 and belonged to the Sanlam Umbrella Provident Fund at retirement: your vested member share (all your savings as at 28 February 2021 as well as all your savings from 1 March 2021 plus interest thereon) may be taken in cash. The cash payment may be subject to tax.
- ④ If you were 55 years or older on 1 March 2021 and belonged to the Sanlam Umbrella Provident Fund at retirement, but transferred to a new fund after 1 March 2021: your vested member share (all your savings as at date of transfer/saved in the old fund plus interest) may be taken in cash. If your benefit is less than R247 500, your non-vested member share may also be taken in cash. If your benefit is more than R247 500, then only one-third of the benefit can be taken in cash. The balance must be used to buy a pension. The cash payment may be subject to tax.
- ④ Transfer your benefit to a preservation fund. Members must transfer their full retirement benefit to a preservation fund and will not be allowed to take a portion in cash.

What are the tax implications?

Should you decide to buy an annuity (monthly pension), the amount used to buy the pension will not be taxed, but the pension paid to you on a monthly basis will be taxed as a normal salary.

Benefits paid in cash lump sums will be taxed according to the relevant tax tables at the time the benefit is paid to you.

Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a tax/financial adviser before you decide what to do with any benefit payment from the Fund.

How to claim your benefits

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

03

Your death benefit

In the event of your death while you are still a member of the Fund, your dependants and/or nominees will receive your entire investment (member share) as a death benefit.

Your family should notify the Fund and complete the relevant forms in order to have your death benefit paid out.

What should you be aware of?

Ensure your loved ones are taken care of

Please ensure that you complete your Beneficiary Nomination details on the Retirement Fund Web facility @ www.cp.sanlam.co.za

Your beneficiary nomination information is one of the factors that the Fund's trustees will take into consideration when they allocate your death benefit in the event of your death. If this information is not available, it requires a huge amount of work to trace all your dependants/beneficiaries. This may delay the payment of benefits to your loved ones.

You need to update these details regularly, especially when your circumstances change (e.g. in case of a divorce or marriage).

Consider the investment risk

When it comes to investing, there is a direct relationship between the risk taken and the returns achieved. The higher the risk the higher the potential returns, but also the greater the volatility of returns (tendency of markets to move up and down suddenly).



More about the trustee-approved default strategy

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 invests 100% in Sanlam Stable Bonus Fund in order to achieve its objectives.

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

What does it cost to be an In-fund preservation member?

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

Investment management fees	Investment management fees are calculated and charged on a monthly basis.
Contingency reserve account levy	0.25% per annum of assets (including VAT) levied monthly i.e. approximately 0.021% of assets per month.
Administration fee	An asset-based fee of 0.5% per annum (including VAT) levied monthly i.e. approximately 0.042% of assets per month.



Communication

Sanlam's member self-service options on the Website and the Mobile App provide quick and easy access to important information regarding your retirement savings, benefits and other insurance products you may have with Sanlam.

How to get access to your online view

- ④ Go to <https://cp.sanlam.co.za/>
- ④ Select Register and insert your ID Number and Surname or Sanlam product number/ membership number and click Search.
- ④ Confirm your cell number and your e-mail address – click Next.
- ④ Choose a username. A temporary password will be sent to your cell phone number.
- ④ Enter the temporary password that was sent to you and change your password as the temporary password may only be used once.
- ④ Enter the temporary password that was sent to you and change your password.

See a complete view of all your Sanlam products

- ④ Once you have registered, you will see a summary of all your Sanlam products.
- ④ Click on a product to view more details on that product.

Download the Fund's free Mobile App

Once you have registered, you can also download the "Sanlam My Retirement" App from the Google Play Store or Apple App Store for free.



Do you have a Financial Adviser?

If you choose to appoint your own financial adviser, the adviser must be compliant in terms of the Financial Advisory and Intermediary Services (FAIS) Act. The adviser does not act on behalf of the Fund or the Fund's trustees.

Any consulting fees payable to the adviser and the services to be provided must be agreed upon upfront between you and your adviser.

Individual Member Support

In order to comply with the default regulations the Sanlam 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

Keep in touch

Since you are no longer part of the communication channels of your previous employer, it is vitally important that you ensure Sanlam always has your latest contact details on record.

Contact or Whatsapp the Fund's contact centre on **0861 223 646** or e-mail them to keep your details updated.
SCClientcare@sanlam.co.za

Sanlam will process and protect your personal information as required by relevant laws and the Constitution of the Republic of South Africa. You can read the Sanlam Corporate Privacy Notice on <https://www.sanlam.com/legal/pages/sanlams-privacy-policy.aspx>; it can be sent to you on request. You can update your contact details by registering and logging onto our member portal here: <https://cp.sanlam.co.za> or email: SCClientCare@sanlam.co.za or call: 086 122 3646.



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