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SANLAM PLUS PRESERVATION FUND MEMBER GUIDE

Sanlam Corporate

www.sanlam.co.za

Financial Planning | Investments | Insurance | Retirement | Wealth



1. Introduction

Welcome to the Sanlam Plus Preservation Fund “the Fund”. If you have exited a pension or a provident fund before retirement, you would want to ensure that your retirement savings are kept safe. You have the option of transferring your retirement savings into a separate fund known as a preservation fund.

When a member leaves their company before retirement (or if the company undergoes liquidation in terms of section 28 of the Pension Funds Act) the member may preserve their benefit by transferring it tax-free to a preservation fund.

For this reason Sanlam has created two separate preservation funds: The Sanlam Plus Pension Preservation Fund for pension or provident fund members and the Sanlam Plus Provident Preservation Fund for members of provident funds.

A member’s benefits can therefore be transferred tax-free from a pension or provident fund to The Sanlam Plus Pension Preservation Fund and from a provident fund to the Sanlam Plus Provident Preservation Fund. Members are not allowed to transfer funds from a pension fund to a preservation provident fund.

About this member guide

This guide will give you an overview of the Fund and all the benefits and options available to members of the Sanlam Plus Preservation Fund.

For your information, we have included a list of definitions that explains some of the legal and industry terms. You will find this list at the back of the guide.

Please note that the guide is intended as general information only. It offers you a summary of the main benefits contained in the rules of the Fund and the relevant policies.

Benefits of investing in a preservation fund

- It preserves your accumulated retirement savings towards retirement
- It allows you one full or partial withdrawal before you retire
- Assets in the preservation fund are protected should you be declared insolvent
- Savings transferred into the preservation funds may be tax-free.



2. Fund rules

The Fund is managed according to the fund rules. The fund rules are drafted according to legislation.

The fund rules for the Sanlam Plus Preservation Funds may differ to those of other preservation funds.

Both The Sanlam Plus Pension Preservation Fund and the Sanlam Plus Provident Preservation Fund have its own fund rules. The fund rules contain all the information about the type of fund and outlines what may and may not be done.

Binding powers of the fund rules

The following parties are bound in terms of the fund rules:

- ④ Members
- ④ The Fund and its delegates (trustees)
- ④ Anybody that has a claim against the Fund.



3. Termination of membership

When will membership be terminated?

Your membership to the Fund will terminate if:

- ④ You pass away
- ④ You retire
- ④ You withdraw your retirement savings in full before retirement
- ④ You transfer your retirement savings to another approved fund
- ④ The Sanlam Plus Preservation Fund dissolves.

4. Death benefits

In the event of your death before retirement, your dependants and / or beneficiaries will receive your death benefit (member share). The amount will be:

- ④ Used to purchase a pension (life annuity) for the benefit of your dependants, and/or
- ④ Transferred to a family trust or beneficiary fund (after deduction of tax), and/or
- ④ Paid in a cash lump sum (after deduction of tax).

Please ensure that you complete the Beneficiary Nomination Form and Schedule of Dependants Form and update these forms regularly, especially when your circumstances change (e.g. in case of a divorce, marriage or the birth of a child). You may obtain this form from the Fund's website at www.retirementfundweb.co.za. It is also

recommended that you keep a copy of your beneficiary nomination form with your other personal documents.

Your beneficiary nomination form is one of the factors that the Fund's Board of Trustees will take into consideration when they allocate your death benefit (member share) in the event of your death. Where forms are not completed, it requires a huge amount of work to trace all the dependants. This may delay the payment of benefits.

By law, it is the trustees' duty to allocate your death benefit in a manner that is fair. Where the trustees believe that it would not be in the interest of a minor beneficiary that his/her benefit be paid to their parent or guardian, the benefit may be paid to a registered beneficiary fund.



5. Withdrawals and Tax

Types of withdrawals

You may make one withdrawal from the Fund at any date before your normal retirement age, provided legislation or the rules of the transferring fund do not prohibit this. Thereafter you will not be allowed to make another withdrawal before your normal retirement age, disability or death.

Only when you reach age 55 or older, may you retire from the Fund.

What about tax?

👉 At withdrawal from a preservation provident fund

Should you withdraw your once-off pre-retirement amount from a preservation fund, the amount will be taxed according to the pre-retirement lump sum tax table below.

Taxable income	Rates of tax
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

➤ At retirement from a preservation provident fund

The full benefit may be taken as a lump sum, and part of the lump sum may be tax-free. When you retire from a preservation provident fund, the lump sum is taxed according to the retirement lump sum tax table below.

Taxable income	Rates of tax
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

➤ At retirement from a preservation pension fund

You may take a maximum of one-third of your retirement savings as a lump sum. This portion is also taxed according to the retirement lump sum tax table below.

Taxable income	Rates of tax
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

The balance of your retirement savings that is not taken in cash will be paid out to you as a monthly pension (income). This pension will be taxed in line with your normal income at marginal rates.

**Only when you reach
age 55 or older, may you
retire from the Fund.**



6. Roles of the various parties

The Board of Trustees

The Board of Trustees is the body responsible for managing the Fund, taking into account the interests of the members. The board appoints the administrator, decides where investments may be placed and has the ultimate decision on allocation of death claims, in line with the Pension Funds Act. A principal officer and fund secretariat assists the board to fulfil its duties.

Administrator

Sanlam Corporate is responsible for the administration of the Fund, and as such members enjoy the full backing and protection of Sanlam. 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 Registrar of Pension Funds and 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 Umbrella Fund and the Administrator.

Sponsor

The sponsor of the Sanlam Plus Preservation Fund is Sanlam, who is responsible for providing the necessary professional and technical resources so that an appropriate product offering can be delivered to the market. 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 services to the Fund, and adheres to the governance requirements of the Fund as laid down by the Trustees.

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 Act.

The adviser does not act on behalf of the Fund or trustees. Any consulting fees payable to the adviser and the services to be provided must be agreed upon upfront between yourself and your adviser.



7. 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 formulises 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.

The communication strategy provides for a number of digital solutions that are aimed at ensuring members have access to their retirement information at all times.

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

How to access your retirement and insurance information online

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:

- ④ Go to <https://cp.sanlam.co.za/>
- ④ Select **Register** and insert your identity 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 View your information online or download the free “Sanlam My Retirement” mobile app.

Member Portal

As a member of the Sanlam Plus Preservation Fund, you are granted access to the *Member Portal* facility. You are required to register yourself on the *Member Portal*, via the pre-login screen register tab www.retirementfundweb.co.za

If you are unsure as to whether you have registered, or if you have registered but cannot remember your user name, you may contact the web team for you access details via email: retirementfundweb@sanlam.co.za

The following functionalities are available:

- ④ View your up-to-date benefit statements
- ④ View your general information
- ④ View documentation relating to the Fund, i.e. rules and policies
- ④ A retirement benefit calculator
- ④ Information on investment returns and investment portfolios
- ④ Information on the various investment portfolios you may choose to invest in.

8. Investments

The importance of investments

Over time, your savings in the Sanlam Plus Preservation Fund is likely to grow into one of your biggest financial assets. When you are retired you will want your retirement savings to work for you.

It is important to make sure that, by the time you retire, you will have accumulated enough money to maintain your standard of living after retirement.

Your final retirement savings at retirement will be influenced by many factors over the years, such as:

- The amount you and your employer have contributed towards your retirement
- Investment growth on your contributions
- The effects of inflation
- Job changes (if you did not preserve your retirement savings).

As a member of a preservation fund it is your responsibility to ensure that you understand these factors and how they will influence your retirement benefits.

Retirement fund investments are long term in nature. It is therefore important to remain invested in the portfolio that meets your risk and investment return requirements, taking into account the number of years left before retirement. There is a direct relationship between the risk taken and the returns you receive.

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). Equities (shares) are the asset class with the highest risk and the highest returns over the long term. Bonds are less risky than equities while cash is seen as stable but will provide lower returns over the long term.

Your investment choices

You may structure your investment strategy based on your specific retirement needs. You may choose to invest in a maximum of four of the portfolios from the list below. (This list is reviewed on a regular basis and updates if necessary. The latest information on available portfolios can be found on the *Member Portal*).



You may choose a maximum of four portfolios from the following:

Sanlam Investment Manager	Portfolios
Single manager range	SIM Balanced Fund
	SIM Cash Fund
Multi-manager range	SMM 70 Portfolio
	SMM 50 Portfolio
	SMM 30 Portfolio
	SMM Moderate Absolute Fund
	SMM NUR Balanced Fund
	Sanlam Accumulation Portfolio
	Simeka Wealth Creation
External Multi-manager Range	Momentum Investments Classic Factor 5*
	Momentum Investments Classic Factor 6*
	Momentum Investments Classic Factor 7*
External Single Manager range	Kagiso Balanced Fund
	Sanlam Allan Gray Global Balanced Portfolio
	Sanlam Coronation Houseview Portfolio
	Sanlam Ninety One Balanced Fund
Smoothed Bonus range	Sanlam Monthly Bonus Fund
	Sanlam Stable Bonus Portfolio
Index-tracking range	Satrix Enhanced Balanced Tracker Fund

*This portfolio is closed to new investors.



9. Important definitions

Beneficiary	<p>A person will be regarded as a potential beneficiary of your preservation fund benefit if:</p> <ul style="list-style-type: none"> • They meet the definition of a dependant • You have nominated that person, in writing, as your beneficiary.
Beneficiary nomination form	<p>This is a form on which you list your dependants and nominees. You must complete a beneficiary nomination form on joining the Fund and update it regularly.</p>
Dependant	<p>The Act defines a dependant as any person:</p> <ul style="list-style-type: none"> • In respect of whom you were legally liable for maintenance • Whom you were not legally liable to maintain, if such a person: <ul style="list-style-type: none"> - was, upon your death in fact dependent on you for maintenance - is your spouse (that includes a person married to you in terms of the Marriage Act, the Recognition of Customary Marriages Act, the Civil Union Act or the tenets of a religion) - is your child, including a posthumous child, an adopted child and an illegitimate child • In respect of whom you would have become legally liable for maintenance, had you not died.
Member share	<p>Your member share is made up of:</p> <ul style="list-style-type: none"> • Money you may have transferred from a previous fund • The investment returns earned on the above • Less operating costs.
Operational expenses	<p>The Fund's operational expenses include:</p> <ul style="list-style-type: none"> • Administration fees • Consulting fees paid to intermediaries • Contingency reserve account levies (various Fund costs and expenses).
Principal officer	<p>The principal officer is the person responsible for ensuring that all reports required in terms of legislation are correct and are timeously submitted to the Registrar of Pension Funds.</p>
The Fund	<p>Sanlam Plus Preservation Pension Fund or Sanlam Plus Preservation Provident Fund.</p>
Trustee(s)	<p>The trustees are the persons responsible for the management of the Fund. They form the decision-making body (Board of Trustees) of the Fund.</p>



10. Contact

Enquiries:

You may send any enquiries you may have to our human resources department or the administrator's call centre. For enquiries regarding administration you may contact the administrator directly at 086 122 3646.

Gauteng: 086 1223646

Western Cape: 086 1386202

Please send your written complaints to the Fund

The Pension Funds Adjudicator:

Should your concerns not be addressed and resolved to your satisfaction within a period of thirty (30) days, you may lodge a written complaint with the Pension Funds Adjudicator.

Telephone: 012 748 4000

Fax: 086 693 7472

Email: enquiries@pfa.org.za

Website: www.pfa.org.za

Postal address:

PO Box 580, Menlyn, Pretoria, 0063

Physical address:

4th Floor Block A, Riverwalk Office Park,
41 Matroosberg Road, Ashlea Gardens, Pretoria, 0081



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