



Live with confidence

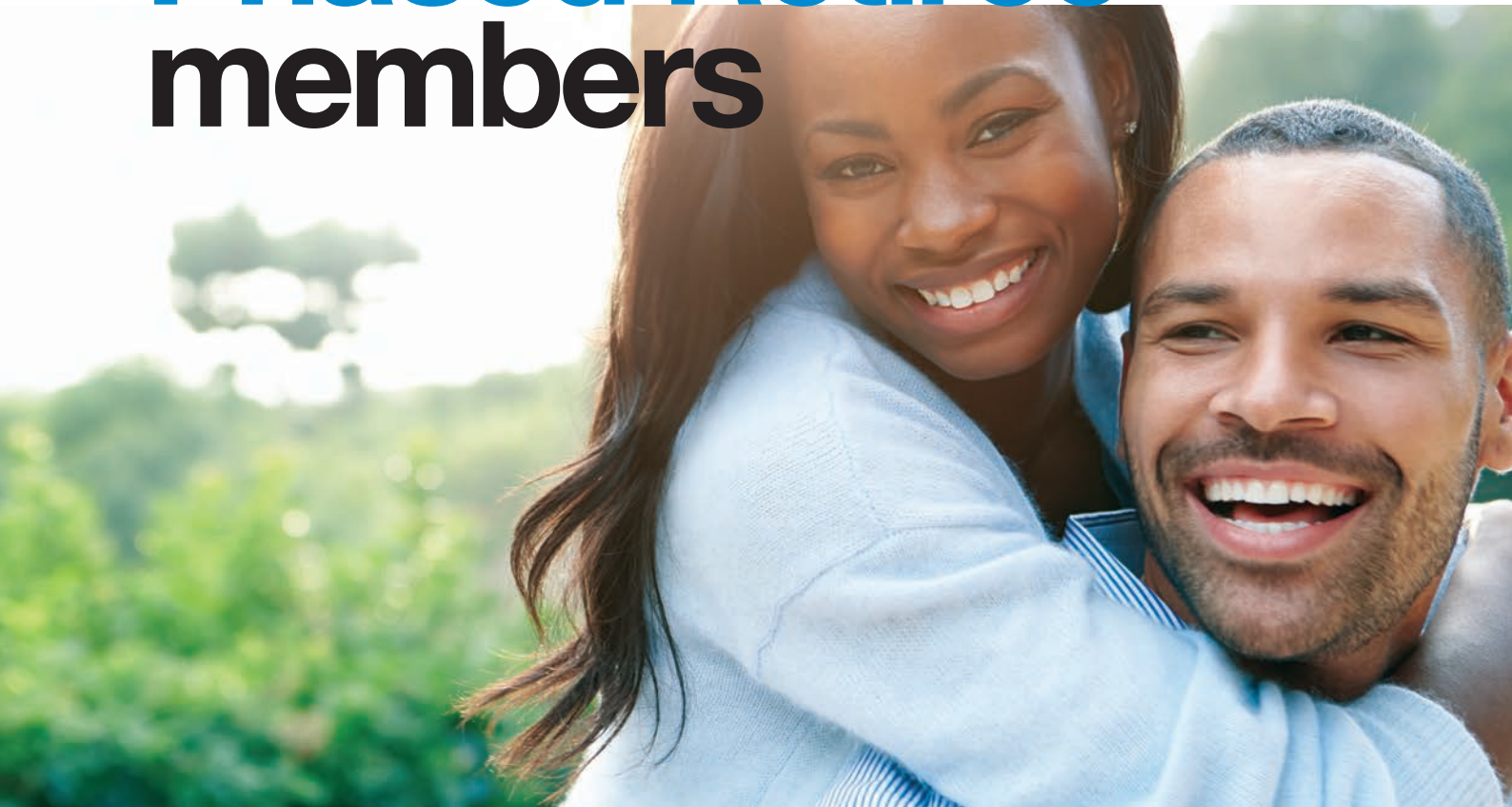
PHASED RETIREE MEMBER GUIDE

Sanlam Umbrella Fund

www.sanlam.co.za

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

Phased Retiree members



What is a Phased Retiree?

You have chosen to leave your member share invested in the Sanlam Umbrella Fund and to postpone your retirement from the Fund. This makes you a Phased retiree.

Leaving your money invested in the Fund has many advantages for you like:

- ① You don't have to withdraw your retirement benefit immediately and possibly lose out in bad market conditions
- ② You have time to think about what it is you will do with your retirement benefit
- ③ Your retirement savings can continue to grow
- ④ You can invest in the portfolios of your choice on the trustee-approved investment menu
- ⑤ You continue to benefit from the favourable tax treatment of your retirement benefit within a retirement fund
- ⑥ You may decide to retire from the Fund at any stage in the future

You remain a member of the Sanlam Umbrella Fund

Although you have retired in terms of your employment contract from the service of your employer, you have not retired from the Sanlam Umbrella Fund and therefore you will still be a member of the Fund.

Your entire retirement benefit remains safely invested in the Fund and it can continue to earn investment income.

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. Retirement benefit
2. Death benefit

01

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. At that time, your entire investment (member share) will be paid as a retirement benefit and you would have the following choices:

- ① Use your entire retirement benefit to draw a monthly pension from the Sanlam Umbrella Fund.
- ② Use your entire retirement benefit to purchase 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.
- ⑤ 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.
- ⑥ 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.
- ⑦ 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 income.

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 retirement benefit

Once you are ready to retire from the Fund, you need to complete the relevant benefit claim forms. The forms can be obtained from www.cp.sanlam.co.za

02

Your death benefit

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

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

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).

You may capture your nomination information online via the Fund's website or the Sanlam Portfolio App.

Insured risk cover

As a Phased Retiree, you do not qualify for any insured risk cover such as death cover from the Fund.

However, if your employer offered its members a conversion option, you will be able to take out an individual insurance policy at your own cost when you retire from your employer. This will then offer you similar insurance risk benefits as those you had prior to your retirement.

If you wish to exercise the conversion option, you will not have to provide Sanlam with medical evidence of good health, with the exception of a blood test to confirm your smoking and HIV/Aids status. This insurance policy must be taken out within 60 days after your last working day.

Speak to your financial adviser to find out how you can make use of this option.

If your employer did not offer the conversion option and you would like to take out insurance risk cover, please contact your financial adviser.

Your investments must work for you

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).

You need to ensure you remain invested in an appropriate investment strategy that meets your needs. As each individual's needs are different, we believe that it is in your best interest to consult with a qualified (registered) financial adviser.

The investment menu available to you

At the time you become a Phased Retiree, you must select your investment portfolios, provided these portfolios are on the list that the trustees of the Fund approved for In-fund living annuitants.

You may also choose to move your investments at any time, without having to pay an investment switch fee. All investment choices have to be made online at <https://cp.sanlam.co.za/>

The following is the list of investment portfolios available to you and you may choose a maximum of 4 portfolios.



Single manager range	Sanlam Multi Asset Growth Fund
	SIM Moderate Absolute Fund
	SIM Cash Fund
	SIM Temperance Balanced Fund
	SPW Balanced Fund
Multi-manager range	SMM 70 Portfolio
	SMM 50 Portfolio
	SMM 30 Portfolio
	SMM Moderate Absolute Fund
	SMM NUR Balanced Fund
	SMM Select Balanced Fund
	Sanlam Accumulation Portfolio
	Sanlam Living Planet Fund
	Sanlam The Most Aggressive Portfolio
	Sanlam Wealth Creation Portfolio
Smoothed Bonus range	Sanlam Monthly Bonus Fund
	Sanlam Stable Bonus Portfolio
	Sanlam Progressive Smooth Bonus
Index-tracking range	Satrix Enhanced Balanced Tracker Fund
External Single Manager range	Allan Gray Global Balanced Portfolio
	Camissa Balanced Fund
	Coronation Houseview Portfolio
	Foord Balanced Fund
	M&G Balanced Fund
	Ninety One Balanced Fund
	PSG Balanced Fund
	Truffle Balanced Fund
Other	Glacier (minimum of R2million member share)

What does it cost to be a Phased Retiree 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:

Administration fees	R30 per member per month (excluding VAT).
Financial adviser fee	You and your Financial Adviser must agree upfront what fees are to be paid to him/her. <ul style="list-style-type: none">• An initial once-off fee of up to 0.50% per annum (excluding VAT), and• An on-going fee of up to 0.75% per annum (excluding VAT) recovered monthly from member share.
Investment management fees	Investment management fees are calculated and charged on a monthly basis. A list of the latest investment management fees can be obtained on the latest investment fund fact sheets.
Contingency reserve account levy	Various Fund costs and expenses are paid from this account. The current levy is R3.00 per member per month including VAT.

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

- ① Go to <https://cp.sanlam.co.za/>
- ① Select Register and insert your ID Number and Surname or Sanlam product number/ membership number and click Search.
- ① Confirm your cell number and your e-mail address – click Next.
- ① Choose a username. A temporary password will be sent to your cell phone number.
- ① Enter the temporary password that was sent to you and change your password as the temporary password may only be used once.

See a complete view of all your Sanlam products

- ① Once you have registered, you will see a summary of all your Sanlam products.
- ① 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 Portfolio" 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 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.



2 Strand Road, Bellville, Cape Town | PO Box 1, Sanlamhof 7532, South Africa

Sanlam Life Insurance Limited Reg no 1998/021121/06.
Licensed Financial Services and Registered Credit Provider (NCRCP43).

T +27 (0)21 947 9111
F +27 (0)21 947 8066

www.sanlam.co.za

