



S & P Global/IHS Information and Insight (Pty) Ltd participating under Sanlam Umbrella Pension Fund(“Fund”) and the Sanlam Group Risk

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Staff Member Booklet 2025





Introduction

The purpose of this booklet is to explain briefly the main terms and conditions of the Sanlam Umbrella Pension Fund and the Risk Benefits (i.e. the death, funeral, disability and dread disease benefits) provided by Sanlam Group Risk (Pty) Limited. The formal rules of the Fund and for the Risk Benefits, the insurance policies, are the legal documents by means of which the benefits are provided. **This booklet is a brief description and cannot cover all eventualities and in the event of a conflict or difference between the documents, the rules and / or policies will prevail.**

You will be given an individual statement of your benefits at least once a year. This will help you in making sure your personal financial plans are adequate.

Facts about Retirement

According to a leading financial commentator, "Only the very rich will be able to afford an idyllic retirement. For most people, retirement is going to be very different. The message to people who are still complacent about retirement is:

Wake up and start planning! Nobody is going to look after you when you retire."

- Fact:** *Only 6 out of every 100 South African pensioners are financially independent.*
- Fact:** *31 out of every 100 South African pensioners have to work after retirement. However, will your health permit you to work and if so, will you find employment after retirement?*
- Fact:** *47 out of every 100 South African pensioners rely on family for support. However, will your family be able to afford it?*
- Fact:** *16 out of every 100 South African pensioners rely on state old age pensions because they will have absolutely no other possible means of income. However, will you be eligible for this and will it be sufficient to meet your needs?*

A major factor contributing to the above statistics is that most South Africans withdraw their retirement savings in cash each time they change jobs. However, it is normally better to preserve the benefits you have built up in the Fund – the options are described in this booklet. Retirement is often the furthestmost thought from the younger generation's minds. By the time it becomes a reality, it is often too late to do anything about it. The younger you are when you start a long-term financial plan, the more likely you will be to enjoy a financially secure retirement.

One good way to start planning for retirement is by understanding your benefits under the Sanlam Umbrella Pension Fund.

Definitions

The following terms are used in this booklet:

The Employer:	S & P Global and IHS Information & Insight (Pty) Ltd and any subsidiary company participating in the Fund.
The Fund:	Sanlam Umbrella Pension Fund (SUF).
Normal Retirement Age:	Age 65
Member:	An employee eligible to join the Fund.
Pensionable Salary:	80% of your Annual Salary.
Risk Salary:	100% of your Annual Salary and upon which all risk benefits are based.
Selected Investment Portfolio:	The investment portfolio or portfolios chosen by you for investment of the net contributions, amounts transferred from a previous fund and any additional voluntary contributions made by you.
Fund Credit:	The value of the units in the Selected Investment Portfolios.

Membership

Who?

It is a condition of employment that all permanent staff under the Normal Retirement Age become members of the Fund and the group risk arrangement.

When?

You become a member of the Fund from the first day of your active employment.

Contributions

Member Contributions

Members contribute 5% or 7.5% of their monthly pensionable salary to the Fund.

Members are encouraged to contribute additional voluntary contributions and take advantage of the 27.5% tax deduction, subject to a maximum deduction of R350 000 per annum. Note your current Member contributions, if applicable, plus the Employer contributions below must be considered when taking advantage of the 27.5% limit.

Employer Contributions

The Employer contributes on your behalf an amount equal to 5% or 7.5% your monthly Pensionable Salary. Basically, the Employer will match the contribution you have selected.

The total Employer contribution forms part of your Total Cost to Company package value.

The Employer contribution excludes the administration fee and all premiums for the death, funeral, disability and dread disease benefits described in this booklet.

[All group risk premiums paid on your behalf will attract a fringe benefit tax.](#)

The risk benefits are provided on an unapproved tax basis and in terms of the Income Tax Act the premiums are not tax deductible but benefits payable are tax-free.

Harmonisation of the tax treatment of contributions

- The tax deduction for employee/member contributions to provident, pension and retirement annuity funds will be limited to the **higher of 27,5% of taxable income and “gross remuneration”**.
- An overall annual tax-deductible **limit of R350 000** will be applied to contributions regardless of the contribution rate.

- Employer contributions to pension and provident funds will constitute a fringe benefit in the hands of employees and will also be regarded as employee/member contributions for purposes of the tax regime.

INVESTMENT OF CONTRIBUTIONS

Where are my Pension Fund contributions invested?

Members have a wide range of over 30 **options** to choose **under the Sanlam Umbrella platform**. Members are encouraged to discuss with their financial adviser should they be uncertain on investment choice. All the investment options plus the full fund fact sheets are available on the Sanlam web portal.

Note: Past performance is no indication or guarantee of future performance.

Trustees' Default Portfolio

Should you not make an investment choice or choose not to make a choice, your monies will be invested in the Sanlam Lifestage Default Portfolio. The Lifestage model works as follows:

If you are more than 6 years to retirement, your monies will be invested in the Sanlam Lifestage Accumulation portfolio (aggressive).

Six years (72 months) before a member reaches his/her normal retirement age or planned retirement age (if different), the member is gradually switched from the Sanlam Lifestage Accumulation Portfolio to his/her selected Sanlam Lifestage preservation portfolio by means of 50 monthly switches.

Some members qualify to invest via the Glacier Retirement Fund Solution, provided minimum product criteria is met. This allows qualifying members to allocate some or all of their investments to an extensive range of more than 1 000 retail Collective Investment Schemes (CIS) available on Glacier's investment administration platform.

Options to Change Investment Choice During the Fund Year

Members can switch any time during the year. Switching is free. Members are encouraged not to time the market but spend time in the market. Members are reminded that investments are long term.

As your financial needs change, you may wish to switch portfolios however frequent changes are not recommended. Investment switches may be done online on the Sanlam web portal.



The Two-Pot System Terminologies

Vested Pot

Retirement savings as at 31 August 2024 are allocated to the Vested Pot. Existing fund rules apply to the vested portion. 10% of retirement savings accumulated before 01 September 2024 (up to a maximum of R30 000) was taken from the Vested Pot and allocated to the Savings Pot as a starting value (seeded amount). The remaining balance was allocated to the Vested Pot. Contributions in the Vested Pot made since 01 March 2021 will be subject to the 1/3rd annuitisation rule, that is, you may only be able to encash 1/3rd of this amount at retirement and the remaining 2/3^{rds} must be used to purchase an annuity income.

Savings Pot

One third of contributions made from 01 September 2024, together with the seeded amount, will be allocated to the Savings Pot. Funds in this pot can be accessed once per tax year in an emergency. Don't be tempted to withdraw from your Savings Pot, other than for an emergency, as this will negatively impact your retirement outcome plus you pay tax at your marginal rates on any withdrawal. Contributions in the Savings Pot will be subject to the 1/3rd annuitisation rule, that is, you may only be able to encash 1/3rd of this amount at retirement and the remaining 2/3^{rds} must be used to purchase an annuity income.

Retirement Pot

Two thirds of contributions made from 01 September 2024, will be allocated to the Retirement Pot and preserved until retirement. You must purchase an annuity income with your Retirement Pot.

Retirement

Normal Retirement

At Normal Retirement Age, you will receive your full Fund Credit, up to one-third of which can be taken as a lump sum and the balance must be used to purchase a pension from an insurer.

If your benefit is less than R247 500, you may take the whole benefit as a cash lump sum.

Early Retirement

With the Employer's consent you may retire at any time after age 55 years (or before that time if you are retiring through ill-health and do not qualify for the payment of a disability income benefit as described on page 5). Your Fund Credit will be payable to you, and you will have the same options and conditions as you would have had on retirement at Normal Retirement Age.

Late Retirement

If you remain in the employment of the Employer after your Normal Retirement Age but not later than age 70 the Employer will continue to pay contributions on your behalf until actual retirement when you will receive your Fund Credit and you will have the same options and conditions as you would have had on retirement at Normal Retirement Age.

In all the above cases cash lump sums and pension income are subject to taxation in terms of prevailing legislation.

Leaving Service on resignation, dismissal or retrenchment

How Much Do I Get?

The Vested Pot may be taken in cash or preserved. The Retirement Pot must be preserved until retirement. The Savings Pot may be preserved or taken in cash and subject to taxation.

Is Tax Payable?

Yes, most of the payment is taxable if you take it as a cash lump sum.

Alternatively, the benefit can be transferred **tax free** to your new employer's retirement fund or an approved preservation (in-fund or external) or retirement annuity fund. Full details of the options available will be given on leaving the Fund and you are strongly recommended to obtain professional advice before making any decisions.

Continuation Option

You have the option, within 60 days of leaving service, to take out an individual death, funeral, disability and dread disease (if under 65) policy for benefits up to the levels you were covered for whilst in employment. This will be subject to the policy conditions. No medicals are required.

You have free cover during the 60 days from date of exit, provided you have requested for a quote.

Death Benefits

Amount of Death Benefit

The death benefits consist of your Fund Credit, plus a life assurance benefit which is compulsory.

If you die before Normal Retirement Age (or before age 70 years if on late retirement) whilst a member of the Fund, your dependants and beneficiaries will receive a cash benefit equal to:

1. Your Fund Credit at the date of death
 - PLUS
2. Five times your annual Risk Salary.
 - A Global Education Children's benefit is paid, subject to the following limits:

▪ Pre-school	R53 000pa
▪ Primary school	R102 000pa
▪ Secondary school	R118 000pa
▪ Tertiary education	R78 000pa
▪ Tertiary international	\$71 000pa

The limit is R12 900pa when changing from non-fee to fee-paying school.
Book allowance – 10% of education fee

University residence allowance – 30% of education fee

Maximum number of children – **no limit**

Term of education – earlier of attainment of a degree or age 24 years

Notes:

- Medical free cover limit on core and flex cover = R20.3 m.

Who Receives the Death Benefit?

The Pension Funds Act directs the Trustees of the Fund to distribute death benefits payable from the Fund (i.e. your Fund Credit) between your dependants and beneficiaries (if any) in an equitable manner. In normal circumstances, the benefit would be paid to your spouse and/or children and/or to any other person who was financially dependent on you.

The **life assurance benefit** will be distributed in terms of your Beneficiary Nomination Form. In the absence of a Beneficiary Nomination Form, the benefit will be paid into the estate.

Dependants and Beneficiaries

It is important that you complete both a Beneficiary Nomination Form in respect of death benefits provided by the Fund and a separate Beneficiary Nomination Form for your insured death benefits. This will assist in the distribution of your death benefits. It is important that you keep the information up to date and complete new forms whenever a change occurs in your personal circumstances. These forms are available from your HR Business Partner.

Funeral Cover (for staff and immediate family members)

A lump sum according to the scale below is payable on your death or the death of a spouse / partner or child (up to age 24, if the child is studying full-time):

Member	R 15 000
Spouse / partner	R 15 000
Child 14 – 21 years	R 15 000
Child 06 – 13 years	R 7 500
Child under 6 years	R 3 750
Stillborn (28 weeks)	R 3 750



The **funeral benefit** will be distributed in terms of your Beneficiary Nomination Form. In the absence of a Beneficiary Nomination Form, the benefit will be paid into the estate.

Disability Income Benefit (medical free cover limit = R126 875 pm)

In the event of your total inability to perform your own occupation for a period of at least three continuous months because of illness or injury and if your claim is accepted by the insurance company, an income benefit will become payable from the end of the three-month period. This income benefit is equal to:

75% of your monthly Risk Salary, subject to a maximum benefit of the lower of R 250 000 per month and your net monthly income.

The benefit paid will increase each year by the lesser of the increase in the CPI and 5% p.a. You will remain a member of the Fund and continue to accumulate your retirement benefits (and be covered for death, dread disease and funeral benefits) until the earliest of:

- Recovery from your disability.
- Attainment of Normal Retirement Age; or Death.

The Employer will continue to contribute to the Fund at the rate of 5% (subject to a maximum of R66 000 per month).

In addition, if you are the principal member of a medical aid fund, your medical aid premiums will be paid during the first 21 months (after the three-month waiting period) of receiving the Disability Income Benefit:

Payable to any medical aid with the ffg maximums:

Employee:	R4 600pm
Spouse:	R3 800pm
Child:	R2 100pm

The benefits payable are subject to the terms and conditions of the policy of insurance. It is possible you may not receive a benefit if you are disabled within the first 12 months of membership because of a medical condition for which you received

treatment within the 6 months prior to joining the Employer. If you feel this may affect you, please discuss the situation with your HR Business Partner to ensure that negotiations can take place with the insurance company on your behalf.

The insurance company will require on-going proof of your continued disablement.

Accident Booster - when the disability income benefit is restricted to the medical free cover limit, the restriction will not apply in the case of a disability as a result of an accident as defined in the policy.

Dread Disease Comprehensive Benefit effective from 01 April 2024 (medical free cover limit = R2 180 000)

A lump sum equal to

- A benefit of 1 x your annual Risk Salary, up to an overall maximum benefit of R3.3m, will be payable in the event of diagnosis of one of the following conditions:
 - Cancer
 - Myocardial infarction (Heart Attack)
 - Heart Valve Surgery
 - Kidney Failure
 - Loss of limbs
 - Loss of hearing
 - Loss of speech
 - Primary Pulmonary Hypertension
 - Major Burns
 - Multiple Sclerosis
 - Motor Neurone Disease
 - Parkinson's Disease
 - Accidental HIV infection
 - Angioplasty
 - Chronic Renal Failure
 - End-stage Lung Disease
 - Organ transplant
 - Pulmonary Embolism
 - Sero-positive rheumatoid arthritis (excluding joints in hand and feet)
- Major Organ Transplant
- Paraplegia
- Stroke
- Blindness
- Benign Brain Tumour
- Alzheimer's Disease
- Poliomyelitis
- Aplastic Anaemia
- Severe Ulcerative Colitis
- Severe Crohn's Disease
- Deep Coma
- Chronic Liver Failure
- Aortic Artery Surgery
- Cardiomyopathy
- Coronary Artery Bypass
- Muscular Dystrophy
- Arrhythmia

Notes:

- Covers multiple conditions provided cause is totally unrelated to any previous claim.
- You may not receive a benefit if you are diagnosed with any of the comprehensive dread diseases within the first 24 months of membership because of a medical condition for which you received treatment within the 24 months prior to 01 April 2024 (comprehensive conditions only) or date of joining the Employer (new staff joining after 01 April 2024).
- If you feel this may affect you, please discuss the situation with your HR Business Partner to ensure that negotiations can take place with the insurance company on your behalf.
- Survival period means a period of 7 days immediately following the date of contracting the severe illness. This means one has to survive for a period of 7 days in order for the claim to be paid out.

Tax on Benefits

Benefits arising under the Sanlam Umbrella Provident Fund are subject to a certain amount of tax. This will depend on the reason for your leaving service and the relevant tax scales.

Resignation/Dismissal

Pre-retirement lump sum withdrawals (cash) are taxed according to the following table:

0 – R27 500	tax free
R27 501 – R726 000	18% of amount exceeding R27 500
R726 001 – R1 089 000	R125 730+ 27% of amount exceeding R726 000
R1 089 000 and more	R223 740 + 36% of amount exceeding R1 089 000

Taking the benefit in cash will **result in reduced retirement savings** as the money is not preserved / saved for retirement. The tax scale is cumulative and will have the effect of increasing your tax liability each time you withdraw cash when you change jobs. **Taking cash is not recommended, unless the fund value is extremely low, as the member should aim to preserve his/her ultimate retirement benefit.**

Alternatively, you can transfer your fund value to the Provident Fund of your new employer or to a Provident Preservation Fund (in-fund or external) or Retirement Annuity Fund.

Advantages

- **Fund Value Is Transferred Tax Free**
- **Fund Value Is Preserved for Ultimate Retirement**

Retirement

Retirement lump sum withdrawals are taxed according to the following table:

0 – R550 000	tax free
R550 001 – R770 000	18% of amount exceeding R550 000
R770 001 – R1 155 000	R39 600 + 27% of amount exceeding R770 000
R1 155 001 and more	R143 550 + 36% of amount exceeding R1 155 000

The above calculation is allowed on the **total combined** benefits emerging from Pension, Provident, Preservation and Retirement Annuity Funds of which you are a member.

Death Benefits

Fund Credit - tax treatment on death is the same as for retirement.

Life insurance benefit – no tax is applicable.

Retrenchment

Tax treatment on retrenchment is the same as for retirement.



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