University of South Africa
Retirement Fund

SUMMARY OF YOUR

BENEFITS

UNIVERSITY OF SOUTH AFRICA RETIREMENT FUND

Member Guide

Effective from 1 September 2024

CONTENT

Disclaimer

This document is a summary of your benefits as a member of the University of South Africa Retirement Fund. In the event of a conflict between this summary and the Fund Rules, the Rules of the Fund will apply.

Summary of your Fund Benefits

The security and protection of your personal information is important to the Fund. For more details, please visit [http://unisarf.co.za/unisarf/policies-and-rules.](http://unisarf.co.za/unisarf/policies-and-rules)

The University of South Africa Retirement Fund (the Fund) is a **defined contribution provident fund.** This means that your benefit on retirement depends on future contributions and investment returns. However, for members who joined the Fund before 1 September 1996 (Non-Vista member), the Fund provides a minimum guaranteed benefit.

The main features of the Fund are outlined below.

<table>
<tr><th>FUND BENEFIT</th><th>DESCRIPTION</th></tr>
<tr><td>Your member contributions</td><td>You are not required to contribute to the Fund.

You can make additional voluntary contributions (AVCs) by adding a fixed contribution percentage or Rand amount. You have the flexibility to stop and start AVCs anytime. Should you wish to increase your contribution to the Fund, please complete the AVC Option Form which is on the Fund’s website.</td></tr>
<tr><td>Your employer contributions</td><td><table><tr><th>Category</th><th>Contributions</th></tr><tr><td>All Members</td><td>16% of monthly pensionable salary</td></tr><tr><td>Some former Vista Members</td><td>18.5% of monthly pensionable salary</td></tr></table>
For members who are still in service, the employer pays the cost of the insured benefits and the administration fee of the Fund. Therefore, your full contribution goes towards your retirement savings. You also receive a tax deduction on your employer contributions to your fund of up to 27.5% of the greater of your total annual remuneration or taxable income limited to R350,000 per year.

With effect from 1 March 2021, T-day rules will apply to how your retirement benefits are paid. Nothing changes when you withdraw before retirement – you can still take all your savings in cash. From 1 March 2021, your member share will consist of two portions:

• Vested member share
• Non-vested member share

If you were 55 years or older on 1 March 2021, you will not be affected by any of these new rules.

If you were younger than 55 years on 1 March 2021, you will have a:

• Vested member share - All your savings as at 28 February 2021 (plus interest thereon) will be in this portion. You may take this portion in cash when you retire.
• Non-vested member share - All your savings from 1 March 2021 (and interest thereon) will be in this portion. If this portion is R247,500 or less, you may take this portion in cash when you retire. If this portion is more than R247 500, you may only take one-third of this in cash and you must use the other two-thirds to buy a pension when you retire.</td></tr>
</table>

FUND BENEFIT	DESCRIPTION
	With effect from 1 September 2024, your contributions are split as follows: • One-third of your new monthly contributions will go into the savings component. • Two-thirds of your new monthly contributions will go into the retirement component. • Contributions that were paid to the Fund, less the seeding amount that was initially allocated to the savings component, remains in the vested component. No further contributions will be allocated towards your vested component. **Exception:** If you were 55 years and older on 1 March 2021, all of your contributions (before and after 1 September 2024) are in the vested component. If you have opted into the Two-Pot Retirement System, the above split in contributions will apply to your contributions. Please refer to the detailed communication relating to the Two-Pot Retirement System, which is saved on the Fund's website, for further information on the Two-Pot Retirement System and how it affects you.
Your normal retirement age	Your normal retirement date is at the end of the calendar year in which you turn 65 years. Alternatively, you may retire early at any time from the age of 55 years, subject to the provisions of your employment contract and to having received retirement benefits counselling. If you were in receipt of a disability income benefit as at 30 June 2015, you will retire at the end of the month in which you turn 60 years. If a different retirement age is specified in your employment contract, the normal retirement age shall be the age as specified in the contract. If you do not make an election with regards to your retirement benefit, you will become a deferred pensioner. This option means that you have chosen to preserve your benefit in the Fund until you require the income, at which point you will submit the relevant claim documentation.

Your retirement benefit value	**Member Credit Account**
	
	Your Member Credit Account is made up of the following:
	• The total contributions paid each month towards your retirement savings; plus
	• The investment return thereon; plus
	• Any additional voluntary contributions; plus
	• Any balance in your Supplementary Account (see below); plus
	• Any transfers from an approved Fund
	
	Effective from 1 September 2024, your Member Credit Account is split into different components:
	• **Vested component**– Your fund value as at 31 August 2024 less 10% (to a maximum of R30,000) that was transferred to the savings component, plus investment growth. This component is further divided between:
	  ◦ **A vested portion** – your fund value as at 1 March 2021 plus investment growth;
	  ◦ **A non-vested portion** – your fund value accumulated from 1 March 2021 to 31 August 2024 plus investment growth.

<table>
<tr><th>FUND BENEFIT</th><th>DESCRIPTION</th></tr>
<tr><td></td><td>

Savings component – A seeding amount of 10% of your fund value as at 31 August 2024 (to a maximum of R30,000) that was transferred from the vested component plus 1/3rd of all future net contributions plus investment growth.
Retirement component – 2/3rds of all net contributions plus investment growth.

Note: Investment growth can be positive or negative.
Minimum Guaranteed Benefit (MGB)
If you joined the Fund before 1 September 1996 and you were a member of the Old Fund (Associated Institutions Pension Fund), who opted not to transfer your transfer value to an approved Fund and if you had your Member Credit Account invested in the default Life Stage model, then you qualify for a minimum benefit at retirement.
This means that the Main Account of your Member Credit Account is compared to the capital secured by a defined benefit formula at retirement. In the event of the capital in terms of the guarantee being larger than the Main Account of your Member Credit Account, the difference will be added to your Member Credit Account at retirement.
Post-Retirement Medical Aid Contributions (PRMA)
In 2007, some members elected for the University of South Africa to settle their post-retirement medical aid contributions by paying an additional contribution to the Fund. This amount and /or any additional voluntary contributions made to the Fund are credited to your Supplementary Account which forms part of your retirement benefit.
</td></tr>
<tr><td>Retirement benefit options</td><td>
Members 55 years or older on 1 March 2021 (who have not opted into the Two-pot Retirement System)
If you were aged 55 or older on 1 March 2021, you can elect to receive your retirement benefit as a combination of cash and/or pension. The cash portion will be taxed.
All other members
<table>
<tr><th>Component</th><th>Options at Retirement</th></tr>
<tr><td>Savings</td><td>You may take part or full benefit in cash; or
Buy a pension.</td></tr>
<tr><td>Retirement</td><td>The full amount is to be used to buy a pension.

You may take as cash if 2/3rds of non-vested portion in the vested component plus the total retirement component is below R165,000.</td></tr>
<tr><td>Vested</td><td>Vested portion (as at 28 February 2021)
You may take part or full benefit cash; or
Buy a pension.

Non-vested portion (as at 1 March 2021)
Up to 1/3rd may be taken in cash;
The remaining balance is to be used to buy a pension.</td></tr>
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<table>
<tr><th>FUND BENEFIT</th><th>DESCRIPTION</th></tr>
<tr><td></td><td>
<table><tr><td>Vested
(continue)</td><td>You may take as cash if 2/3rds of non-vested portion in the vested component plus the total retirement component is below R165,000.</td></tr></table>
You may elect a life annuity or a living annuity from the Fund, OR you can transfer your money to another insurer if you wish. Please refer to the summary later in this document on the annuities available from the Fund.</td></tr>
<tr><td>Withdrawal options</td><td>The remaining amount in your Member Credit Account is payable. Any amount taken in cash will be subject to tax. You may elect to leave your benefit in the Fund when you resign or are retrenched, until you need a retirement income.
<table>
<tr><th>Component</th><th>Options at Withdrawal</th></tr>
<tr><td>Savings</td><td>You may take part or full benefit cash; or
Transfer your benefit (without incurring tax):
• into your new employer’s fund; or
• to a retirement annuity fund; or
• to a preservation provident fund; or
• leave your benefit in your previous employer’s fund and become a paid-up member.</td></tr>
<tr><td>Retirement</td><td>You will not have access to your contributions plus growth in your retirement component at withdrawal.</td></tr>
<tr><td>Vested</td><td>Vested portion and Non-vested portion:
You may take part or full benefit cash; or
Transfer your benefit (without incurring tax):
• into your new employer’s fund; or
• to a retirement annuity fund; or
• to a preservation provident fund; or
• leave your benefit in your previous employer’s fund and become a paid-up member.</td></tr>
</table></td></tr>
<tr><td>Paid-up benefits</td><td>You become a paid-up member when you leave your current employer but choose to leave your member share in the Fund. You are not retiring yet and are possibly continuing your employment elsewhere.

The advantages of leaving your money invested in the Fund include:
• You avoid the hassle of having to transfer your member share to another retirement fund;
• Your investment can continue to grow;
• Your member share will be preserved until you retire;
• You continue to benefit from the favourable tax treatment of your member share within a retirement fund.

Although your employment has been terminated with your employer, you did not withdraw from the 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 Rules still apply to you.</td></tr>
</table>

Summary of your Insured Risk Benefits

As a member of the Fund, you enjoy the following risk benefits as provided through the Fund:

RISK BENEFIT	DESCRIPTION
Approved death benefit insured with Momentum (This is an approved benefit)	2 times your annual pensionable salary. This benefit gets paid into your retirement fund and, following a detailed investigation, is distributed by the University of South Africa Retirement Fund Board of Management according to Section 37C of the Pension Funds Act. Over and above the mentioned benefit, a pension of 35% of your pensionable salary is paid to your life partner or spouse on your death. If you do not have a life partner or spouse, but you do have qualifying children, this pension calculated as 35% of pensionable salary will be shared between them and will be paid until they reach age 18, or age 24 in the case of full-time students. If you have a lifetime dependent child; i.e. a disabled child, the pension will be payable for the lifetime of this child. Please remember to inform the Fund via your HR department of any such requirements.
Unapproved life cover with Old Mutual	4 times your annual pensionable salary (this benefit is paid out directly to your beneficiaries) A conversion option is available for reduced life cover equivalent to 40% of 4 times your annual pensionable salary at retirement.
Disability income benefit insured with Sanlam (This is an unapproved benefit)	If the insurer assesses you as being totally unable to continue to work, you will receive a monthly income of 62% of your monthly pensionable salary until age 60 (in the case of PURCO and USaf employees) or otherwise age 65 for all other employees. The monthly disability benefit could be paid until: • You are declared fit to return to work; or • Your death; or • Your retirement age. whichever occurs first. A waiver exists to cover your 8% contribution towards your retirement fund and the University of South Africa will also continue with their 8% contribution. The disability benefit is paid tax free. You remain a member of the Fund whilst you are disabled, and contributions continue until you reach your normal retirement age. You will continue to be covered for the death benefit. Once you are considered disabled, the insurer may require you to go for a medical assessment on an annual basis to evaluate whether you are still disabled.
Accelerated Lumpsum disability cover with Old Mutual	4 times your annual pensionable salary (your 4 times life cover falls away in the event of a lumpsum disability claim). This benefit ceases at age 65.

RISK BENEFIT	DESCRIPTION
Funeral benefit insured with Momentum (This is an unapproved benefit)	The funeral benefit is a lump sum benefit payable upon your death or the death of an immediate family member to assist with the costs associated with the funeral. The benefit payable on the death of different family members, is noted below: **Family member** — **Benefit payable** Member (you) — R25,000 Spouse — R25,000 Children aged 14 to 21 years* — R12,500 Children aged 0 to 13 years — R6,250 Stillborn child** — R6,250 Notes: * Children may be covered up to age 24 if the children are full- time students. ** A stillborn child means a child who has had at least 26 weeks of intra-uterine existence but showed no sign of life after complete birth.
Accelerated terminal illness cover with Old Mutual	4 times your annual pensionable salary (this is not a dreaded disease cover and your 4 times life cover and 4 times lumpsum disability falls away in the event of a lumpsum claim for disability or death). This benefit ceases at age 65.

Family member	Benefit payable
Member (you)	R25,000
Spouse	R25,000
Children aged 14 to 21 years*	R12,500
Children aged 0 to 13 years	R6,250
Stillborn child**	R6,250

Beneficiary nomination forms

Completing the relevant beneficiary nomination forms provides essential information for smooth and prompt pay-outs in the event of your death, preventing delays that could further burden your loved ones financially and emotionally. Remember, without a completed nomination form the benefit goes to your estate, causing delays and leaving your family without the immediate funds they need.

By completing the nomination forms in respect of your applicable benefits, you will have peace of mind that your intended beneficiaries will receive the payment in the shortest possible time, in the event of your death.

Beneficiary nomination forms can be found on the Fund's website: http://unisarf.co.za/unisarf/forms

The Trustees will try as far as possible to respect your wishes.

However, they need to obey the law when allocating benefits. Section 37C of the Pension Funds Act guides them in this regard, to ensure that benefits are fairly allocated to all your dependants.

If you have excluded certain dependants, OR if your nominations forms are not complete, they must investigate to make sure the right people are taken care of.

Please Note:

Make sure that the total allocation adds up to **100%**.

Make sure that you update your nominations whenever your circumstances change:

- If you get married or divorced; or
- If a child is born; or
- If a nominee dies.

Summary of your Investment Strategy

The Fund provides members with a Life Stage strategy, as well as Own Choice investment options.

<table>
<tr><th>INVESTMENT OPTION</th><th>DESCRIPTION</th></tr>
<tr><td>

Life Stage strategy

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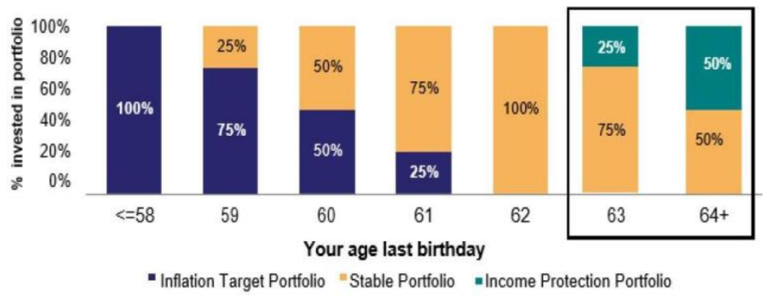
Your money will be invested according to the default Life Stage strategy shown below:



The Life Stage strategy allows you to switch from an aggressive investment portfolio based to a more conservative portfolio and, ultimately, moderate portfolios as you get closer to normal retirement or your planned retirement date.

You can elect that the Life Stage strategy be applied to a normal or planned retirement age of 55, 60 or 65 years. Members who are entitled to the minimum guarantee benefit do not lose this benefit if they exercise this choice of normal retirement age. Note that this retirement age only applies to the Life Stage strategy in the Fund and does not impact your terms of employment.

Kindly refer to the Investment guide for further information regarding the investment portfolios.

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<tr><td>

Own Choice investment options

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Should you wish not to be invested according to the Life Stage strategy, you may opt out of this strategy to choose your own portfolio*, which can be any combination of:

- Inflation Target portfolio,
- Stable portfolio,
- Income Protection portfolio, and/or
- Shari'ah portfolio.

Members who are entitled to the minimum guarantee benefit will lose the right to this benefit if they opt out of the Life Stage strategy.

You are encouraged to seek financial advice to assist you with this decision.

Kindly refer to the Investment Guide for further information regarding the investment portfolios.

**switching fees will apply.*

</td></tr>
</table>

Summary of your In-Fund Annuity Options

The Fund provides the following In-Fund Annuity Options to members:

ANNUITY TYPE	DESCRIPTION
Life Annuity	The guided annuity strategy of the Fund is a life annuity pension that provides for future pensions targeted at 50% of headline inflation over the long term, with any increase being subject to affordability. There is an option to secure a pension from the Fund that targets future pension increases of 100% of headline inflation, but this means that your starting pension can be approximately 25% lower than the one which aims to grant increases of 50% of inflation. **Investment Strategy** – the Fund manages the underlying assets on your behalf. A liability driven investment (LDI) approach has been adopted resulting in approximately 80% of the assets being invested in fixed interest assets, which provide for future pension increases of 60% of inflation (or 100% of inflation if you elect this option). The remaining 20% of the assets are invested offshore in shares and property. **Spouse Benefit** – This benefit is paid to your spouse, in the event of your death. You can elect a pension of 0% or 50% to 75% to be paid to your surviving spouse. This is payable to the spouse that you were married to at retirement. If you marry or remarry after your retirement, there will be no pension payable to this spouse. **Guaranteed Period** – The Fund provides you with an option to elect a guaranteed period of 0, 5, 10, 15 or 20 years to be applied to this pension. **Important to Note** - You will not have the option to convert your life annuity pension in the Fund into a living annuity within the Fund at any time in the future. However, by giving the Fund 3 calendar months' notice, you can transfer your life annuity into an external living annuity. Please refer to the Retirement Guide for further, detailed information regarding your pension options at retirement.

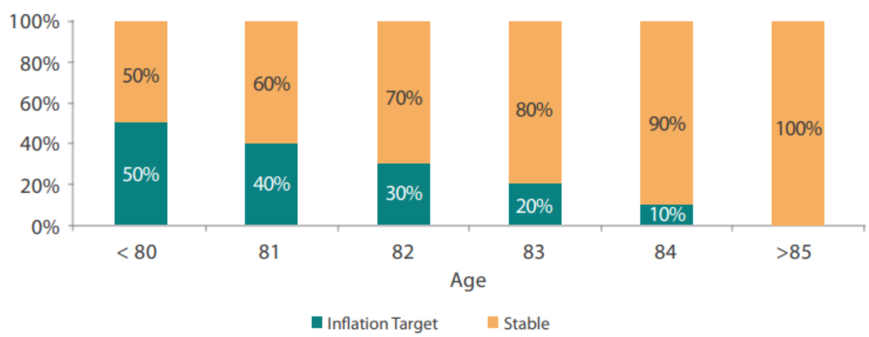
ANNUITY TYPE	DESCRIPTION
Living Annuity	For you to secure a living annuity within the Fund, you should have a minimum capital value of R1.5 million to use for a pension at retirement.

If you secure your living annuity from the Fund, the Board limits the draw-down you may take based on your age (see table below), unless you can successfully prove to the Board why this limit should be relaxed. For example, if you have a reduced life expectancy, you could draw a higher percentage.

Retirement up to or between	Maximum draw-down rate
Up to age 60	5.0%
61 – 65	6.0%
66 – 70	7.0%
71 – 75	8,0%
76 – 80	10.0%
81 – 85	12.0%
86 – 90	14.0%
91 and older	17.5%

Investment Strategy – You manage your investment and may invest your retirement capital in one or more of the same investment portfolios offered to active members. The same conditions and limitations will apply to these portfolios as for active members. Please note that there is a default investment strategy for a living annuity and, should you not choose where your money is invested, the default investment strategy as set out below will be applied to your Living Annuity Capital Account. ***You are encouraged to seek financial advice to assist you with this decision.***

Spouse Benefit – In the event of your death, the balance in your account will be paid to your spouse. If you have not nominated your spouse, the balance in your account will be distributed in terms of Section 37C of the Pension Funds Act on your death.



Please refer to the Retirement Guide for further, detailed information regarding your pension options at retirement.

Contact Us

For any Fund queries, please contact

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