Sanlam

Sanlam Corporate

The Legacy Beneficiary Fund: A solution for dependants of deceased members

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Insurance | Financial Planning | Retirement | Investments | Wealth

About **retirement fund** administration

You might think that retirement fund administration is all about collecting contributions and paying benefits.

At Sanlam it's far more than that! For us, it is about designing and managing retirement fund administration solutions for over 350 000 members, providing a cost-effective and secure IT platform and communicating with members and trustees in a way that is easy to understand.

We strive to administer retirement funds

in such a way that each fund member understands the reason for retirement savings, financial goal-setting and investment strategies to ensure financial independence at retirement.

Retirement fund members have increasingly become responsible for planning their own retirement. As a result, they need appropriate solutions and regular encouragement to assess their retirement benefits and other investments.

Sanlam Corporate retirement fund administration team takes care of every aspect of fund administration – from member communication to death benefit distribution.

Dealing with beneficiary benefits

According to the Pension Funds Act, a retirement fund's Board of Fund is responsible for allocating a deceased member's death benefit.

The board has the discretion to allocate and distribute the benefit to the member's nominated beneficiaries and dependants, according to what they believe is fair and equitable.

To help retirement fund Boards of Funds deal with beneficiary benefits, Sanlam has established the **Legacy Beneficiary Fund**. This is a secure home for benefits payable to the minor beneficiaries of a deceased member. Legislation also allows the **Legacy Beneficiary Fund** to receive and administer benefits paid in terms of unappproved group life insurance policies on the death of a member.

How the fund operates

The objective of the Legacy Beneficiary Fund is to safeguard beneficiaries' benefits that have been transferred from other retirement funds. It further provides beneficiaries with an income in the form of:

- A monthly income paid from the beneficiary's investment. The amount is determined by the Board of Fund, based on the financial needs of a minor dependant and the amount of benefit capital available.
- Ad hoc withdrawals from the investment, to cover a beneficiary's unexpected or unbudgeted expenses.

Transfers
With the Legacy Beneficiary Fund, there is no minimum benefit on transfers.

How the fund operates (continued)

Investment mandate
The Fund has a conservative investment mandate. This is because its primary objective is to preserve capital and provide liquidity to cover monthly income requirements.

Benefits transferred to the fund are invested in the Inflation Plus Portfolio. The underlying investments are made up of a combination of Prudential IPF, SMMI Solution and Investec portfolios.

Depending on market performance and capital available in the fund, the Board of Fund may make changes to its investment strategy from time to time.

Fees

The fee structure for the fund is as follows:

Type	Levied On	Fee (ex VAT)
Management fee	Capital value	1.55% excl. VAT
Investment management fee	Portfolio market value	0.10% per annum*
Contribution to the contingency reserve account	Per beneficiary per month	R6.00 per month

**Fees may vary depending on Asset Manager selection and portfolio composition.*

Legal Structure

FSB Registration
The Sanlam Unclaimed Benefits Pension Preservation and Provident Preservation Funds are registered in terms of the Pension Funds Act no. 24 of 1956 and were approved by the Financial Services Board (FSB) on 18 February 2009.

Principal Officer: Mr Gideon van Zyl
Prior to joining Sanlam Corporate, Gideon was chief executive officer of Transnet Pension Fund, a position he held for ten years. He completed his B Comm degree at of the University Stellenbosch, majoring in economics and mathematical statistics.

Gideon has served on various boards of funds both locally and internationally as well as on boards of directors. He has vast experience in new trends in the retirement funds industry, global asset management and in the property investment industry.

Trustee and Chairperson: Mr Wouter Dercksen
In 2002, after completing his articles as a chartered accountant with PriceWaterhouseCoopers, Wouter started working in the employee benefits industry. He has held a number of positions such as fund accounting manager and chief operations officer in retirement fund administration.

Wouter is currently responsible for strategic client relationships within the Retirement Fund Administration business unit of Sanlam Corporate. He also serves as chairperson and trustee member of the Legacy Beneficiary Fund and the Retained Benefit Trust.

Independent trustee: Mr Pieter Zeeman
Pieter Zeeman qualified as a chartered accountant in 1973 and was appointed as a partner at Crafford Du Toit and Partners during 1974. Until his retirement in 2003, he was a partner in the Pretoria Office of PriceWaterhouseCoopers.

Independent trustee: Mr Carl (Kallie) Bröcker
Prior to joining Fin Q Financial Services as Financial Manager in November 2002, Kallie served as the chief executive officer of the Air Force Fund. He was appointed as chief director finance where he was second-in-charge of the finance division of the Department of Defence. Here he held the rank of major-general as the chief director finance at the South African National Defence Headquarters in Pretoria. Kallie also serves as a trustee member of the Legacy Beneficiary Fund and the Retained Benefit Trust.

Sponsor trustee: Tebogo Legodi
Tebogo Legodi is a proficient strategist within the Digital transformation area. Core focus areas include the provision of solutions set to improve the Digital presence of brands and increase their Commercial value. With over 13 years' experience in the digital space, Tebogo has worked on projects in diverse multi-cultural and global organisations within the Financial Services, Technology and Aviation industries.

She offers a solid academic foundation up to MBA level, with experience in management level role driving the success of brands in Africa, delivering innovative 'first mover' solutions to high-profile brands & enterprises. She joined Sanlam Corporate in December 2016 as a Digital lead. She is leading the delivery of innovative solutions and digital transformation in the Sanlam Corporate business.

Legal Structure (continued)

Sponsor trustee: Welheminah Molubi

Welheminah was the Deputy Chairperson of the Councillors Pensions Fund from 2000-2006 and served on the National Human Resources Committee of Salga for that duration. Welheminah joined the Municipal Gratuity Fund in 2006 an executive member and later became the Deputy Chairperson of the Fund for the period 2006-2010. Welheminah serves as an Independent Trustee on the Legacy Beneficiary Fund.

Sponsor trustee: Amanda Mostert

Amanda completed her BSc degree at the University of Pretoria in 1982, majoring in Mathematics and Computer Science. She started her career in the actuarial department of Old Mutual and subsequently joined Absa Consultants and Actuaries (ACA) where she started an internal audit department. Later, in 1998, after obtaining her ILPA qualification from the University of the OFS, she worked as EB Consultant for 12 years. During her 29 years at Absa, she was also the project lead on the South African side of a joint project with Barclays in the UK. Following this, she was appointed Head of Administration for ACA in January 2011.

In 2018, Amanda joined Sanlam in 2018 and is responsible for the EB business in Africa (outside SA) as well as the portfolio of terminating and liquidating funds and participating employers within Sanlam EB. Amanda is the chairperson of the Sanlam Plus Preservation funds and also serves as an independent trustee on Keystone RA Fund.

Legal Structure (continued)

Auditors

PriceWaterhouseCoopers is the Fund's appointed auditor.

Actuary

Legislation does not require beneficiary funds to appoint an actuary. As and when the FSB dictates, the Board of Fund will make the necessary appointment.

Fidelity cover

Professional indemnity cover is in place to cover possible errors, omissions or fraud committed by the trustees or employees:

- For the Board of Fund: R30 million
- For the administrator: R1 150 million.

Administration

Administration platform and technology
The Fund is administered by Sanlam Corporate, a business unit within Sanlam Life Insurance Limited.

Sanlam Corporate administration systems are supplied and supported by MIP Holdings (Pty) Ltd. MIP is a locally developed co-sourced solution specifically designed for the South African pension fund administration market.

MIP-EB and MIP-FINANCIALS are the core modules of the MIP stand-alone system, designed specifically for employee benefits administration. MIP-EB is used to perform member record administration tasks, while MIP-FIN is a fully integrated financial system used for recording all transactions triggered by events in MIP-EB.

The system also integrates with other systems in use, namely:

- A customer relationship management and workflow application (C-Flow) supported by Front Range Solutions
- Investment administration software supplied by Microgen Systems and Interlink
- The Retirement Fund Web where beneficiaries can view their benefit statements.

Application process

Applying to register as a participating fund
By providing a signed resolution confirming its decision to register, the transferring Board of Fund can apply to register as a participating fund in the Legacy Beneficiary Fund.

Applying to register new beneficiaries of a deceased member
The Board of Fund of the deceased member's retirement fund must resolve that the deceased member's death benefit must be transferred into the Legacy Beneficiary Fund in accordance with their final distribution. Sanlam Corporate will then set up the required beneficiary account in accordance with the final distribution.

call us

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More Information

This document summarises the options available from Sanlam Corporate Retirement Fund Administration. You may find more information in the individual brochures on specialised services or you can contact us at:

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