



## PENSION CIRCULAR : 2 OF 2024

### **TO: ALL PARTICIPATING EMPLOYERS AND MEMBETRS OF THE PREDIKANTE AND AMPTENARE PENSIOENFONDS**

#### **FUNERAL SCHEME: SANLAM GROUP RISK**

In Circular 6 of 2023, the new provider for the funeral scheme was announced. It was Sanlam Group Risk replacing Sanlam Sky.

Under Option 1 it was indicated that cover will cease at a fund event (retirement, resignation, retrenchment) and that cover will continue under Option 2 at retirement (age 65) and that the policy will be made paid up so that no further premiums will be required.

Some members and employers were not happy that they could not continue with cover under both options at resignation as Sanlam Sky had previously allowed members to do so.

This matter was investigated and after discussions with Sanlam Group Risk (and in turn, Sanlam Group Risk with Sanlam Sky), it was agreed that members of the scheme could continue with cover at resignation but only in an individual capacity and with Sanlam Sky as the provider. This cover is called "exit cover".

In terms of *Policyholder Protection Rules* of the Longterm Insurance Act, 1998, there can be no waiting period placed on cover if members can show that they previously enjoyed similar cover. Members will therefor qualify for the continuation of cover immediately after resignation as long as they apply within 31 days of such event and that they had enjoyed this cover for a period of at least six months before resignation.

The premiums for the continuation of this cover will however, not be determined in terms of the group but will be based on the member's age at resignation. Because this is the case, the premiums will be substantially more.

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There are two documents that accompanies this letter:

*One Funeral Application form, and  
Exit cover – how to apply*

We realise this is not the ideal solution (because of the increase in premiums) but is at least available for those members who resign or are retrenched under Option 1 and 2 and for retirement under Option 1.

All the best!

*TP Smith*

**TP SMITH  
PENSION FUND MANAGER**