

# TERMS AND CONDITIONS

## RETIREMENT ANNUITY FUND



## OVERVIEW

- We may amend our terms and conditions from time to time. It is your responsibility to ensure that you refer to the most recent and relevant terms and conditions related to the platform and products, which are available online [here](#).
- The key terms referred to in these terms and conditions can be found in the [Appendix](#).
- Please keep us informed of any changes to your personal or banking details.

The retirement annuity is a tax efficient way to save for your retirement. You may choose to invest in a selection of unit trusts, model portfolios and other investment portfolios. For additional information regarding model portfolios and investment portfolios please refer [here](#).

## CONTRIBUTING TO YOUR ACCOUNT

You may invest by way of any of the following:

- A initial lump sum contribution
- A regular investment by debit order, which you may start, change or stop at any time
- An additional lump sum investment
- A transfer of units from an existing account or service provider
- A transfer from another retirement fund.

Vested benefits cannot be combined with a recurring contribution. If you wish to invest a vested benefit and make recurring contributions, you may do so by opening two retirement annuity accounts.

No investment minimum amount applies.

A maximum of R1 000 000 may be debited from your bank account per business day. This is a limitation imposed by banking institutions in South Africa and not within our control.

You may make payment using a direct debit, recurring debit order or electronic transfer.

For details including processing times, debit order dates and limitations, please refer to our terms and conditions [here](#).

## VESTED BENEFITS

From 1 March 2021, the rules relating to taking a retirement benefit from provident fund contributions have changed.

### *Contributions made to a Provident fund on and after 1 March 2021*

Any money contributed to a provident fund from this date will be subject to the same annuitisation rules applied to a pension fund or retirement annuity benefit at retirement: only one third of the benefit may be taken in cash, and the other two thirds must be used to purchase an annuity to provide you with a regular income on retirement.

### *Contributions made to a Provident fund before 1 March 2021*

A provident fund benefit accumulated up to 28 February 2021, plus any future growth, are referred to as your “vested benefit” and may be taken as a cash lump sum in full at retirement.

On receipt of your investment we will record which portions of your benefit are vested and non-vested; and will manage the benefit accordingly. All contributions originating from a pension fund or retirement annuity fund are considered fully non-vested.

### *Members who were 55 or older on 1 March 2021*

Provident fund members who were 55 years or older on 1 March 2021 are exempt from the new rules, in that any further contributions they make to their provident fund after 1 March 2021, along with growth, will also be considered vested benefits. This remains the case if the member transfers this benefit to another retirement fund: the full benefit plus growth after the transfer takes place remains vested.



## WITHDRAWING FROM YOUR INVESTMENT

You are not able to withdraw from your investment until you reach the minimum retirement age of 55 years. The only circumstances under which you are able to withdraw are as follows:

- If the value of your account is less than the legislated minimum amount of R15 000. In this instance, we will only pay out the full value of your account to you; we will not process a partial withdrawal
- If you have become permanently disabled or incapacitated and can no longer work, in which case you may apply for an early retirement

If you withdraw from your investment, you may be required to pay income tax on the proceeds. We will apply for a tax directive on your behalf from SARS when you withdraw. SARS will inform us if tax is due, and we will deduct this amount from your proceeds before we pay them over to you. From time to time, SARS may instruct us to deduct additional tax owed by you from the withdrawal through an IT88 directive. We will inform you, should this occur. By law, we are required to pay this amount to SARS and may not reverse the directive.

It is important to understand the long-term adverse implications on retirement capital and the level of income available in retirement should you withdraw from your retirement savings. We recommend that you discuss any changes to your account with your financial adviser before making the change.

## WITHDRAWING FROM THE FUND ON EMIGRATION

With effect from 1 March 2021, Retirement annuity and preservation fund members will be able to take a pre-retirement withdrawal in relation to an emigration if:

- You are or were South African residents who emigrated from South Africa and that emigration was recognised by the South African Reserve Bank ('SARB') for purposes of exchange control in respect of applications received on or before 28 February 2021 and approved by the SARB or a South African bank on or before 28 February 2022; or
- You have not been SA residents for an uninterrupted period of three years or longer on 1 March 2021 or subsequently.

## PRODUCT SUITABILITY

This product is suitable for individuals saving for their retirement. It is not intended for clients who wish to access their investment in the short to medium term, or who wish to invest in a mix of asset classes which is not compliant with the Regulation 28 limits applied to all retirement funds.

## IMPORTANT RULES WHICH APPLY TO THIS INVESTMENT

### FUND RULES

This product is governed by the rules of the fund ("rules"), which is a document which sets out the rights, obligations, benefits, and operating procedures of the fund, its members, and board of trustees. The rules of the fund are governed and approved by the registrar of pension funds. A copy of the rules is available on our website and you may also request a copy of the rules at any time. The rules may change from time to time, and we will communicate these changes to you.

## REGISTRATION OF YOUR INVESTMENT

The owner of the underlying assets in the investment is the fund. The assets of the fund will be registered and held via a nominee company, STANLIB Wealth Management Nominees (Proprietary) Limited.

## GUARANTEES AND RISK

We do not guarantee the value or performance of the investment portfolios in your account. You bear the risks associated with your investment, which may result in the fluctuation of the market value of your investment. The investment portfolios which you select may expose you to risks such as political, currency, regulatory, settlement, market, taxation, or premium risk. It is your responsibility, in conjunction with your financial adviser, to understand the risks in your investment.

## PROTECTING YOUR INVESTMENT THROUGH DIVERSIFICATION

Regulation 28 of the Pension Funds Act (“Regulation 28”) governs the extent to which you may invest in certain asset classes and equity and debt issuers. We are required to ensure that your investment does not exceed these limits. If your investment breaches the limits, due to a transaction executed by you, we are required to request that you correct this immediately by amending your investment selection. If your investment exceeds the limits as a result of market movement, you have twelve (12) months in which to ensure it meets the requirements. We will communicate this to your adviser on a quarterly basis. If we receive no communication from your adviser within the stipulated timeline, we will change your investment portfolio selection on your behalf via a switch into the STANLIB Institutional Money Market Fund. Thus, please ensure that your adviser communicates with us in this regard, to avoid such an outcome.

Regulation 28 investment limits are:

- 75% exposure to equities
- 50% exposure to non-government debt instruments
- 30% exposure to offshore assets
- 25% exposure to property
- 10% exposure to Africa

## CLAIMING A TAX DEDUCTION ON YOUR CONTRIBUTIONS

The contributions to your retirement annuity are tax deductible. We will provide you with an annual contributions certificate. You need to provide this information to SARS on your tax return, and SARS will deduct the contribution amount from your taxable income. The maximum tax-deductible amount which you are able to contribute towards your retirement savings across all of your retirement products, including any employer pension and provident funds, is 27.5% of the greater of your remuneration and taxable income, up to a maximum amount of R350 000 per annum. This is a legislated amount which may change from time to time.

## TRANSFERRING YOUR MEMBERSHIP TO US FROM ANOTHER RETIREMENT FUND

You may transfer the full benefit of another retirement fund to us. It is important that you understand the actual and possible implications and costs before you do this. We allow transfers from other retirement annuity funds, and pension and provident funds. We will only accept a transfer from a preservation fund if the transfer originated from a divorce. Please check that your intended transfer is permitted under the Income Tax Act and the rules. No initial advice fees, initial administration fees or initial management fees may be charged on the transfer from another retirement annuity. If you invested in our Retirement Annuity by way of a transfer from another Retirement Annuity, you and your financial adviser are required to review the adviser ongoing service charge annually. We will facilitate this with your adviser.

## **TRANSFERRING YOUR MEMBERSHIP FROM US TO ANOTHER RETIREMENT FUND**

You may transfer your full benefit to another retirement annuity if you are a member of the fund and the rules of the fund permit the transfer. It is important that you understand the implications and costs before you do this. Before you initiate the transfer, please check that the retirement fund you want to transfer to can accept your transfer from the fund.

## **TAXES APPLICABLE WHEN YOU TAKE MONEY FROM THE INVESTMENT**

Income tax may be deducted from any benefit taken in cash before it is paid out to you, in accordance with tax legislation. You will be provided with an income tax certificate to reflect any tax paid to SARS on your behalf.

## **TAXES APPLICABLE TO YOUR INVESTMENT RETURNS**

The returns on your investment are exempt from capital gains tax (CGT), income tax on interest, dividends and real estate investment trust (REIT) tax.

## **VOTING IN BALLOTS**

When the manager of a unit trust in your account wishes to change a unit trust mandate, close, or merge a unit trust with another unit trust, the fund will participate on your behalf in a ballot vote for the proposed changes. The trustees consider the best interests of the members when voting. We will provide the details of ballots relevant to your investment to your adviser on our secure website. Once a ballot has been approved, a change will take place for your affected investment portfolio[s].

## **WHAT HAPPENS TO YOUR INVESTMENT IF YOU GET DIVORCED**

If you get divorced, the court may award a portion of your benefit to your ex-spouse. We will withdraw this amount from your investment at the time of receiving the court order, pro rata from the vested and non-vested portions of your Benefit, if applicable. The portion withdrawn is taxed in the name of the ex-spouse.

## **WHAT HAPPENS TO YOUR INVESTMENT IF YOU ARE REQUIRED TO PAY MAINTENANCE**

The court will instruct us to withdraw a portion of your benefit and pay it in terms of the Maintenance Order. The withdrawal will be taxed in your name and will be deducted pro rata from the vested and non-vested portions of your Benefit, if applicable.

## **COOLING OFF**

No cooling-off period applies and you will not be allowed to cancel your account.

## **CEDING OF YOUR INVESTMENT AS COLLATERAL OR SECURITY**

You are not allowed to cede your membership or your rights to your benefits.

## **TRANSFERRING OWNERSHIP OF YOUR INVESTMENT**

You may not transfer ownership of your account to another party.

## RETIREMENT

### *Eligibility*

You may retire from the fund once you have reached the age of 55 years. If you have more than one retirement savings product, you are not required to retire from them simultaneously.

If you become permanently disabled or incapacitated and can no longer work, you may apply to retire earlier. You will need to provide evidence, which the trustees will review and either admit or reject your request.

### *Retirement benefit*

Your retirement benefit is the value of your investment at the time that we process your retirement instruction.

When you retire from the Fund, we will apply the retirement rules to the vested and non-vested portions of your Benefit separately. For any vested Benefits you have a choice to receive your full Benefit in cash, or invest it to provide you with a regular income in your retirement. Non-vested Benefits are more restrictive; you can only withdraw a maximum of one third of your retirement Benefit in cash when you retire. The portion of the Benefit which you do not cash out must be used to purchase an Annuity from a registered long-term insurer. If at the date on which you retire from the Fund, the non-vested Benefit is R247 500 or less, you may withdraw the entire non-vested Benefit in cash and you are not required to purchase an Annuity. This amount is stipulated by law and can change from time to time.

You may be required to pay income tax on the portion of your retirement benefit which you cash out.

From time to time, SARS may instruct us to deduct additional tax owed by you from the withdrawal through an IT88 directive. We will let you know should this occur. By law, we are required to pay this amount to SARS and may not reverse the directive.

Please refer to the SARS website [here](#) for the latest rates for taxation.

### *Withdrawal payments*

Withdrawal processing will only commence once a valid tax directive is received from SARS. To allow for bank clearance, contributions through recurring debit orders can only be withdrawn after 45 days.

## WHAT HAPPENS TO THE ACCOUNT WHEN YOU PASS AWAY

We must be notified of the death of an account holder. The notification should include the deceased's personal details, including their identity number, a copy of their death certificate and the account number.

Your benefit will not form part of your estate when you pass away, and therefore will not be subject to estate duty tax or executor fees upon you passing away. The value of the death benefit will be the value in your account at the time when the benefit is distributed. The distribution of your benefit is determined by the trustees of the fund.

In terms of Section 37C of the Pension Funds Act 24 of 1956 ("the Act"), trustees are required to:

- identify and trace dependants and nominated beneficiaries of deceased members;
- implement death benefit allocations on a fair basis; and
- distribute the benefits.

The trustees have the discretion to pay the benefits to the deceased member's dependants and/or nominees in such proportions as they deem fair. Dependants typically take preference.

Dependants are a special category of persons, as described in the Pension Funds Act, who are dependent on you

for financial support, along with your spouse and children. You may also nominate one or more natural persons to receive any benefits payable on your death, should you not have any financial dependants. We refer to these persons as nominated beneficiaries. It is important to keep your beneficiary nomination up to date, as nominations may be considered by the trustees when the death benefit is awarded.

Each party who has been awarded a portion of the benefit may choose how they wish to receive the benefit. The options are as follows:

- The death benefit may be used to purchase an annuity from a registered long-term insurer
- The death benefit may be paid out as a cash lump sum. Any cash pay-outs will be subject to income tax in the name of the deceased member
- The death benefit may be provided as a combination of an annuity purchase and a cash pay-out

## CONFLICT OF INTEREST

We will, wherever possible, avoid situations which result in a conflict of interest. If a conflict of interest arises, we will advise you of the conflict in writing at the earliest reasonable opportunity and will mitigate the conflict in accordance with our conflict of interest management policy [here](#). We are part of the Standard Bank Group of companies. Intermediaries of both the Liberty Group and Standard Bank Financial Consultancy (a division of the Standard Bank of South Africa Limited) are permitted to use the provident preservation fund (in addition to independent intermediaries).

## COMPLAINTS

If you are not satisfied with the service we have provided to you and wish to make a formal complaint, please contact us. If you are not satisfied with the response you receive from us, or if your complaint relates to the advice provided to you by a financial adviser, you may write to:

The Ombud for financial services providers:

Email: [info@faisombud.co.za](mailto:info@faisombud.co.za)  
Website: [www.faisombud.co.za](http://www.faisombud.co.za)  
Toll-free: 0860 324 766  
Tel: +27 (0) 12 470 9080  
Fax: +27 (0) 12 648 3447  
Postal address: PO Box 74574, Lynnwood Ridge, 0040.

If your complaint concerns unfair practice by the fund, the principal officer will review your complaint and bring it to the attention of the trustees. If you are not happy with the response of the trustees, you may refer it to the pension funds adjudicator, detailing the steps you have already taken.

The pension funds adjudicator:

Email: [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)  
Website: [www.pfa.co.za](http://www.pfa.co.za)  
Tel: +27 (0) 11 783 4134  
Fax: +27 (0) 87 942 2644  
Postal address: 2nd Floor, Sandown House, Sandton Close 2, Sandton, 2196.

## LEGISLATION WHICH GOVERNS YOUR INVESTMENT

Amendments to or replacement of the legislation and directives for the following acts, among others, may change the terms and conditions of your investment. Several of the below also require us to collect and retain your information in a specific manner:

The Pension Funds Act, 1956

The Long Term Insurance Act, 1998

The Collective Investments Schemes Control Act, 2002

The Financial Advisory and Intermediary Services Act, 2002

The Financial Intelligence Centre Act, 2001

The Income Tax Act, 1962

The Protection of Personal Information Act, 2013

Exchange Control Regulations

The Foreign Account Tax Compliance Act, 2010 (United States federal law applicable to non-US financial institutions)

## LEGAL ENTITIES

The Classic Retirement Annuity Fund is an independent legal entity, registration number 12/8/34304, and registered retirement fund in terms of the Pension Funds Act.

STANLIB Wealth Management (Proprietary) Limited an authorised administrative Financial Services Provider (“FSP”) in terms of the FSCA, with registration number 1996/005412/07 and FSP number 590, is the administrator of your investment.

STANLIB Wealth Management Nominees (Proprietary) Limited is a nominee company approved by the Financial Sector Conduct Authority that holds assets for clients’ exclusive benefits. The nominee is wholly owned by STANLIB.

INN8 is a registered trademark of STANLIB Wealth Management (Proprietary) Limited.

## OUR CONTACT DETAILS

Our **operating hours** are **Monday to Friday, 08:00-17:00**.

Suspicious account activity and possible fraud please **phone 0800 037 283**.

Servicing queries please **email [service@INN8.co.za](mailto:service@INN8.co.za)** or **phone 0860 00 4668 (INN8)**.

Onboarding queries please **email [hello@INN8.co.za](mailto:hello@INN8.co.za)**.

Compliments or complaints please **email [feedback@INN8.co.za](mailto:feedback@INN8.co.za)**.

**Our physical address:**

17 Melrose Boulevard,  
Melrose Arch,  
Johannesburg,  
2196

## BOARD OF TRUSTEES (“TRUSTEES”) DETAILS

MK Mitchell (Chairman)

GD Le Grellier (Independent)

RJ Venter

JPB Drotschie (Independent)

GD Moeng (Independent)

## PRINCIPAL OFFICER

N Marhye

The fund has been granted a standing exemption from the requirement that the members of the fund elect 50% of the Board of Trustees. This is standard practice for retirement annuity and preservation funds.

# APPENDIX

## KEY TERMS

### *Benefit*

This is the money which you are entitled to as a member of the fund. The fund is a defined contribution fund, meaning that the amount which is due to you as a benefit will be the total of all your contributions, plus investment growth, and less fees and costs. This benefit may become due when you retire, die, divorce, or withdraw from your investment. The benefit on retirement and death is reduced by any once-off withdrawals or divorce payments previously made.

### *Vested benefit/portion*

The portion of the Benefit which originates from contributions to a provident fund prior to 1 March 2021, plus growth.

### *Non-vested benefit/portion*

The portion of the Benefit which originates from contributions to a provident fund after 1 March 2021, plus growth, or from contributions to a pension fund or retirement annuity fund.

### *Board of trustees (“trustees”)*

An independent board of trustees appointed by the fund, responsible for the management and control of the fund and its operations, and, most importantly, the protection of member interests, in accordance with the rules and relevant legislation.

### *Preservation Fund (“the fund”)*

The Classic Retirement Annuity Fund, an independent legal entity, Registration Number 12/8/34304, and registered retirement fund in terms of the Pension Funds Act. When you invest into the pension preservation account, you become a member of the fund.

### *STANLIB Wealth Management (Proprietary) Limited (“STANLIB”, “we”, “us”, “our”)*

An authorised administrative Financial Services Provider (“FSP”) in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS), with registration number 1996/005412/07 and FSP number 590, is the administrator of your investment. An approved administrator in terms of section 13B of Pension Funds Act 24 of 1956 (PFA), with registration number 24/178.

The fund has appointed STANLIB to administer investments on behalf of its members, and to administer the affairs of the fund. Any indemnity given to STANLIB in these terms and conditions is given in favour of the trustees as well. STANLIB and the fund hold adequate professional indemnity and fidelity insurance cover as prescribed by legislation.

### *STANLIB Wealth Management Nominees (Proprietary) Limited (“Nominee”)*

A nominee company approved by the Financial Sector Conduct Authority that holds assets for clients’ exclusive benefits. The nominee is wholly owned by STANLIB.

### *INN8*

A registered trademark of STANLIB.

### *Member (“you”, “client”)*

The individual who invests in the fund, and becomes entitled to a benefit from the fund, in accordance with the rules.

### *Retirement fund*

A legal structure which allows members to save for retirement in a way which is regulated and tax efficient. Retirement funds include retirement annuity funds, pension funds, provident funds, and preservation funds.

### *Appointment of us as Administrator*

The fund has appointed us to administer investments on behalf of its members and to administer the affairs of the fund. Any indemnity given to us in these terms and conditions is given in favour of the trustees as well.

### *Fund rules (“rules”)*

A document which sets out the rights, obligations, benefits, and operating procedures of the fund, its members, and board of trustees. The rules of the fund are governed and approved by the registrar of pension funds. A copy of the rules is available on our website and you may also request a copy of the rules at any time. We may change the rules from time to time, and we will communicate these changes to you.

### *Member share*

This is your share of the assets held by the fund on behalf of all the members.

### *Dependant*

Any person who depends on you for financial support at the time of your death.

### *Nominated beneficiary*

A person who you nominate to receive a portion of the death benefit from your account should you pass away. This person need not be financially dependent on you.

### *Annuity*

A registered and regulated financial product designed to pay you a regular income when you retire from the fund.

### *Client (“you”)*

The person who has invested in the available investment portfolios with us. Only individuals may become members of the Fund.

### *Unit trust portfolio / collective investment scheme (“unit trusts”)*

An investment in which many different clients pool their money into a portfolio, which is managed by professional investment managers, according to the mandate of the portfolio.

### *Investment manager*

The licensed and registered party who manages the Investment Portfolio on a discretionary basis.

### *Investment portfolio*

Unit trusts, share portfolios and other solutions which you can choose to invest in via your account.

### *Account*

Your INN8 pension preservation fund account, for which you will receive a unique account number.

### *Financial adviser*

The person you have appointed to provide you with financial advice and intermediary services.

### *Financial services provider (“FSP”)*

Your adviser is employed by a registered FSP, which is a separate legal entity from us. The FSP is required to be correctly licensed by the Financial Sector Conduct Authority to provide specific services. We regularly review that FSP's are appropriately licenced by the FSCA.

### *Model portfolio*

Clients with a similar risk outlook, return objective, and investment timeframe have their money invested in a range of investment portfolios by a specialist manager. The manager tailors the mix and proportion of investment portfolios in a model portfolio to the needs of that group of clients. This grouping of investment portfolios is known as a model portfolio.

### *Share portfolio*

An investment portfolio of securities, such as equities, bonds, and derivatives, held directly on an exchange and not via a unit trust.

### *Administrator (“administrator”, “platform”)*

The company which manages your investment.

### *Business day*

A business day is any day other than a Saturday, Sunday, or South African public holiday. We only perform business functions on business days. The operating time for a business day is 08:00 to 17:00.

### *CGT*

Capital gains tax.

### *REIT*

Real estate investment trust.

## **EFFECTIVE DATE 1 JULY 2019**