

Benefits of Membership within IVPD Provident Fund effective January 2018

Fund Structure:

The fund has been structured to provide Risk Benefits and an Asset Management as independent entities.

Thus, there are 4 independent roles.

- Fund administrator in terms of section 13B of Pension Fund Act (LifeSense)
- Advisor with independent FSP licence (Brian Shear-MoneyLine)
- Group risk provider (Discovery Group Risk)
- Asset manager (Sygnia)

Monthly returns are done via a web based application.

IVPD Provident Fund - Risk Benefits

Life cover

- 3 X Annual Salary.
- Tax free lump sum to nominated beneficiaries. [Not subject to Pension Fund Act]

Income Continuation

- 75% of Scheme salary after 3 month waiting period.
- temporary incapacitation paid at 75% of scheme salary
- permanent incapacity paid at 100% of scheme salary
- Benefit is tax free.
- Benefit is payable from earlier of retirement age (65), return to work or death.
- Full body system coverage including "own occupation" including professionals
- Benefit increases on anniversary by the lesser of CPI or 7.5%
- Waiver of premium for company contribution to retirement funding 5%
- Additional benefits for Vitality members
 - Mortgage protection (dependent on vitality status, up to 24 months)
 - Bonus protection
 - Enhanced benefits for spend through Discovery Card
 - Contribution protection for 24 months on all Discovery products.

Global Education Protector [On death of principal member]

- From Grade 0 to completion of 3 year undergrad degree
- Education costs per table
- Residence allowance for tertiary education up to 30% of Tertiary fees.
- Book Allowance for tertiary education up to 30% of tertiary fees.
- Private school upgrade for vitality members Bronze and up.

Severe Illness benefit

- 1 X Annual Salary
- Multiple claims
- Severity A to G – see schedule
- Child Severe Illness benefit for children younger than 18 years for the same illnesses as the principal member.

Family Funeral benefit

- | | |
|------------------------------------|---------|
| • Member, Spouse and child over 15 | R20 000 |
| • Child 5 to 15 years | R10 000 |
| • Child below 5 years | R6 000 |
| • Stillborn | R2 500 |

Note: All Risk Benefits cease when the member leave IVPD. This can be purchased via the Continuation option at standard personal rates free of medical underwriting

IVPD Provident Fund - Retirement Benefits

- Employee 5% of scheme salary
- Employer 5% of scheme salary

Risk and admin fees are paid by the company, hence, 100% allocation to retirement.

Note: Provident Fund money vests with the member and may be transferred to a personal Preservation fund, exempt from tax, when leaving IVPD before retirement

Total Costs

The total costs for membership of the IVPD Provident, expressed as a percentage of scheme salary are:

Risk and admin	3.73%
Employee contribution to retirement	5.00%
Employer contribution to retirement	<u>5.00%</u>
Total	13.76%
Family Funeral Fund	R23.84

The company pays the full amount to the Fund and claims tax deduction on the total contribution.

The employee contribution is recovered from the members' salary.

The member pays fringe benefit tax on the employer contribution made on his behalf

Asset Management

Members may choose from a number of funds with varying risk profiles. Alternatively, default funds are set for members based on current age and number of years to retirement.