

**THYME UMBRELLA PROVIDENT FUND**

**TRUSTEES REPORT AT 30 SEPTEMBER 2018**

**INTRODUCTION**

Established in November 2009 the Fund's aim and purpose is to provide benefits to you and your dependants.

The aim of this Trustees Report is to keep you abreast of recent developments and changes to the Fund itself, and to keep you informed with regard to legislative changes affecting the Retirement Fund Industry.

**TRUSTEES**

The Fund is managed by a Board of Trustees comprising 3 Independent Trustees and one Trustee appointed by the Sponsor.

- Mr J Kransdorf - Independent
- Mr G Lindeque - Independent
- Mr B Strachan - Independent
- Mrs H Masson (Chairperson) - Sponsor

**MEMBERSHIP**

Membership details for the period 1 July 2017 to 30 May 2018

No of members at beginning of the period	96
No of new members	15
No of resignations/withdrawals	13
No of retirements	0
No of retrenchments	20
No of deaths	0
Section 14 out	0
No of current members	72

In addition to the 72 active members there are 5 deferred members.

**INVESTMENTS**

The asset manager that manages the majority of the assets in the Fund was changed from Pan-African Asset Management (Pty) Ltd to Thyme Wealth (Pty) Ltd, a FSCA approved financial services provider (FSP 46127). The Trustees have approved the utilisation of other managers where requested by a participating employer. The total value of all assets in the Fund at the last audit date as at 31 May 2018 was R37 594 780 (R25 753 743 at 31 May 2017). The increase in assets is mainly due to a transfer of a participating employer from another umbrella fund. This report reflects the returns achieved on the portion of assets managed by Thyme Wealth (Pty) Ltd.

**Assets Managed by Thyme Wealth/PAM**

Monthly net contributions (contributions less expenses) are invested/disinvested into/from the investment portfolios. As at 31 May 2018 the market value of the Fund's investments managed by Thyme Wealth was R26 108 332 (31 May 2017 R23 368 427).

The actual returns achieved over the periods below indicate exceptional outperformance as measured against the JSE All Share Index (ALSI) and All Bond Index (ALBI):

Period ending 30 August 2018	Fund's Performance for the period	JSE All Share Index	ALBI
1 month	2.15%	2.15%	-1.87%
3 months	5.07%	4.47%	-0.67%
6 months	6.55%	0.59%	-1.29%
1 year	10.37%	3.80%	8.00%
2 years	23.59%	11.26%	19.26%
3 years	38.77%	17.40%	24.32%



The overall investment strategy of the Fund provides members with a diversified portfolio of investment assets.

It is a decade since the sub-prime housing crises, which lead to the Global Financial Crises of 2008, yet the world remains vulnerable because of growing imbalances, protectionist policies and over-valued asset prices. In addition, the past 24 months have been punctuated by political surprises, both domestic and international. These have led to a significant increase in volatility in markets.

The Global Financial Crises was created by excess credit-creation in the credit-based economies that we live in today. Although policy makers have averted a debt-deflation collapse by excessive quantitative easing (unprecedented creation of money), debt levels are today substantially higher than a decade ago.

It is important that members should choose managers that understand the drivers of these credit cycles and which will be able to identify indicators to try and understand the outlook for economic growth, pricing of financial assets and the impact of growing social unrests.

The Trustees would like to remind members that this is a long-term investment and members should not be concerned with short term fluctuations in the performance of the market.

Now, more than ever, members should consider investments that will sustain them into the future - for longer. Life expectancies are increasing and there will be a need to save for longer, and to preserve savings and reduce costs.

Although the Trustees could remove short term fluctuations by investing in cash, this would negatively affect all members' long-term savings negatively, as cash investments could, at best, provide inflation linked returns.

Despite the market instability the fund has delivered good performance and the Trustees are delighted with the portfolio returns. The returns achieved would be considered more than

satisfactory under most market conditions but are truly exceptional when one considers the prevailing worldwide investment volatility and a low growth environment.

### WEB ACCESS

Members have the ability to access their account via <https://secure.thecycle.co.za>.

To activate access an email must be sent to [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za) and access will be arranged by the administrator.

Should any information be incorrect, a Member Form must be completed and emailed to [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za) for the administrator to update the member's profile accordingly.

### TAX ON CASH WITHDRAWAL BENEFIT

The tax-free benefit is R25,000 and the balance of the benefit will be taxed according to the following scale:

R25,001 – R660,000	18%
R660,001 – R990,000	27%
R990,001 and above	36%

It must be noted that the tax-free benefit is only granted once in a lifetime effective from 1 March 2009. Once the tax-free benefit of R25,000 has been utilised, the R500,000 as mentioned under "Tax on retirement and death benefit" below will be reduced by the amount previously granted free of tax. The scale above also applies cumulatively to all future withdrawals. Therefore, once R990,000 has been withdrawn from any retirement fund after 1 March 2009, all further cash withdrawals will be taxed at 36%.

### TAX ON RETIREMENT AND DEATH BENEFIT

The tax-free limit of a cash sum at retirement from the Fund is set at R500,000. The next R200,000 will be taxed at 18%, the next R350,000 will be taxed at 27% and the balance at 36%. The



R500,000 tax free amount will be reduced by any previously received tax free withdrawals made after 1 March 2009. The same applies to all death benefit payments.

### **EXPRESSION OF WISH FORMS**

The purpose of an Expression of Wish Form is to assist the Trustees to distribute the benefit payable from the Fund in the event of a member's death. The distribution of the death benefit is governed by legislation and such legislation states that all dependants / nominees must be considered in the distribution of the death benefit.

Dependants are classified as a spouse, all children including adopted children and any person financially dependent on the deceased. The Trustees must ensure that they have a record of all dependants before the benefit can be distributed. It is therefore vital that members complete an Expression of Wish Form in full and list all dependants / nominees. It is the member's responsibility to provide the Fund's Trustees with an updated form, in the event of any changes to the dependants / nominees.

In addition, the member may nominate beneficiaries to be added to the Expression of Wish Form who may benefit from the amount to be distributed, should the member so wish. Nominated beneficiaries would typically be a family member whom the member chooses to benefit, in addition to other dependants as discussed in the previous paragraph.

A fully completed Expression of Wish Form will assist the Trustees to determine the appropriate distribution of the death benefit without having to undertake costly and time-consuming investigations to establish dependants / nominees.

**Attached for members' convenience is an Expression of Wish Form for completion and submission to the Human Resources Manager to keep on the member's personal file. In the event that the member's circumstances change, the Expression of Wish Form should be adjusted**

**accordingly or substituted with a newly completed form.**

### **ESTATES AND NOMINEES**

Members who have no dependants and have elected that the proceeds of their death benefit be paid to nominees must be aware that the death benefit payable by the Fund is not protected from creditors of their estate (this is only if there are no dependants). If, at the date of a member's death, there are no dependants and the liabilities of the estate exceed the assets of the estate, then the Fund must pay this difference to the estate prior to paying any benefit to the nominated beneficiaries. The balance, if any, will be distributed to the nominated beneficiaries.

### **DIVORCE ORDERS**

In the event that a member is divorced and the member's ex-spouse was awarded a portion of the Equitable Share, then the member must ensure that the Administrators (D & D Cycle) receive a copy of the award to enable the Administrators to pay the amount allocated to the ex-spouse.

If the Administrators have not received a copy of the divorce order then the Administrators will not be able to process payment, or to withhold the benefit in the event that the member exit from the Fund.

The Income Tax Act currently requires the non-member spouse to pay the tax due on the portion allocated to the member's former spouse.

### **MEDICALS**

Members' attention is drawn to the importance of producing evidence of health (medical reports and tests) if such evidence is requested of the member by the risk underwriters.

Should any requested evidence of health not be provided to the underwriters, the potential full



cover will be reduced, pegged or may even be removed.

Members are personally responsible for ensuring that any/all medical evidence requested is provided. Neither the Fund nor the member's Employer bears any responsibility for this.

In the event of a claim, the underwriters will not accept any reason given by the member or a third party, whatsoever, in rejecting or reducing a claim where the member has failed to comply with a request to provide any evidence of health.

### **GENERAL**

Members are entitled to view the Rules of the Fund and the Financial Statements. The Member Booklet may be consulted for additional information relating to the benefits provided by the Fund. The Member booklet is available from the relevant Human Resources representative.



## MEMBER DISCLOSURE DOCUMENT 2018

### Establishment

1. The sponsor, Wixam Properties Close Corporation in their quest to provide a low cost and efficient Umbrella Fund established the Thyme Umbrella Provident Fund.
2. The Fund operates as independently as possible and to achieve this, the Fund appointed an independent administrator, Trustees, auditor, actuary and consultants.
3. The Fund is registered as a provident fund with the Financial Services Board.  
FSB Registration Number: 12/8/37989                      SARS Approval Number: 18/20/4/42238  
Registered Address: 6 Blackpool Road, Bryanston, 2191  
Contact person: Daniel Clifford, 083 630 4359, thyme@thecycle.co.za

### Appointments

Administrator	D and D the Cycle (Pty) Ltd, 70 Imbuia Road, Northcliff, 2195
Auditor	BDO South Africa Inc.
Actuary	The Fund is valuation exempt
Principal Officer	Daniel Clifford
Trustees	George Lindeque                      (Independent) Bennie Strachan                      (Independent) John Kransdorff                      (Independent) Helen Masson                      (Sponsor appointed)
Investment Manager	Thyme Wealth (Pty) Ltd
Consultant	Each participating Employer may appoint their own consultant.

### Fee Structure

Administration fee:	R32 per member per month plus VAT (From 1 October 2018 this will increase with inflation). This fee is deducted directly from each contribution made before the investment of the contribution and is shown on the benefit statement as "Initial Investment Fee".
Asset administration fee:	R1 824 per month plus VAT for each investment portfolio (From 1 October 2017 this fee will increase with inflation). The fee is deducted proportionately from each investors' account and is shown as "Reserve Bank Fee" on the benefit statement.
Asset Management:	0.5% per annum of the value of the assets plus VAT. Should a participating employer elect to utilise an asset manager other than Thyme Wealth (Pty) Ltd, the asset management fee will be charged by the elected asset manager and in addition a fee of 0.2% per annum plus VAT of the value of the assets is payable to the sponsor. The asset manager must be approved by the Trustees. The 0.5% asset management fee is deducted by the asset manager and will not be reflected on the benefit statement.
Fund Consulting fee:	0.2% per annum of the value of the assets plus VAT. This fee is reflected on the benefit statement as "Administration fee". The consulting fee relates to the Trustees requirement as detailed in the service level agreement.



Participating Employer consulting fee: A participating employer may appoint a consultant and the fee is to be negotiated between the employer and the consultant. If the employer agreed to this appointment the fee is reflected on the benefit statement as "Ongoing Commission".

Other fees: Audit, Financial Services Board levies, bank charges, fidelity insurance and any other incidental or statutory charges. An annual provision is made for these fees of 0.35% per annum of the value of the assets and an adjustment is made annually for any over or under provisions. The fee is reflected on the benefit statement as "Reserve Fee".



**THYME UMBRELLA PROVIDENT FUND**

(Administered by D and D the Cycle (Pty) Ltd)

SARS Approval Number: 18/20/4/42238

FSB Registration Number: 12/8/37989

**MEMBER INFORMATION FORM**

PERSONAL DETAILS	
Title:	First Names:
Surname:	Date of Birth:
ID Number:	Gender:
Marital Status:	Tax Number:

CONTACT DETAILS	
Postal Address:	Physical Address:
Postal Code:	Postal Code:
Tel No: (h)	Tel No: (b)
Email address:	Cell No:

BANK DETAILS	
Bank name:	Branch:
Account Type:	Branch number:
Account number:	

BENEFICIARY DETAILS				
<p>In terms of the Pension Funds Act, a member's dependents and persons who are not dependents but who are nominated by the member must be taken into account by the Trustees when they decide the shares and the manner in which lump sum benefits are to be paid upon the death of the member. To enable the Trustees to make a decision (if necessary), please complete the following:</p> <p><b>DEPENDANTS:</b> (Children automatically qualify as dependants and should be listed here)</p>				
First Names	Surname	Date of Birth	Relationship to Member	Share of Benefit

DECLARATION	
<p>I hereby warrant that the information given is true and correct.</p>	
<div style="border: 1px solid black; width: 250px; height: 20px; margin-bottom: 5px;"></div> <p>Signature of Applicant</p>	<p>Date: _____</p>



**PLEASE NOTE THAT THE FOLLOWING DOCUMENTATION HAS TO ACCOMPANY THIS FORM**

**# Copy of Identity Document (or Passport in respect of non-residents)**

**# Proof of physical address # Proof of bank account # Proof of tax Number**

## **MEMBER GUIDE**

**THYME UMBRELLA PROVIDENT FUND**

**JUNE 2018**





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## **WELCOME TO THE THYME UMBRELLA PROVIDENT FUND**

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This GUIDE aims to provide members with an overview of the benefits of the Thyme Umbrella Provident Fund ("the Fund").

As all members have a direct and personal stake in the Fund, members are advised to read and understand the contents of this GUIDE as the benefits it describes play an important part in your and your dependants' financial wellbeing.

There are many ways to achieve financial independence during retirement. However, a provident fund remains a popular retirement savings option for the following reasons:

- You consciously save for your retirement thereby increasing your level of financial independence during your retirement;
- Your stake in the provident fund is protected from your creditors in most instances;
- In the event of your death, your stake in the provident fund may be paid to your dependants which provides them with a measure of financial security;
- If risk benefits are provided from the provident fund and if a member qualifies for such benefits, then member medical free benefits which, in most instances cannot be obtained on an individual basis, may become payable in the event of a member becoming ill or disabled; and
- For many people a provident fund is the only form of meaningful retirement savings they have.

The Fund is therefore a very valuable asset and plays an important role in providing for your retirement and for the financial security of your dependants.

Board of Trustees

1 June 2018



## **IMPORTANT DISCLAIMER**

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This GUIDE provides a brief overview of the main provisions of the Fund and in no way replaces the Fund Rules and Policies which are the official Fund documents. You should also bear in mind that retirement funds are subject to various laws and regulations which cannot be fully accommodated in this GUIDE.

The Fund recommends that if you have any questions which are not covered in the GUIDE, to pose them to the Board of Trustees of the Fund.

## **INTRODUCTION**

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The Fund is a privately administered, approved umbrella provident fund, managed by a Board of Trustees ("the trustees") and registered as such with the Financial Services Board in terms of the Pension Funds Act. There are many participating employers who participate in the Fund and it is established for the sole purpose of providing its members with retirement, death or withdrawal from service benefits.

The day-to-day administration of the Fund is undertaken by D and D the Cycle (Pty) Ltd (24/767), registered and approved with the Financial Services Board for this purpose.

## **FUND DOCUMENTS, FUND AUDIT AND FUND VALUATION**

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The operation of the Fund is governed by the Fund Rules and Policies. The Fund is not audit-exempt and therefore it must be audited annually by external auditors. The Fund Rules, Policies and the audited financial statements may be inspected at the offices of either the participating employer or D and D the Cycle (Pty) Ltd or copies may be obtained from the trustees upon request and payment of the relevant fee, if applicable.

The Fund is valuation exempt, meaning that it is not subject to statutory actuarial valuation every three years. It may however, be actuarially valued at any time if the need arises or the trustees so require.

The Fund has an appointed Actuary who performs certain statutory duties.

## **FUND DISPUTES AND ENQUIRY**

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In the event that a member has an enquiry, complaint or dispute the member must firstly raise such with their human resources representative. The human resources representative will raise such enquiry, complaint or dispute with the Administrator. The Administrator will endeavour to resolve the matter. If a member has lodged a dispute with the Fund or the trustees in respect of any matter relating to the Fund, and if a response from either the participating employer or the trustees is not forthcoming within the prescribed 30-day period, or if the complainant is not satisfied with the reply, the member has the right to refer the matter to the Pension Funds Adjudicator for adjudication.



The Pension Funds Adjudicator's contact details are:

PO Box 580; MENLYN; 0063

4th Floor; Riverwalk Office Park; Block A, 41 Matroosberg Road; Ashlea Gardens; PRETORIA; 0081

**Tel:** 012-346 1738 012-748-4000  
**Fax:** 086 693 7472 **E-mail:** [Enquiries@pfa.org.za](mailto:Enquiries@pfa.org.za)

## **MEMBERSHIP**

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An employee who meets the eligibility requirements set out in the Annexure to the Fund Rules relating to the participation of the employer in the Fund becomes a member of the Fund, provided that such employee has not attained the retirement age relevant to his participation in the Fund and is not a member of an Industrial Fund.

Where-

**Industrial Fund:** Means a pension or provident fund established in terms of an Industrial Agreement and in terms of which your participating employer and an employee of your participating employer is compelled to contribute.

Members are not permitted to withdraw from membership whilst remaining in the employ of the participating employer.

## **FUND INVESTMENTS**

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### **How are Fund investments determined?**

The trustees determine an investment strategy for the Fund and all investments are made according to the guidelines contained in this investment strategy. The trustees will make the investment strategy available to any member for perusal upon request.

### **Where does the Fund invest and why?**

All retirement fund investments are subject to regulatory control. Investment managers have been appointed by the trustees to invest the monies of the Fund and they are invested in the following asset classes:

- Cash
- Property
- Bonds (including government bonds)
- Equities (shares on the stock market)



Generally, it is recognised that over an extended period, equities, bonds and property have the potential to offer the highest rate of return of the various asset classes; whereas over shorter periods the rate of return is the least predictable.

This effectively means that investment in equities, bonds and property over the short term could result in a negative return, while over the long-term positive returns are more likely to be achieved. Therefore, the trustees have adopted a long-term strategy for Fund investments.

This investment philosophy works well with retirement funds because investing for retirement should be a long-term commitment and may enable negative returns to change into positive returns in tandem with changes in the general market sentiment.

### **How are my Fund investments protected?**

The law is very strict about where your monies may be invested. All retirement fund investments must comply with the guidelines set out in Regulation 28 of the Pension Funds Act. Each year, when the external audit is conducted on the Fund, the investments are scrutinised and their compliance with Regulation 28 reported on. The final audited financial statements are signed off by the trustees and lodged with the Financial Services Board for approval.

A quarterly report on the Fund's assets and investments must also be submitted to the Reserve Bank to ensure their compliance with the relevant laws and regulations.

The trustees, administrators and investment managers examine the investment reports monthly to ensure compliance with the law and the overall investment strategy.

These processes ensure that security is extended to members in respect of Fund investments.

### **EQUITABLE SHARE**

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This is a term used to describe your stake or share in the Fund which determines your benefit in the Fund. It is made up of your total contributions to the Fund, less all Fund operating expenses and premiums paid in respect of additional risk benefits, plus investment returns. Your Equitable Share is effectively your portion of the value of the Fund at any point in time.

Where-

- |               |                                                                                                                                                                                                      |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution: | Means the monthly amount that you pay into the Fund for your future benefits (if applicable). This includes any contributions that may have been paid by your participating employer on your behalf. |
| Expenses:     | Means the cost of managing the Fund such as administration costs and the cost of annual audits.                                                                                                      |
| Premiums:     | Means the premiums payable in respect of providing any additional benefits, such as death or disability benefits, which are usually purchased from an insurance company (if applicable).             |



**Investment returns:** Means investment returns achieved on the net contributions invested. The returns on the investments are credited to your Equitable Share and may be positive or negative.

Please note, "investment returns" is an important element of your Equitable Share. Investment returns can either be positive or negative. If the future investment return is positive, your Equitable Share will increase and if the investment return is negative, your Equitable Share will decrease.

There are no guarantees offered on investment returns.

The term Equitable Share is extensively used when describing benefits in the Fund Rules, the Annual Benefit Statement and in this GUIDE.

## **CONTRIBUTIONS**

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You contribute a percentage of your Fund Salary to the Fund in terms of the Annexure to the Fund Rules governing the participation of your participating employer in the Fund. This contribution (if applicable), is deducted weekly or monthly from your salary by your participating employer and paid over to the Fund.

Where-

**Fund Salary:** Means your basic salary or wages and any other amount which may be determined by your participating employer for Fund purposes i.e. for determining your contribution to the Fund.

### **How much does my participating employer contribute?**

Your participating employer contributes a percentage of your Fund Salary to the Fund in terms of the Annexure to the Fund Rules governing the participation of your participating employer in the Fund. This contribution is paid over to the Fund with your contribution.

### **Expenses and premiums**

The cost of managing the Fund and the premiums required to maintain the risk benefits are deducted from the monthly contributions paid by your participating employer.



## **RETIREMENT BENEFIT**

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### **When do I retire?**

You retire on the last day of the month in which you attain your retirement age as determined by the Annexure to the Fund Rules governing the participation of your participating employer in the Fund.

You may retire up to 10 years earlier than your retirement age. However, should you wish to retire before attaining the age of 55 years, your retirement will be deemed to be a resignation and not an early retirement and this will affect your tax liability.

With the agreement of your participating employer, you may remain in service after attaining the retirement age, in which event you will remain a member with contributions being paid by you and your participating employer (if applicable) until you actually retire.

### **What will my benefit be when I retire?**

When you retire you will be entitled to receive a retirement benefit equal to your Exit Benefit at the date of your retirement from the Fund.

Where-

**Exit Benefit** Means your Equitable Share at the date of your exit from the Fund adjusted by investment returns from the date of your exit to the date that the assets underpinning your Equitable Share are realised plus interest as earned by the Fund's bank account from the date that the assets underpinning your Equitable Share are realised and reflected in the Fund's bank account to the date of payment of your benefit.

Remember, your Equitable Share is linked to the investment performance achieved on the Fund's assets, so the better the investment performance the higher your retirement benefit.

### **Must I purchase a pension?**

You may commute (exchange for a cash lump sum), a part or up to the whole of your retirement benefit. The balance (if any), may be used to purchase a pension from a registered South African insurer, payable for the rest of your life.



### **What are my options when I purchase a pension?**

You have several options available to you, for example:

- Exchange part of your pension for a pension payable to your spouse or other dependant should you die before such spouse or other dependant;
- Elect payment of your pension for a minimum guaranteed period, for example 5 years; or
- Elect a pension that increases during payment to help reduce the effects of inflation;
- Elect a living annuity.

There are many more options available, so it is highly recommended that you seek professional advice on the choices available and on the appropriate pension to purchase.

### **DISABILITY BENEFIT**

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#### **What is my disability benefit?**

If, in terms of the Annexure to the Fund Rules governing the participation of your participating employer in the Fund, your participating employer participates in the Disability Income Fund and you are a successful claimant under such Fund, you will continue to be a Member of the Fund and receive a disability income benefit from the Disability Income Fund.

Where-

Disability Income Fund	Means the Thyme (Provident Fund Members) Disability Income Fund or any other qualifying arrangement established by a participating employer in terms of which a member participates and which provides a disability income benefit for periods of defined approved absence from employment due to disability arising from illness or otherwise.
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If you are not a successful Disability Income Fund claimant or no such benefit is provided by your participating employer you may, if you become disabled at any time prior to attaining the retirement age, apply to the Fund to receive an ill health benefit payable from the Fund. This benefit is payable subject to the approval of the trustees and for this purpose you may be required to provide medical evidence of your disability. If your claim is approved, you will receive a benefit equal to your Exit Benefit and you will cease to be a member of the Fund.

### **DEATH BENEFIT**

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#### **What is my death benefit if I die in service before I retire?**

If you die in service a cash sum benefit shall be payable as described in the Annexure to the Fund Rules governing the participation of your participating employer in the Fund.





### Who receives my death benefit?

In terms of legislation, lump sum death benefits can be paid to your dependants and/or nominees, your estate or to the Guardian's Fund.

Where-

Dependant: In terms of the Pension Funds Act means-

- A person whom you are legally liable to maintain-  
For example, your spouse, your children or any person you are liable to maintain in terms of a Court order;
- A person whom you would have become legally liable to maintain had you not died-  
For example, your unborn child (should you die before your child is born);
- Persons whom you are not necessarily legally liable to maintain, but who were in fact financially dependent on you at the time of your death-  
For example, your spouse (including customary spouses and spouses in terms of any Asiatic religion), your children (including adopted children and children born out of wedlock), destitute parents and family members, or any other person you support financially including friends and life partners.

Nominee: In terms of the Pension Funds Act, means a natural person elected by you in writing to receive a benefit upon your death-

For example, parents, sisters, brothers, friends, or partners.

If you have no dependants but nominated a nominee, the Fund will pay your estate first (if your estate is in the negative) and any remaining amount will be paid to the nominee.

Where-

Estate: Means your personal worth i.e. it is all that you own less all that you owe.

### Expression of Wish Form

Death benefits will normally be paid to your dependants and/or to your nominees. However, the trustees make the final decision regarding the payment of death benefits so it is extremely important for them to have an up to date record of your dependants and/or nominees to guide them in making their decision. You should ensure that you complete and keep up to date an Expression of Wish Form which your participating employer will keep in your personnel file.



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## **LEAVING SERVICE BENEFIT**

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### **What benefit is paid if I resign, am dismissed or retrenched?**

If you resign, are dismissed or retrenched you will receive a benefit equal to your Exit Benefit calculated at the date that you actually leave the service of your participating employer.

### **What options do I have in relation to my leaving service benefit?**

You have the option of:

- taking the benefit in cash, or
- transferring your benefit to an Approved Preservation Provident Fund, and/or
- transferring your benefit to an Approved Retirement Annuity Fund, or
- transferring your benefit to your new employer's retirement fund, if applicable; or
- becoming a Paid-Up member (if applicable).

Where-

**Paid-Up member:** Means a former member of the Fund who elected to leave his benefit in the Fund so as to prospectively receive a Fund benefit upon death or retirement, whichever event occurs first.

If you become a Paid-Up member you and/or your employer will no longer contribute to the Fund from the date that you become a Paid-Up member and for purposes of determining benefits, your Equitable Share means your last determined Equitable Share at the date of becoming a Paid-Up adjusted on an equitable basis to take into account investment returns and expenses from the date of leaving service to the date of retirement or death, whichever occurs first.

From the date of becoming a Paid-Up member you will no longer be entitled to any risk benefits (if applicable).

### **When does a Fund benefit become unclaimed?**

If a person who is entitled to claim a Fund benefit in terms of the Fund Rules does not claim such benefit within a period of 24 months of the date of such benefit becoming payable, other than in the case of death benefits, such benefit will be dealt with in accordance with the unclaimed benefit provisions in the Fund Rules.

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## TAX

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### Tax deductibility of your contributions to the Fund

Member contributions allowed as a deductible expense for income tax purposes.

### Tax on your leaving service benefit from the Fund

Your tax-free benefit on a cash withdrawal will be R 25 000.00 and the balance of the benefit will be taxed according to the following scale:

R 25 001.00 – R 660 000.00	18% of taxable income above R 25 001.00
R 660 001.00 – R 990 000.00	R 114 300 + 27% above R 660 000.00
R 990 001.00 and above	R 203 400 + 36% above R 990 000.00

It should be noted that the tax-free benefit is only granted once in a lifetime. Your retirement tax free benefit will be reduced by any amount previously granted free of tax to you.

The scale above also applies cumulatively to all future withdrawals. This means that once you have withdrawn R 990 001.00 from any retirement fund all future cash withdrawals will be taxed at 36% above R990 001.00

If you elect to preserve your benefit (i.e. you elect not to receive it in cash but to transfer it to your new employer's retirement fund, or to an Approved Retirement Annuity Fund or other Approved Preservation Provident Fund), tax is not payable on the amount transferred unless the South African Revenue Service has instructed the Fund to deduct any outstanding personal taxes from this amount prior to preservation.

### Tax on your retirement benefit

The tax rates applicable to the lump sum cash benefit taken on retirement are:

Amount	Tax Rate
First R500 000.00 of the lump sum	Tax free
R500 001.00 to R700 000.00	18% above R 500 000.00
R700 001.00 to R1 050 000.00	R 36 000.00 + 27% above R 700 000.00
R1 050 001.00 plus	R 130 500.00 + 36% above R 1 050 000.00

The R 500 000 will be reduced by any previously received tax free commutations, and increased with any previously taxed contributions or transfers.

### Tax on your death benefit

The tax rates applicable to the death benefit are:

Amount	Tax Rate
First R500 000.00 of the lump sum	Tax free
R500 001.00 to R700 000.00	18% above R 500 000.00
R700 001.00 to R1 050,000.00	R 36 000.00 + 27% above R 700 000.00
R1 050 001.00 plus	R 130 500.00 + 36% above R 1 050 000.00



Any previously taxed contributions or transfers into the Fund will be paid free of any tax.

The R 500 000.00 will be reduced by any previously received tax free commutations, and increased with any previously taxed contributions or transfers.



## **SEPARATE RISK BENEFITS** **(NON-PROVIDENT FUND BENEFIT)**

The following sections set out the general features of risk benefits that may apply in respect of your participation in the Fund. The Special Notice (which may include an Annex, if applicable), attached to this GUIDE identifies which risk benefits apply to you as determined by the Fund Rules governing the participation of your participating employer in the Fund.

### **DISABILITY INCOME BENEFIT**

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#### **What is a disability income benefit?**

It is a monthly income provided by a policy of insurance purchased by your participating employer from an insurer, to a member who qualifies in the event of the member becoming disabled.

If you qualify you will receive a monthly disability income expressed as a percentage of your Fund Salary (but subject to such restrictions and limitations which may be imposed by the insurer) until you recover, attain the maximum cover age or die.

Where-

Maximum cover age: Means the maximum age at which cover for an insured cease as determined by the insurer.

#### **What is a waiting period?**

A waiting period is the number of months from qualifying for the benefit to the date on which the benefit is actually paid.

#### **Is a disability income benefit guaranteed?**

The benefit is primarily based on whether you can continue employment in your own or a similar job.

Since your benefit is insured, satisfactory evidence of your health may need to be provided from time to time during your membership and proof of your sickness or accident satisfactory to the insurer will have to be provided when claiming a benefit.

A successful claim will also depend on the restrictions and limitations which the insurer may impose.

#### **What happens to my other benefits whilst I am receiving a disability income benefit?**

Whilst you are receiving a disability income benefit you will remain a member of the Fund and you may continue to be covered for your other insured benefits.

Your disability income benefit will increase annually to help reduce the effects of inflation by the percentage determined by the insurer and your Fund Salary for Fund purposes will increase at the same rate and from the same date that your disability income benefit increases.



### **Can I continue my disability benefit cover if I leave service?**

If the insurer permits, you may continue your disability income cover if you leave the service of your employer by effecting at your own expense, your own individual policy separates from the Disability Income Benefit Policy. The insurer will provide you with a quote, which will reflect the new premium that you must pay. You may be requested to provide a medical by the insurer before the cover commences.

### **Tax on your disability benefit**

The income benefit is taxed as earned income in the same way as your salary/wages is taxed. Payment of an income disability benefit is subject to meeting all the terms and conditions of the policy provided by the insurer.

### **What is a rehabilitation benefit?**

If you are receiving a disability income benefit the insurer will sponsor a rehabilitation programme to assist your recovery so that you will be able to return to work to perform the duties of your own occupation or any occupation for which you have, or can reasonably be trained to have, the necessary knowledge, skills or ability.

Payment of the benefit is subject to all the terms and conditions as determined by the insurer.

### **LUMP SUM DISABILITY BENEFIT**

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#### **What is a lump sum disability benefit?**

If, in the opinion of the insurer, you become totally and permanently incapable of working in your own or any occupation for which you could reasonably be expected to be educated, trained and experienced for any employer, this lump sum benefit is payable in terms of a policy of insurance operated by your employer for this purpose. You will be covered for this benefit (if applicable), until the maximum cover age.

Where-

Maximum cover age: Means the maximum age at which cover for an insured cease as determined by the insurer.

#### **What is a waiting period?**

A waiting period is the number of months from qualifying for the benefit to the date on which the benefit is actually paid.

#### **Is a lump sum disability benefit guaranteed?**

The benefit is primarily based on whether you can continue employment in your own or any occupation.



Since your benefit is insured, satisfactory evidence of your health may need to be provided from time to time during your membership and proof of your disability satisfactory to the insurer will have to be provided when claiming a benefit.

A successful claim will also depend on the restrictions and limitations which the insurer may impose.

### **Can I continue my lump sum disability benefit cover if I leave service?**

If the insurer permits, you may continue your lump sum disability cover if you leave the service of your employer by effecting at your own expense, your own individual policy separate from the Lump Sum Disability Benefit Policy. The insurer will provide you with a quote, which will reflect the new premium that you must pay. You may be requested to provide a medical by the insurer before the cover commences.

## **INSURED DEATH BENEFIT**

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### **What is an insured death benefit?**

If you die in service you may be entitled to receive an additional death benefit payable in terms of a policy of insurance purchased by your participating employer from an insurer for this purpose. Payment of the benefit is subject to meeting the requirements of the insurer, which may include providing medical evidence of health.

Payment of an insured death benefit is subject to meeting all the terms and conditions of the policy provided by the insurer. Cover continues until the maximum cover age.

Where-

**Maximum cover age:** Means the maximum age at which cover for an insured cease as determined by the insurer.

### **Can I continue my insured death benefit cover if I leave service?**

If the insurer permits, you may continue your death benefit cover if you leave the service of your employer by effecting at your own expense, your own individual policy separate from the Death Benefit Policy. The insurer will provide you with a quote, which will reflect the new premium that you must pay. You may be requested to provide a medical by the insurer before the cover commences.

### **What is a spouse's death benefit?**

It is a benefit payable in the event of the death of a spouse of a member in terms of a policy of insurance purchased from an insurer by the participating employer for this purpose.

Where-

**Spouse:** Means a person who is the permanent life partner (whether in a heterosexual or homosexual partnership), or spouse or civil union partner of the main member in accordance with the Marriage Act, 1961, the Customary Marriages Act, 1998, a civil union in terms of the Civil Union Act, 2006 or a marriage under the tenets of any religion.



### **What is an education benefit?**

This is a benefit provided by an insurer (if applicable), and pays for the education of a member's children in the event of his/her death.

The amount payable will depend on the level of education of the child at the time of the member's death.

### **CRITICAL ILLNESS BENEFIT**

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#### **What is a critical illness benefit?**

A critical illness benefit is a benefit payable in respect of a qualifying member who has been diagnosed with a critical illness (dread disease) as determined by the insurer. The critical illness benefit is paid in terms of a policy of insurance purchased from an insurer by your participating employer for this purpose.

The critical illness benefit, subject to such restrictions and limitations which may be imposed by the insurer with whom the benefits are insured, is usually a cash benefit equal to a multiple of your annual Fund Salary at the date of the claim being approved.

#### **Can I continue my critical illness benefit cover if I leave service?**

If the insurer permits, you may continue the critical illness benefit cover if you leave the service of your employer by effecting at your own expense, your own individual policy separate from the Fund. The insurer will provide you with a quote, which will reflect the new premium that you must pay. You may be requested to provide a medical by the insurer before the cover commences.

### **MEDICALS AND EVIDENCE OF HEALTH LIMITS**

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The insurer may allow you to be fully covered for a risk benefit without providing evidence of health, (commonly referred to as a medical). If your benefit is below a particular level (referred to as an Evidence of Health Limit), you will be covered for benefits without conducting extensive medicals.

However, if your benefit is above this limit you will be required to undergo medical tests. Until the tests have been conducted and the insurer confirms that you have your full cover, your cover will remain at either the Evidence of Health Limit or at a previously accepted limit.

Once the insurer has analysed your medicals, it will determine the level of cover that it is prepared to insure you for, together with restrictions, if any, which it will impose on you. If your state of health is at a level which is unreservedly acceptable to the insurer, then you will be insured at your full cover.

All your medicals are strictly confidential and neither the participating employer nor the administrator has any influence over the level of cover that is offered to you by the insurer.

The onus of providing medicals (and ensuring that the underwriter receives the complete medical report/test) always rests with you.





## **FUNERAL BENEFIT**

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### **What is a funeral benefit?**

A funeral benefit is a benefit paid in the event of the death of any person covered under the Funeral Policy, with a view to contributing towards expenses when such person dies. The Funeral Policy is provided by an insurer and is operated by your participating employer. All members and the spouse, unmarried children and sometimes even parents, nominated by the member, who qualify, are covered under the Funeral Policy.

The benefit payable under the policy is subject to all the terms and conditions imposed by the insurer. Cover will continue to the maximum cover age.

Where-

**Spouse:** Means a person who is the permanent life partner (whether in a heterosexual or homosexual partnership), or spouse or civil union partner of the main member in accordance with the Marriage Act, 1961, the Customary Marriages Act, 1998, a civil union in terms of the Civil Union Act, 2006 or a marriage under the tenets of any religion.

**Unmarried child means:**

- A child born of the member;
- A stepchild of the member;
- A foster child of the member;
- In some cases, a grandchild of the member where the child is dependent on the member;
- A legally adopted child of the member; or
- A posthumous child of the member.

While you are in service your unmarried children will be covered for the benefit beyond age 21, if:

- the child is at a recognised educational institution (but not beyond attainment of age 25 unless approved by the insurer); or
- the child is mentally impaired or totally and permanently disabled.

**Parent:** Means the parent of the main member and/or spouse where the main member and/or spouse is a natural child, stepchild, legally fostered child or an adopted child of the member.



## **CONTACT DETAILS OF D AND D THE CYCLE (PTY) LTD**

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### **FUND ADMINISTRATOR**

D and D the Cycle (Pty) Ltd; Reg. No. 2013/157477/07- FSP NO. 45863

Switchboard: +27 (11) 867 2665      Email: [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za)

[www.thecycle.co.za](http://www.thecycle.co.za)

Block 6 Office 18A Woodhill Office Park; 53 Phillip Engelbrecht Street; Meyersdal; 1448

PO Box 73725; Fairland; 2030.

### **FUND CONSULTANT**

D AND D THE CYCLE (Pty) Ltd; Reg. No. 2013/15747707- FSP NO. 45863

Switchboard: +27 (11) 867 2665      [www.thecycle.co.za](http://www.thecycle.co.za)

email: [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za)      PO Box 73725; Fairland; 2030.



## **THYME UMBRELLA PROVIDENT FUND**

### **EXPRESSION OF WISH FORM**

#### **Introduction**

Please complete this form if you wish to change or confirm the beneficiaries that the trustees of the Fund should consider to receive a benefit on your death. For more information refer to your Member Booklet. This form should be delivered to the Fund while you are still alive. The Fund will not be obliged to accept a form if it is delivered to the Fund after your death.

Send the required documents to: [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za)

If you have any questions please forward a mail to [thyme@thecycle.co.za](mailto:thyme@thecycle.co.za) and we will respond within 24 hours.

#### **1. Your Details**

Your Surname	
Your full names	
Your membership number	
Your ID (passport number if foreign)	

#### **2. Your Family Circle and Beneficiary Nominations**

According to Section 37C of the Pension Funds Act, the trustees must determine who receives the death benefit and the proportion of the benefit to be paid to each party. The law requires the trustees to identify your dependants, establish their financial circumstances and then allocate the benefits to those dependants. The trustees are also required to consider any beneficiaries that you may have nominated to receive all or part of the benefit.

- Please complete the details of all spouses, life partners, children and the people that are financially dependent on you.
- For each dependant, please indicate whether you want to nominate them as a beneficiary and if so, the benefit percentage.
- Please specify any other individuals and/or legal entities or trusts you want to nominate.
- The total of percentages across all your nominations must add up to 100%.
- Only the member is able to nominate their beneficiaries. If this form is signed by anyone else other than the investor, these nominated beneficiaries will not be valid.

**3. Spouse (current and previous), life partner (current)**

Please provide the details of your spouse or partner. If you have more than two spouses or life partners, please attach a signed copy of this section.

**SPOUSE/LIFE PARTNER 1**

<b>Title</b>			<b>Surname</b>							
<b>First Name(s)</b>										
<b>ID (Passport if foreign)</b>										
<b>Date of Birth</b>			<b>Contact Number</b>							
<b>Relationship</b>										
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input type="checkbox"/>	<b>Benefit allocated</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>%</b>

**SPOUSE/LIFE PARTNER 2**

<b>Title</b>			<b>Surname</b>							
<b>First Name(s)</b>										
<b>ID (Passport if foreign)</b>										
<b>Date of Birth</b>			<b>Contact Number</b>							
<b>Relationship</b>										
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input type="checkbox"/>	<b>Benefit allocated</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>%</b>

**SPOUSE/LIFE PARTNER 3**

<b>Title</b>	Surname					
<b>First Name(s)</b>						
<b>ID (Passport if foreign)</b>						
<b>Date of Birth</b>	Contact Number					
<b>Relationship</b>						
<b>I nominate this person as a beneficiary</b>	Yes	No	<b>Benefit allocated</b>			%

**4. Children**

Please provide the details of all your children irrespective of their age (include adopted children and children born out of wedlock, but exclude stepchildren and foster children). If you have more children, please attach a signed copy of this section.

**CHILD 1**

<b>Title</b>	Surname					
<b>First Name(s)</b>						
<b>ID (Passport if foreign)</b>						
<b>Date of Birth</b>	Contact Number					
<b>I nominate this person as a beneficiary</b>	Yes	No	<b>Benefit allocated</b>			%

**CHILD 2**

<b>Title</b>	Surname								
<b>First Name(s)</b>									
<b>ID (Passport if foreign)</b>									
<b>Date of Birth</b>	Contact Number								
<b>I nominate this person as a beneficiary</b>	Yes	No	<b>Benefit allocated</b>					%	

**CHILD 3**

<b>Title</b>	Surname								
<b>First Name(s)</b>									
<b>ID (Passport if foreign)</b>									
<b>Date of Birth</b>	Contact Number								
<b>I nominate this person as a beneficiary</b>	Yes	No	<b>Benefit allocated</b>					%	

**CHILD 4**

<b>Title</b>	Surname								
<b>First Name(s)</b>									
<b>ID (Passport if foreign)</b>									
<b>Date of Birth</b>	Contact Number								
<b>I nominate this person as a beneficiary</b>	Yes	No	<b>Benefit allocated</b>					%	

**5. Other individuals whom you support financially**

Please provide the details of anyone else who you support financially. This may include for example your stepchildren, foster children, parents, grandparents, brothers or sisters. If there are more individuals who you support financially, please attach a signed copy of this section to this form.

<b>Title</b>		<b>Surname</b>	
<b>First Name(s)</b>			
<b>ID (Passport if foreign)</b>			
<b>Date of Birth</b>		<b>Contact Number</b>	
<b>Relationship</b>			
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>	<b>No</b>	<b>Benefit allocated</b>
			<b>%</b>

<b>Title</b>		<b>Surname</b>	
<b>First Name(s)</b>			
<b>ID (Passport if foreign)</b>			
<b>Date of Birth</b>		<b>Contact Number</b>	
<b>Relationship</b>			
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>	<b>No</b>	<b>Benefit allocated</b>
			<b>%</b>

<b>Title</b>			<b>Surname</b>						
<b>First Name(s)</b>									
<b>ID (Passport if foreign)</b>									
<b>Date of Birth</b>			<b>Contact Number</b>						
<b>Relationship</b>									
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>		<b>No</b>		<b>Benefit allocated</b>				<b>%</b>

**6. Other individuals, legal entities or trusts you would like to nominate as beneficiaries**

If you want to nominate other individuals, legal entities or trusts not mentioned previously please complete the details below. If you want to nominate more beneficiaries, please attach a signed copy of this section to this form.

**INDIVIDUAL**

<b>Title</b>			<b>Surname</b>						
<b>First Name(s)</b>									
<b>ID (Passport if foreign)</b>									
<b>Date of Birth</b>			<b>Contact Number</b>						
<b>Relationship</b>									
<b>I nominate this person as a beneficiary</b>	<b>Yes</b>		<b>No</b>		<b>Benefit allocated</b>				<b>%</b>



