



SARATOGA SOFTWARE (PTY) LTD

INTRODUCTION TO THE PENSION FUND

This document is intended to advise you about the structure of your retirement fund and the risk benefits that you enjoy while employed by Saratoga Software (Pty) Ltd.

Please note that this document is for explanation purposes only and the benefits on the fund may change from time to time. You will be notified of any changes should this happen.

Consultants

Fairsure Consulting (Pty) Ltd are your retirement fund consultants and Lesley Wright is the principal consultant looking after your fund.

Please note that all fund related queries should be referred to your HR Department.

Service Providers and Fund Information

The table below provides a summary of important information relating to your pension fund.

Service Providers/Fund Information	
Fund Name:	FundsAtWork Umbrella Pension Fund
Participating Employer:	Saratoga Software (Pty) Ltd
Administrator:	Momentum Group Ltd
Risk Service Provider:	Momentum Group Ltd
FSB Registration Number:	12/8/32082/1
SARS Approval Number:	18/20/4/038865
Independent Consultants:	Fairsure Consulting (Pty) Ltd
FSP License Number:	40880

Type of Fund

Your fund is a Defined Contribution Pension Fund. This means that at retirement or upon leaving the fund before retirement, your benefits will be determined by how much you and your employer have contributed towards your retirement and how the investments have performed.

Saratoga Software (Pty) Ltd is a participating employer in Momentum's Funds at Work Umbrella Pension Fund arrangement. An umbrella fund is a fund in which many different unrelated employers (and their employees) participate. This type of fund allows members to benefit from the lower costs associated with participating in a fund with a greater membership which results in more of the members' contributions being available to grow their retirement benefits.

Fund Structure and Risk Benefits

Below is a summary of the contributions and benefits on your Pension Fund.

Contributions

You must select one of the following contribution categories:

Category of Member	Employer %	Member %	Total
A	10.0%	7.5%	17.5%
B	12.5%	7.5%	20.0%
C	10.0%	3.5%	13.5%
D	10.0%	0%	10.0%
E	5.0%	0%	5.0%

Unapproved Group Life Cover (Flexi)

5 x Pensionable/Risk Salary (may be subject to underwriting)
Cover continues during disability
Conversion option to age 65

Monthly Disability Cover (Flexi)

75% of Pensionable/Package Salary with limitations for higher earners, payable monthly (may be subject to underwriting)
3 month waiting period
Escalator of lower of 10% or CPI (inflation)
Employer contribution waiver
Conversion option to age 55

Education Benefit (Flexi)

On the death of the member a benefit of R10 000 is payable into a Momentum nominated trust, to cover the basic education expenses of up to 5 of the member's children.

Funeral Cover (Flexi)

A lump sum benefit is payable on the death of a member and/or their immediate family, as follows:

Main member/Spouse R15 000
Minor children R 7 000
Cover continues during disability
Cover provided for a maximum of 2 spouses and 5 children.

Retirement Age

The Normal Retirement Age is 65. Members may early or late retire with the employers consent.

Additional Benefits

Family Assistance Benefit

This benefit provides support to members during traumatic life events.

The benefits offered include:

- Repatriation of mortal remains (refer below)
- Funeral assistance
- Legal assistance
- Trauma assistance
- Emergency Medical Services
- Bereavement Counselling

In all instances these services are provided through a Call Centre which can be contacted on 0861 666 111 and is available 24 hours a day, 7 days a week, 365 days a year.

Repatriation Benefit

This service assists the bereaved family and next of kin with the repatriation of the mortal remains of the deceased member to the funeral home closest to their normal place of residence.

The service is also extended to members resident outside of the borders of RSA, limited to beneficiaries resident in SADC countries except for Mauritius and Seychelles.

Repatriation benefits are available on the death of a member or his/her spouse, children, parents and parents-in-law.

Multiply Starter

Multiply is a wellness and rewards programme which helps members to understand, track and improve their financial and physical wellness. It also gives members access to discounts at a range of Momentum's partners.

The Multiply Starter option is automatically available to you as a member of the Alacrity fund at no additional cost. Upgrades to Multiply Provider or Multiply Premier which provide bigger rewards and better benefits are available at a cost.

More information about Multiply Starter and the upgrade options, as well as a full list of partners is available on www.momentum.co.za/multiply

Hello Doctor

This free benefit provides members with access to health advice from a qualified medical doctor via mobile phone. Download the Hello Doctor App or dial *120*1019#.

All conversations with Doctors are completely private and confidential.

Saving for your Retirement

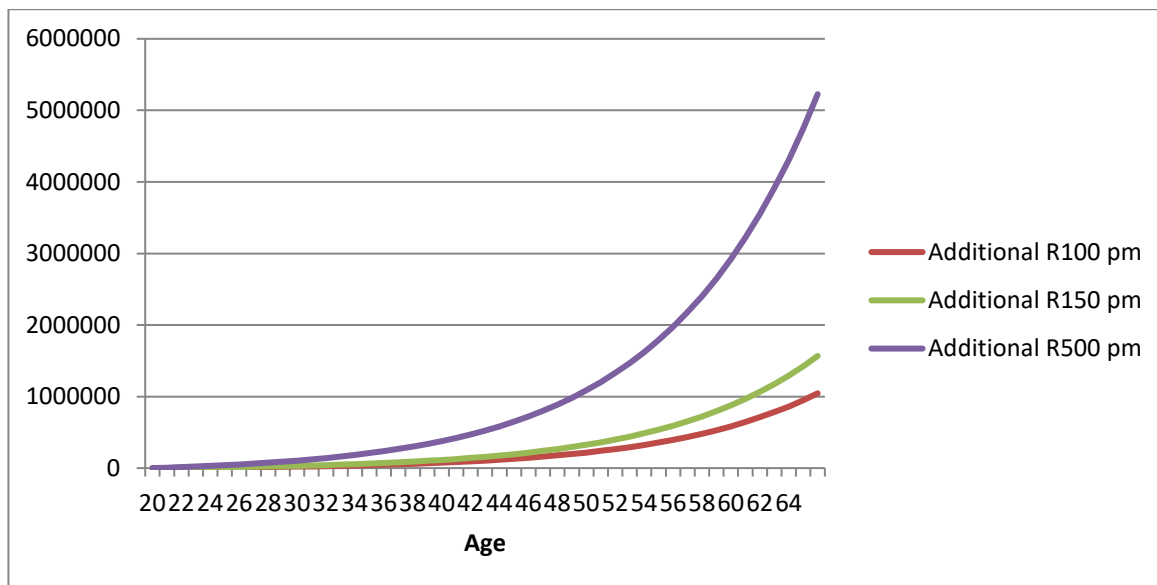
Currently at retirement, a provident fund allows a member to take the entire benefit saved in the fund in cash. Under a **pension fund**, at retirement up to one third of the benefit may be taken in cash and the remaining two thirds must be used to purchase a monthly pension from an insurance company. This is the major difference between pension and provident funds.

In order to retire comfortably, a good rule of thumb is that combined contributions to savings (after the deduction of costs) by both member and employer should be in the region of 15% of your pensionable salary over your working lifetime.

Employees may increase their retirement savings by making additional voluntary contributions to the fund. From 1 March 2016, members of retirement funds qualify for a tax deduction for contributions up to 27.5% of the greater of their remuneration or taxable income, subject to a maximum of R350 000 per tax year. These limits apply to the total of a member's employer and employee contributions to all pension, provident and retirement annuity funds. Employer contributions are fringe benefit taxable.

Increasing your contribution rate now, even by 1% will make a difference in the long term. Gradually increasing your contribution rate annually is an effective and affordable way of ensuring that you remain on track for a comfortable retirement.

The graph below illustrates the potential value of additional contributions over a lifetime of employment.



If you wish to increase your fund contribution please contact your HR department.

Investment options

After the deduction of the cost of life, disability and funeral cover, as well as administration and commission charges, the balance of the contributions you and your employer make to the Pension Fund are invested on your behalf. The returns from these investments are added to your fund share and become part of your future benefits.

The Employer selected default portfolio is the **Investment Solutions Performer** multi manager portfolio. A multi manager portfolio works on the basis that Investment Solutions allocates portions of the portfolio assets to a number of different investment managers to invest on behalf of members which reduces the risk of being exposed to any one manager. The portfolio combines local and global equities, bonds, money market instruments and property into a single portfolio using house manager views.

This is a market linked portfolio with **NO capital guarantees** or smoothing mechanisms in place. The objective of Performer is to achieve superior investment returns at below average risk over the long term.

Investment managers currently used include Prudential, Allan Gray, Foord and Investec.

Important Note

The Investment Solutions Performer portfolio is the Employer selected default portfolio and is used for all members unless the member advises Momentum of a different personal selection. We recommend that all members carefully review their benefit statements and assess whether they are investing in appropriate portfolios. Should a member wish to select one of the other portfolios which are available, we suggest that he/she do so after consultation with their personal financial adviser to ensure that the choices they make are appropriate.

Members who are within 5 - 10 years of retirement may wish to take a more conservative view of the market and should be aware that they can elect to change their portfolio selection to suit their own requirements.

A list of available portfolios can be accessed via Momentum's Funds at Work website.

What are your options if you leave the Fund?

We have summarised the options below:

1. You may take the benefit in cash. Currently the first R25 000 is tax-free and you will pay tax (on a sliding scale) on the remaining amount. This is a once off tax free portion per lifetime.
2. You may transfer the benefit to your new company's pension fund if this is allowed in the rules. You will not pay tax on the transfer.
3. You may transfer the benefit to a pension preservation fund or to a retirement annuity. You will not pay tax on the transfer.

If you leave the fund before retirement age we recommend that you seek advice from a qualified financial adviser. If you do not have a financial advisor a Momentum Retirement Benefit Counsellor is available to provide you with information or we can arrange for an independent Certified Financial Planner to contact you to provide advice/assistance.

It is important that members are aware of the need to preserve their benefit on withdrawal so that their retirement savings are not depleted when they reach retirement.

Some Definitions and other important information explained

Conversion option

If you leave Saratoga, you may continue with the risk benefits (life and disability cover) that you enjoyed under the group scheme in your personal capacity subject to minimal underwriting requirements and certain age limitations. This is attractive option for members with a medical history. It should be noted that the cost of the continued cover will be based on you as an individual and not on the group rates you enjoyed as a member of the Saratoga fund.

Waiting period

The disability benefit commences 3 months after the effective date, i.e. if a member is deemed disabled on submission of a valid claim (medically and in terms of the rules of the policy) on 1 January, the benefit will commence on 1 April. The benefit will continue to be paid until full recovery, death or normal retirement age is reached, whichever occurs sooner.

Retirement fund waiver

If you become disabled then the employer pension fund contributions (Category A, C or D 10%, Category B 12.5% and Category E 5%) will be paid into the fund on your behalf by the insurer. You will remain a member of the fund and you will continue to be covered in the event of death.

Escalator

This is the percentage that the disabled members benefit increases by every year at the effective date of disability.

Underwriting/Medical Free Cover Limits

As part of a group scheme, members automatically receive a certain amount of life and disability cover without having to provide proof of insurability. This is known as the scheme free cover limit. These free cover limits are usually reviewed annually and may change from year to year. Members whose potential cover exceeds these limits may be requested by the underwriter to provide proof of insurability in order to obtain their full cover entitlement.

Death benefits and your nominations

If you die while employed by Saratoga, a benefit equal to 5 x your pensionable salary (subject to satisfactory medical underwriting) is payable. In order to ensure that the benefit is paid in accordance with your wishes it is important that you complete a beneficiary nomination form and that this is updated regularly, when required.

The life cover multiple is an unapproved benefit and in the event of a claim the lump sum benefit is payable tax free. Monthly premiums are fringe benefit taxable.

The fund value accumulated by you in the pension fund is governed by the Pension Funds Act and in the event of your death, in order to assist the Trustees in determining how best to allocate your benefits to your dependants/beneficiaries, you are required to complete a nomination of beneficiary form as accurately as possible and hand this form back to your HR officer. In terms of Section 37C of the Act, the Trustees of the fund have a duty to apportion the death benefit proceeds in an equitable manner.

If you wish to select different beneficiaries for your death benefit and your fund credit you will need to complete both sections of the beneficiary form.

Flexing of cover

Members can elect to flex their individual death, disability, funeral and education benefit cover up or down in line with their individual requirements.

The benefits mentioned in this circular are based on the default options and may differ where an individual member has elected to flex their cover.

Important note

Please note that this communication is for information purposes only and should there be any discrepancies between this communication and the rules/policy documents, the rules/policy documents shall prevail. This communication does not warrant as advice in terms of the FAIS Act.

Prepared by Fairsure Consulting (Pty) Ltd on behalf of Saratoga Software (Pty) Ltd.
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LESLEY WRIGHT
Dip RFM

