

17 February 2020

Dear All

IMPORTANT NOTICE – RISK REVIEW AND DB TAX CERTIFICATES

This serves as notice of the following changes to the risk benefit multiples and premiums with effect from **1 March 2020**. Kindly ensure that your payroll is updated accordingly.

Pension Scheme Summary					
Part	Benefit	Insurer	Premium Rate	Change to payroll	Change in Benefit
Part I	Group Life	Old Mutual	0.55%	NO	NO
Part I	Income Disability	Old Mutual	0.760%	NO	NO
Part II	Group Life	Old Mutual	As Elected by the school: <ul style="list-style-type: none"> • 0.55% • 1.05% • 1.55% 	NO	NO
Part II	Income Disability	Old Mutual	0.760%	NO	NO

Pension Scheme Benefit Structure:

ISASA PENSION SCHEME GROUP LIFE BENEFITS		
PENSION PART I (DB) – 0.55%		
Age Bands	Current Multiples	1 March 2020
Age 18-35	4.20	4.20
Age 36-40	3.57	3.57
Age 41-45	3.31	3.31
Age 46-50	3.15	3.15
Age 51-55	3.12	3.12
Age 56-60	3.07	3.07
Age 61-64	2.80	2.80
Age 65-69	2.24	2.24

PENSION PART II (DC) – 0.55%		
Age Bands	Current Multiples	1 March 2020
Age 18-35	4.20	4.20
Age 36-40	3.94	3.94
Age 41-45	3.78	3.78
Age 46-50	3.26	3.26
Age 51-55	2.94	2.94
Age 56-60	2.96	2.96
Age 61-64	2.79	2.79
Age 65-69	2.14	2.14

PENSION PART II (DC) – 1.05%

Age Bands	Current Multiples	1 March 2020
Age 18-35	8.40	8.40
Age 36-40	7.88	7.88
Age 41-45	7.56	7.56
Age 46-50	6.41	6.41
Age 51-55	5.78	5.78
Age 56-60	4.88	4.88
Age 61-64	4.36	4.36
Age 65-69	3.20	3.20

PENSION PART II (DC) – 1.55%

Age Bands	Current Multiples	1 March 2020
Age 18-35	12.08	12.08
Age 36-40	11.45	11.45
Age 41-45	10.71	10.71
Age 46-50	9.98	9.98
Age 51-55	9.03	9.03
Age 56-60	6.41	6.41
Age 61-64	6.30	6.30
Age 65-69	4.36	4.36

FREE COVER LIMITS

Current FCL	1 March 2020	Impact
R17 000 000	R18 000 000	Increase of R 1 000 000

Benefit Structure – Disability Income

Basic Benefit	87% (75% of pensionable salary plus 12% Employer Waiver) The benefit may not exceed the member's total Guaranteed Package after the deduction of tax at the start of the waiting period.
Maximum Benefit	R165 000 p.m.
Waiting Period	3 months
Escalation	CPI to a maximum of 4%
Employer waiver	12%
Death Cover	Continues while in receipt of this benefit
Free Cover Limit	R136 000

Provident Fund Summary					
Category	Benefit	Insurer	Premium Rate	Change to payroll	Change to benefit
Category 1(B)	Death & Lump Sum Disability	Old Mutual	1.20%	NO	INCREASE OF MULTIPLES BY 10%
Category 1	Lump Sum Disability	Old Mutual	Included in the rate of 1.20%	N/A	INCREASE OF MULTIPLES BY 10%
Category 2(A)	Group Life	Old Mutual	0.75%	NO	DECREASE OF MULTIPLES BY 17%
Category 2(A)	Income Disability	Old Mutual	1.016%	NO	NO CHANGE

ISASA PROVIDENT FUND GROUP LIFE BENEFITS – OLD MUTUAL (OM)

CATEGORY 1 (B) MEMBERS ONLY – DEATH BENEFITS – 1.20%

Age Bands	Current Multiples	1 March 2020
Age 18-35	2.97	3.27
Age 36-40	2.52	2.77
Age 41-45	1.95	2.15
Age 46-50	2.06	2.27
Age 51-55	1.84	2.02
Age 56-60	1.63	1.79
Age 61-64	1.52	1.67
Age 65-70	1.74	1.91

CATEGORY 1 (B) MEMBERS ONLY – LUMP SUM DISABILITY BENEFITS

Age Bands	Current Multiples	1 March 2020
Age 18-35	2.24	2.46
Age 36-40	2.01	2.21
Age 41-45	1.19	1.31
Age 46-50	1.63	1.79
Age 51-55	1.28	1.41
Age 56-60	0.85	0.94
Age 61-64	0.66	0.73
Age 65-69	0.00	0.00*
Max Benefit	R5 000 000	R5 000 000

*The benefit is zero because a disability benefit can never be paid when a member is over the age of 65

CATEGORY 2 (A) MEMBERS ONLY – DEATH BENEFITS – 0.75%

Age Bands	Current Multiples	1 March 2020
Age 18-35	2.00	1.66
Age 36-40	1.82	1.51
Age 41-45	1.92	1.59
Age 46-50	2.04	1.69
Age 51-55	1.82	1.51
Age 56-60	1.68	1.39
Age 61-64	1.59	1.32
Age 65-69	1.35	1.12

FREE COVER LIMITS

Current Rate	1 March 2020
R4 000 000	R4 000 000

ISASA PROVIDENT FUND INCOME DISABILITY BENEFITS - OLD MUTUAL (OM)	
CATEGORY A (2) ONLY	
Benefit Structure	
Basic Benefit	87% (75% of pensionable salary plus 12% Employer Waiver). The benefit may not exceed the member's total Guaranteed Package after the deduction of tax at the start of the waiting period.
Maximum Benefit	R165 000 p.m.
Waiting Period	3 months
Escalation	CPI with a maximum of 4%
Death Cover	Continues while in receipt of this benefit
Employer waiver	12%
Free cover Limit	R120 000 benefit p.m.
ISASA FAMILY COVER – OLD MUTUAL (OM) 93775	
Primary Insured	R22 000
Insured Spouse	R22 000
Insured Child	
Aged >= 14	R22 000
Aged >= 6 but < 14	R11 000
Aged >= 2 but < 6	R5 500
Aged <2 and stillborn	R5 500

The Voluntary Funeral Benefit increased to **R22 000, the premium remains unchanged at R18.60 per member per month**. Employees often find this to be a valuable benefit. Those who are not currently on this cover have an opportunity to opt in annually by **1 March 2020**. Should you require any additional information on this scheme, please feel free to contact Jennifer Damane on JDamane@oldmutual.com.

Inclusively- and exclusively-costed schemes

Some employers may want to pay for risk and administration costs over and above Employer contributions (exclusively-costed) while other employers want risk and administration costs included in employer contributions (inclusively-costed schemes). **Currently, all schools are treated as inclusively-costed schemes.** If this was not your intention, please contact the ISASA team to ensure that your special rules are correctly recorded.

DB Certificates as at 28 February 2020

Please keep a lookout for the DB certificates that will be sent out at the end of February 2020 by the Fund Valuator, Stephen Walker. You will need to send this through to your payroll consultant who must ensure that the correct factors are recorded for DB contributions.

**Yours Sincerely
The ISASA Team**