



## INTRODUCTION

The DSV Flexi Retirement Fund – Pension Section and the DSV Flexi Retirement Fund – Provident Section are designed to provide those employed by DSV with valuable benefits that will assist you in planning for your long-term financial security. When first employed by DSV, you will be defaulted into the Provident Fund. Membership to the Pension Fund is only available on request, and only if members have pension money to transfer in from a previous employer’s pension fund.

This member booklet gives you a summary of the main benefits and conditions that apply to your membership. The actual benefits are determined according to the rules and policies of your Fund. If you need any further information or assistance, please contact the Senior HR Specialist, Sally Diack, or the Principal Officer, Zeenat Badsha. Their details are located at the end of the document.

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In each section of this booklet we will give you the basic rules of your retirement fund – starting with the way that they work and continuing into the various benefits available to you. The benefits in this booklet are based on the rules of the Fund, as registered with the Financial Sector Conduct Authority (“FSCA”), as well as the insurance policies. Everything possible was done to ensure the accuracy of this booklet. However, the official rules and insurance policies in terms of which the benefits are provided will apply at all times if discrepancies arise.

## USEFUL NOTES AND DEFINITIONS

Some of the terms used to describe your benefits may be unfamiliar to you. These definitions might be useful in helping you understand how your Fund works.

### DSV Flexi Retirement Funds – Pension and Provident Sections

The DSV Flexi Retirement Fund Pension Section and DSV Flexi Retirement Fund Provident Section are separate legal entities (two separate Funds). Where the booklet refers to Fund, it refers to the specific Fund you selected to join, either the Pension Section or the Provident Section.

**Pension Fund** - The DSV Flexi Retirement Fund – Pension Section is also referred to as the **Pension Fund**.

**Provident Fund** - The DSV Flexi Retirement Fund – Provident Section is also referred to as the **Provident Fund**.

### Beneficiaries

These are the people who receive your benefits in the event of your death.

### Nominee

A person, not necessarily financially dependent on you, nominated to receive a portion of your death benefit from the Fund. These are the people you record in your Nomination of Beneficiary form.

### Dependants

These are the people you are legally and/or financially responsible for looking after, ie:

- A person in respect of whom the member is legally liable for maintenance;
- A person in respect of whom the member is not legally liable for maintenance, if such a person is:
  - In the opinion of the trustees, upon the death of the member in fact dependant on the member for maintenance;
  - The spouse of the member, including a party to a customary union according to Black Law and custom, or to a union recognised as a marriage under the tenets of any Asiatic religion;
  - The child of the member, including a posthumous child, an adopted child and an illegitimate child;
  - A person, in respect of whom the member would have become legally liable for maintenance, had the member not died.

### Defined Contribution

The Fund operates on a defined contribution basis. That means that your contribution towards the Fund is defined in the rules and your retirement benefit is dependent on the contributions

made to the Fund throughout your years of service and the investment return thereon. In a defined contribution fund the risk of investment losses is carried by you, the member. If the investments do not perform well, you will have less money accumulating towards your final benefit.

### Approved Pension or Provident Fund

A pension fund or provident fund approved as such by the Revenue Authorities or in terms of such other legislation as may apply from time to time, for the purpose of the rules.

### Fund Credit

Your Fund Credit is made up of:

- The net contributions which was allocated towards retirement funding (contributions less costs of administration, risk benefits and other administrative costs); plus
- Any amounts you transferred into the Fund from a previous employer or fund; plus
- Net investment returns earned on the above amounts.

### Pensionable Salary

75% of your total cost to company package.

### Investment Returns

The contributions towards your retirement benefits are invested in an investment portfolio selected by you as a member. The investment return is the growth of the assets in that specific portfolio. The higher the investment growth achieved, the higher the benefits you will eventually receive from the Fund. However, there is always the risk that the investments will perform poorly, especially over short term period, in which case the value of your benefit (Fund Credit) may decrease. The investment return passed on by the asset manager is after the deduction of investment management fees (Net investment return).

### Normal Retirement Age

The normal retirement age for members is 65 years. There are certain exceptions where the NRA is 70, which would be specified in your employment contract.

### Normal Retirement Date

The last day of the month in which you reach your Normal Retirement Age.

## YOUR RETIREMENT FUND: THE FACTS



Regardless of your age, you can continue to learn and also continue to make improvements to your life and your lifestyle. One area of life that is in your hands is your retirement.

It's easy to think that retirement is a long way off or that there are more important things to attend to today. "I'll look at my retirement planning when I am older" is often our attitude. But do you have any idea how much money you will have when you retire? And, more importantly, whether it's going to be enough? Only **you** can make sure that you have enough money to stop working when you want to. You will have various personal assets (perhaps a home, savings, life assurance) and

personal obligations (perhaps a bond or maintenance) and together with the retirement fund, you should be reviewing your financial planning to ascertain what your future goals are and how they will be met. You must make the effort to learn all about your retirement fund so that you can make informed strategic decisions. The longer you have before you retire, the greater the flexibility and control you have over your retirement benefit outcome.

Think about this:

- More South Africans are retiring earlier and living longer
- Many South Africans are forced to retire earlier than they had planned for
- It will take a very large amount of capital at retirement to enable you to maintain your standard of living and to enjoy the things you have been looking forward to
- In South Africa, you are unlikely to receive a state pension that will provide you with enough money to live comfortably

The good news is that you have already started funding for your retirement: You either belong to the DSV Flexi Retirement Fund – Pension Section or the DSV Flexi Retirement Fund – Provident Section, and each month you will contribute to your Fund, and that will be the foundation for your retirement planning.



Your retirement fund is one of the most efficient ways for you to save for your future and could be one of your largest assets. With this in mind, let's take a look at the basics of your Fund:

## YOUR FUND IS A DEFINED CONTRIBUTION FUND

Every month a contribution is paid into the Fund. The contribution rates are defined in the rules of the Fund. These contributions are invested by specialist investment managers in an investment portfolio of your choice. The money earned on investing these contributions is added to your "account" (known as your Fund Credit) in the form of investment returns. The size of the final benefit you will receive depends on how much is contributed to the Fund, and how well the investments perform. This is known as a defined contribution fund.

### You belong to either the Pension or Provident Fund

The monthly contributions are paid into either the Pension Fund or the Provident Fund, depending on which Fund you have selected when you were employed.

The main differences between the Pension Fund and the Provident Fund are as follows:

Pension Fund	Provident Fund
<b>Upon Retirement</b>	
At <b>retirement</b> you can take up to one-third of your retirement benefit in the Pension Fund as cash. At least two-thirds of your benefit <b>MUST</b> be used to buy an <b>annuity</b> from an insurer, which gives you a life-long pension.	At <b>retirement</b> the <b>full value</b> of your retirement benefit in the Provident Fund can be taken as <b>cash</b> . You can <b>choose</b> to use part or all of your retirement benefit to buy an <b>annuity</b> from an insurer, which gives you a life-long pension.
If you take one-third in cash, it will be taxed. The pension will be treated as normal income and will be taxed the same way your salary is taxed.	If you take it in cash, it will be taxed. The amount used to buy the pension will not be taxed at retirement. The pension will be treated as normal income and will be taxed the same way your salary was taxed.

## CONTRIBUTING TO THE FUND



Think of yourself and your employer as a team. The goal for you is to have a comfortable retirement. Though the goal is not always achievable, it is comforting to know that you, your fellow members and your employer all play a part in this important achievement. It is all about success in numbers!

### Contributions

You can choose to contribute at a rate of 10%, 15%, 18%, 19.5% or 21.5% of your Pensionable Salary towards retirement. This option can be changed annually on 1 March. If you do not make a choice when you join the Fund the contribution will be defaulted to 15% of your Pensionable Salary.

*Note: Part of your contribution is used to pay fund expenses (eg. fund administration, audits, valuations, communication etc), and part is used to pay for insurance premium [disability, death and funeral benefits]. This means that these costs are deducted from the contribution and the balance is then allocated towards your retirement benefit.*

## YOU ARE A MEMBER

You are a member of the DSV Flexi Retirement Fund – Pension or Provident Sections if you are:

- permanent employee of DSV (full time or part time)
- fixed term employee of DSV (certain criteria apply);
- not a member of the SATAWU National Provident Fund

It is a condition of employment that you are a member of the Fund while you are employed by DSV. This means that you may not withdraw your benefits from the Fund while you are working for DSV.

You are entitled under Regulation 38.1(e)(ii) of the Pension Funds Act to transfer your previous retirement / preservation fund benefits to the Fund, without charge. The only cost will be that charged by the Regulator to process/approve the transfer. The Fund is required by Regulation 38.1(e)(i) to ask you for copies of your previous funds' paid-up certificates.

Please inform the Fund of any paid-up benefits that you may have in funds relating to your previous employers. These paid-up membership certificates are to be provided to the Fund's administrator for the Fund's records. Email a copy of the certificate to [ZA.SHA.Retirement@za.dsv.com](mailto:ZA.SHA.Retirement@za.dsv.com).

Please be aware a transfer from a pension fund to a provident fund will be taxable and should be avoided until the tax treatment is harmonised. Provident funds allow for a lump sum on retirement. If you transfer a previous provident fund benefit into a pension fund, you will lose some flexibility on how you take the benefit at retirement.

When you resign, are retrenched, dismissed or retire from DSV you are entitled to receive your benefit from the Fund and are required to provide the Fund with your payment instruction (also known as your withdrawal claim form or retirement claim form) to allow the Fund to process your benefit payment.

## YOUR RETIREMENT BENEFIT



We would like to encourage you to achieve a retirement that makes your golden years the best years of your life. To do this, you need to know how much you will have, how much you will need, and aim to close the gap.

### When do I have to retire?

At your normal retirement age.

### What will I receive when I retire?

Your retirement benefit is the most important benefit provided by the Fund. When you retire from the Fund you will receive your Fund Credit.

### Early Retirement

You may elect to retire early, provided that you 55 years or older. As with normal retirement, you will receive your Fund Credit at the date of early retirement. Remember, if you retire early, the benefit will have to last you longer. You must therefore make sure you have saved enough money before deciding to retire early.

### Retiring from the Provident Fund

Your retirement benefit will be equal to your Fund Credit at retirement. You can:

1. Take this entire benefit as a cash lump sum, less tax; OR
2. Take part of it as cash (less tax) and use the rest to purchase an annuity from a registered insurer; OR
3. Use the entire amount to purchase an annuity from a registered insurer (and defer tax).

### Retiring from the Pension Fund

Your benefit is equal to your Fund Credit. You can:

1. Take a cash lump sum (less tax) of up to one-third of your Fund Credit; plus a monthly pension bought from a registered insurer with the remaining two-thirds of your benefit; OR
2. Use the entire amount to purchase an annuity from a registered insurer.

### Tax on retirement – applicable to both the Pension and Provident Funds



The following tax table applies to lump sums paid by a retirement fund to a member on retirement, involuntary retrenchment or death.

Taxable amount	Rate of tax
R0 – R500,000	0%
R500,001 – R700,000	18%
R700,001 – R1,050,000	27%
Amount exceeding R1,050,000	36%

*Note: People in retirement often pay a much lower rate of tax, and the Government provides pensioners over 65 with various tax breaks. This is why some people may choose to take a lower cash lump sum at retirement and defer paying tax on their benefit until during their retirement.” If you are within 10 years of retirement, ensure that you have received a letter from the Fund’s Principal Officer advising you of your retirement age and your options at retirement.*

All retirees are now eligible for a tax-free lump sum of R500,000 over their lifetime. This applies to the total of all retirement amounts that are received by the retiree from different funds to which he or she may belong. If, for example, you receive a tax-free amount from a separate retirement annuity fund before retiring from the DSV Flexi Retirement Fund – Pension or Provident Sections, this tax free amount will reduce the amount you can get free of tax when you retire from the DSV Flexi Retirement Fund.

### Deferred Retirement

A member retiring from the Fund, may now elect on which date to receive his retirement benefit. This means that a member’s retirement date is the date on which the election by the member takes place. A member therefore can preserve his benefit in the Fund and ultimately decide when he wishes to start receiving his pension benefits. Should you wish to defer retirement, you must still complete and sign the Fund’s retirement notification form and the investment portfolio option form. If you do not complete and sign the forms, you will still be treated as a deferred retiree and your benefit will be invested in the trustees default portfolio (Money Market Fund). You will not be able to make ongoing monthly contributions into the Fund after reaching your retirement age. Administration fees will be deducted from your benefit value until the benefit is paid to you.

### Retirement Benefit Counselling

In terms of the regulations to the Pension Funds Act, members must be provided with retirement benefit counselling prior to

retiring from the Fund. Three months before retirement you will be contacted by the Fund’s appointed retirement benefit counsellor who will provide you with your options at retirement and the Fund’s default annuity strategy. There is a fee payable for the counselling session. It is important to note that the retirement benefit counsellor will not provide you with financial advice, but rather the facts pertaining to the Fund and your options at retirement.

### The Fund’s default annuity strategy

In terms of the Regulations to the Pension Funds Act, the Fund has implemented a default annuity strategy. This annuity strategy must comply with various principles as prescribed in the Regulation, and it is reviewed annually to ensure it remains appropriate for the Fund’s membership.

An annuity policy, issued by an insurance company when you purchase an annuity, is essentially a contract between you and the insurance company whereby you invest a portion of your retirement benefit) with the insurance company and they agree to pay you a monthly pension. The different types of annuities are explained below.

The Fund’s current default annuity strategy is a with-profit life annuity. If you are within 5 years of retirement, please refer to the letter regarding your options at retirement for further details on the annuity strategy.

### The Different Types of Annuities

There are different types of annuities available. Most insurance companies will be able to offer you an annuity that suits your unique circumstances.

The main types of annuities you are likely to consider are:

A **“conventional” annuity** where the insurance company guarantees a certain pension for the rest of your life. It might be advisable to initially elect a lower level of pension to be able to include an annual increase to protect you against inflation. You do however need to speak to a certified financial planner to assist you in making these decisions. A “joint life” annuity is normally a good idea if you are not single at retirement age. A conventional annuity is guaranteed by the insurance company for the rest of your life (and that of your partner in the case of a joint life annuity). There are a number of choices to be made relating to this type of “guaranteed” annuity e.g. the inclusion of an annual increase, and the more features that are included the lower the initial level of the pension.

The main advantage of this kind of annuity is generally that you don’t need to worry about investment returns or living for a long time after retirement. Once the annuity is bought, the insurance company needs to honour the commitment for the rest of your life. Living for a long time after retirement is a real consideration these days with the advancements in medicine and health care. The choice of insurance company is also important since you do not want to take on unnecessary credit risk by choosing an insurer with limited financial strength.

### WARNING!

*Annuities may be complicated contracts, and it is important to consult financial planning experts prior to making a decision.*

A **“living” annuity** is a structure where you can annually drawdown between 2.5% and 17.5% of the capital you have invested. You can also decide where to invest the capital. This option provides more flexibility than any of the other types of annuities, but carries the risks of:

- poor investment returns not allowing your drawdown to keep up with inflation,
- too much being drawn in the earlier years which results in the annual drawdown actually decreasing in the latter years, and
- living longer than the investment lasts, in which case the capital and the amount of the drawdown begins to decrease. The effect of the diminishing nominal amount of the drawdown is compounded by the impact of inflation.

Because of these risks, living annuities should be contemplated carefully before being bought. They are usually appropriate when the living annuity is not relied on as the sole source of income during retirement, or when the pensioner is terminally ill and not expected to live for a long period.

The main advantage of the living annuity is generally considered to be that the remaining capital left in the living annuity structure at the time of death is not lost to the pensioner’s estate.

**WARNING!**

*A living annuity is a sophisticated financial instrument, requiring a considerable degree of investment expertise and involvement. Such a product should only be considered if you have substantial capital for investment at retirement, and you can tolerate market volatility.*

**YOUR WITHDRAWAL BENEFIT**



To be able to have something to retire with, you need to preserve your retirement fund money every time you withdraw from a retirement fund. It is a fact of life that these days employees do not stay with one employer for their entire working career – in fact, most people go through several employers and often career changes before they retire. If you are one of those people, this is probably the most important section for you to read.

**Resignation / Retrenchment / Dismissal**

If you resign or are retrenched or dismissed by your employer, you will receive a lump sum benefit equal to your Fund Credit in the Fund.

**Your Choices**

You have an option to remain a paid-up member in the Fund. You can take your benefit in cash. You can transfer your benefit (tax-free) to:

- Your new employer’s retirement fund
- A preservation fund of your choice – pension or provident
- Another approved pension or provident fund or
- A retirement annuity fund

Just remember that a transfer from a pension fund to a provident fund is taxable.

**In Fund Preservation (becoming a paid-up member)**

The regulations to the Pension Funds Act allow for members to become paid-up members in the Fund by default. That means, if you leave the service of the employer, and you do not complete a withdrawal form instructing the Fund where to pay the benefit, you will automatically become a paid-up member in the Fund. As a paid-up member you will continue to pay administration fees, (as do active members) and your benefit will remain invested as per the investment policy of the Fund. The same investment fees will apply to you as when you were an active contributing member. You will remain invested in the same portfolio as when you were an active member.

You will be issued with a paid-up certificate within 2 months of becoming a paid-up member. Please ensure that the Fund’s administrator has your contact details to issue the certificate.

**Retirement Benefit Counselling**

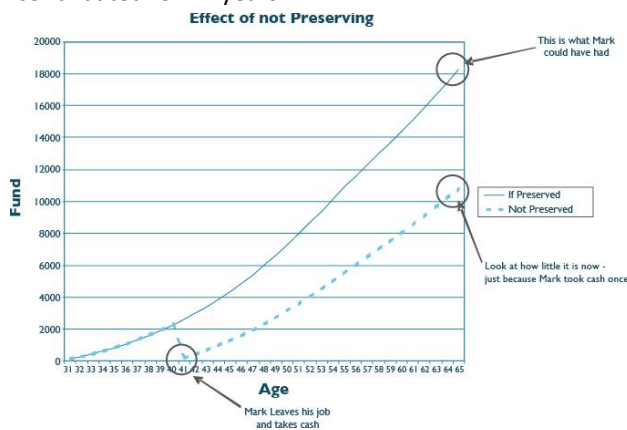
In terms of the regulations to the Pension Funds Act, members must be provided with retirement benefit counselling prior to receiving your cash benefit or transferring your benefit on exit. Following your resignation from the employer, you will be contacted by the Fund’s appointed retirement benefit counsellor who will provide you with your options at exit. There is a fee payable for the counselling session. It is important to note that the retirement benefit counsellor will not provide you with financial advice, but rather the facts pertaining to your options at exit.

**IMPORTANT!**

*Beware the temptation to take your benefit as cash, you may want to spend the money. In the long term it will be better to pay your money into an approved preservation fund, your new employer’s pension or provident fund or a retirement annuity fund, however you need to obtain advice from a certified financial planner before making your decision. In this way, your money won’t be taxed until you withdraw or retire from that fund, and your retirement savings will carry on growing. Saving your money when you leave jobs allows the compounding of your investment and is one of the best ways to make sure you have enough money when you retire.*

**Case Study - Illustrative**

Mark left his fund after ten years and took his withdrawal benefit in cash. He then started contributing to his new employer’s fund, where he contributed for 24 years.



For Mark, taking his withdrawal benefit from his retirement fund in cash means his pension at retirement is far less (as

much as 40% less) than it could have been if his benefit had been preserved when he changed jobs 24 years earlier.

### Tax on Withdrawal



Any withdrawal benefit (after the deduction of the R25,000 tax-free portion) that you take in cash will be taxed at the following rates:

Taxable amount	Rate of tax
Up to R25,000	0%
R25,001 to R660,000	18%
R660,001 – R990,000	27%
R990,001 and above	36%

The R25,000 will however be reduced by any previous tax-free amounts you may have received on withdrawal on/after 1 March 2009 from your previous retirement funds. If you transfer your whole benefit to an approved pension or provident fund, pension or provident preservation fund, or a retirement annuity fund, you will not have to pay tax on your benefit until you withdraw from that fund. Please note that transfers from a pension to a provident fund incur tax on the transfer.

### IMPORTANT!

*The choice of an appropriate investment vehicle for your preservation money is an important decision. It is important that you speak to a professional financial adviser so that you know how to invest your withdrawal benefit wisely.*

### Unclaimed Benefits and Overdue Benefits

When you resign from the Fund you are required to complete the withdrawal notification form and submit this to the Administrator in order for your benefit to be paid.

Please contact your HR department to ensure you follow the correct procedure to avoid unnecessary delays in the payment of the benefit.

In some instances, members do not complete the withdrawal notification form. In this case the benefit due will remain in the Fund as a paid-up benefit.

A benefit that becomes payable in the terms of the rules and is not paid within 24 months, is classified as an unclaimed benefit in terms of the Pension Funds Act. Eg. if you submitted an instruction to receive your benefit in cash on 1 March 2019, your benefit became due to you on 1 March 2019. If your benefit has not been paid to you by 1 March 2021, your benefit will be classified as an unclaimed benefit.

A benefit that becomes payable in the terms of the rules and is older than 6 months, is classified as an overdue benefit. Please note that overdue benefits and unclaimed benefits will be invested in the DSV Money Market Fund and a monthly administration fee will be deducted from the benefit to cover the administrative costs. This will continue until you claim your

benefit from the Fund or until the trustees' policy with regards to unclaimed and overdue benefits are amended.

Further, the trustees may consider transferring your unclaimed benefit (a benefit due older than 24 months) to an unclaimed benefit fund. These are funds which operate similarly to the DSV Flexi Retirement Funds, but only house unclaimed benefits. Monthly administration fees are deducted to cover the administrative costs.

Please complete the required documentation when you leave the Fund in order to claim your benefit.

## DEATH, DISABILITY AND FUNERAL BENEFITS

There are many questions that we do not want to ask, which could leave us destitute when tragedy strikes. Your Fund understands this and that is one of the many reasons why you have this member booklet – to make sure you know what is due to you and your family when life does not go according to plan.

### DEATH BENEFITS



#### In the event of your untimely death in service...

If you die while in service, on or before your Normal Retirement Date, your Dependents or Nominees will receive a lump sum benefit equal to your Fund Credit plus your insured benefit which is between 1 times and 7 times your Annual Pensionable Salary. The insured benefit is subject to a maximum of R25 million.

You can select your insured benefit when you join the Fund and have the option to change this annually in March thereafter. If you do not make a selection at the time of employment, your insured death benefit will be defaulted to 3 times your Annual Pensionable Salary. In the event of your death, the payment of the death benefit shall be made in terms of Section 37C of the Act and not according to any Will and Testament you may have.

**Section 37C** says it is the responsibility of the trustees of the Fund to distribute your death benefits payable by the Fund. The trustees are required to investigate your personal circumstances and must firstly consider your Dependants, and only then any Nominees. The Act defines Dependants as follows:

- The spouse of a member (this includes life partners, common law spouses and same sex partners as well as spouses of polygamous marriages);
- Children of the member, illegitimate children, adopted children and unborn children;
- A person who is legally dependant on the member for maintenance e.g. an ex-spouse to whom the court has ordered the member to pay maintenance;
- A person who is factually dependent on the member for maintenance e.g. the member pays R400/month to his aunt to help her pay her medical expenses;
- A person who would have become legally liable for the maintenance if the member had not died e.g. an unborn child.

The trustees have a duty to trace all Dependants and must investigate each of the possible Beneficiaries' circumstances. Among other things they must consider:

- The age of the Beneficiaries
- Their relationship to the deceased
- The extent of their dependency
- The financial affairs of the Beneficiaries
- The future earning potential and prospects of the Beneficiaries

Each beneficiary's needs must be properly weighed and considered in the light of all relevant facts before the trustees make a decision to distribute the benefit.

Only once they are satisfied that they have determined an appropriate distribution between Dependants may they consider distribution of a portion of the benefit to non-dependant Nominees.

In terms of section 37C, neither your last will and testament, nor the Beneficiary Nomination Form is binding. The benefit must be distributed in a reasonable manner and will be determined largely on financial need, although the member's wishes will be taken into account where appropriate. The trustees have up to twelve months to complete the investigation process. The Fund may enlist the assistance of a Death Claims Investigation Consultant to assist it in carrying out these investigations.

Beneficiary Nomination Forms are handed out at employment and are available from the Human Resources Department and DSV Central Intranet. It is in your family's best interests to keep this form updated on an annual basis to provide the trustees with the most up-to-date information regarding your Dependants and Nominees.

While it is extremely important that you keep this form up to date, it should be seen as an "expression of wish" form and not a guarantee of the way your benefits will be distributed in the event of your death. The trustees will, however, use this form as a valuable guide to your wishes and as a way of identifying who your Dependants are. It is possible though that the final distribution will differ from that set out on your form.

Please also note that due to the requirements of Section 37C of the Act, the actual distribution and payment of the benefit might be delayed by a couple of months, which could result in your Dependants being without financial support for some time. The trustees ask that you keep this delay in mind when doing your financial planning. At the request of the family, the trustees may consider making an advance payment of the death benefit or making payment in the form of an annuity. This option however, is only available upon application to the Fund and is at the sole discretion of the trustees to allow. By understanding the trustees' statutory duties and filling in the form appropriately, you can speed up the process in the unfortunate event of your death.

#### Tax on Death Benefit



The premiums for the death benefit are deducted from your contributions to the Fund and are tax deductible. Your death

benefit to your beneficiaries will be taxed in the same way that your retirement benefit is taxed.

#### Death after Retirement

Benefits payable on your death after retirement will be payable in terms of the annuity (pension) that you decide to purchase from an insurance company (if applicable). Remember, you are only covered for the insured death benefit up to your Normal Retirement Age whilst you are a contributing member of the Fund.

#### Further information regarding the Death Benefit...

Please refer to the "**Comm - Flexi Fund Death Benefit**" for further information on the insured death benefits.

#### DISABILITY BENEFIT



#### In the event of your Disability...

As a result of your membership of the Fund, you are also a member of a separate insurance policy providing a disability income benefit. The cover ceases on your date of resignation, on your death, if you recover or the earlier of 65 years and your Normal Retirement Age.

A claim against this policy is based on your inability to fulfil the occupations of your employment and will trigger an incapacity hearing by DSV. If your disability claim is accepted by the insurance company providing the disability benefit, after expiry of the three-month waiting period, you will receive a monthly disability income benefit. The benefit is 90% of your **Monthly Pensionable Salary** which includes a 15% contribution to your retirement fund.



The disability benefit including the waiver are limited to a maximum disability benefit of the lesser of R250,000 per month, or the average after-tax earnings over the 12 month period immediately before the date on which the illness or injury is confirmed. The three-month waiting period starts from the date you are considered disabled and ends after three months.

The policy will pay valid claims under the temporary expenses benefit for an initial period of 24 months if the member meets the BrightRock claims criteria as follows:

1. **Sickness criteria:** A member will be required to complete the Brightrock claims form and the Brightrock Group Risk Sick Note to be completed by their doctor. The maximum pay-outs for the temporary benefit will be up to 24 months. After the 24 months, the injury or illness will be assessed in terms of the occupational criteria as detailed below if the injury or illness does not meet the permanent benefit claim criteria. The occupational criteria used will be assessed in terms of the member's own or similar occupation with their own employer.
2. **Clinical definitions:** The policy will pay-out if the injury or illness meets BrightRock's clinical definitions for specific conditions or events as detailed in the enclosed Clinical claims definitions: Temporary Expenses Cover brochure.
3. **Job Fitness Test:** The Job Fitness Test is an objective test

that uses a points-based system to assess whether the member can do the activities they need to do to work in their own or a similar occupation at their own employer. The full criteria as well as the points-based scoring system are detailed in the enclosed Clinical claims definitions: Temporary Expenses Cover brochure.

Child aged 14 or over	R20,000
Child aged 6 to 14	R10,000
Child aged 2 to 6	R5,000
Child under 2	R5,000
Stillborn Child 26 weeks or over	R5,000

Post the initial period of 24 months, the policy will pay valid claims under the permanent expenses benefit criteria if the member meets the BrightRock claims criteria, which includes the clinical definitions and Job Fitness Test as explained in the enclosed Clinical claims definitions: Permanent Expenses brochure.

The purpose of the benefit is to cover the funeral costs and associated costs in the event of the death of a family member (you, your spouse or child), but there is no restriction on how the benefit is utilised.

The benefit will increase at the lesser of 5% or CPI per annum and you will continue to be a member of the Fund and make use of all the benefits provided by the Fund while in receipt of the monthly disability income benefit. Payment of the disability income benefit will continue until the earlier of:

The funeral benefit is paid in addition to the group life assurance benefit payable from the DSV Flexi Retirement Fund Pension or Provident Section, in the event of your death.

- Your death before reaching your Normal Retirement Age;
- Reaching your Normal Retirement Age, at which time you will retire from the Fund.
- The insurance company deeming that you have recovered based on medical evidence and the definition of disability above.

**Further information regarding the Funeral Benefit...**

Please refer to the “*Comm - Flexi Fund Funeral Benefit*” for further information.

While you are receiving the disability income benefit, contributions will continue to the Fund until your Normal Retirement Age.

**MEMBER INVESTMENT CHOICE SUMMARY**

The trustees believe that you should have a say in how your Fund Credit is invested. That is why you have Member Investment Choice (MIC).

Your disability income benefit may be reduced if you are accommodated in another job or if you recover partially.

**How does MIC work?**

When you retire, the size of your benefit depends on how the investments of the Fund have performed. This means that if the investments do well, your benefit grows. But you also carry the risk of the investments not doing well and your benefit not growing as it should. So because YOU, the member, carry this risk, it should be up to you to choose the investment which the Fund offers, that is best for you.

Please note that a disability income insurance policies are aggregated, in other words, if you have a personal disability income benefit policy, the combined benefit payable by the personal and fund policy will not be greater than your salary prior to disability.

**Tax on Disability Benefit and premiums**



The premium for the disability benefit is not deductible in the hands of the employee but the benefit will be tax-free for the disability claimant.

**Further information regarding the Disability Benefit...**

Please refer to the “*Comm - Flexi Fund Disability Benefit*” for further information on the insured disability benefit.

**FUNERAL BENEFIT**

Being a member of the Fund you also qualify for a funeral benefit. A lump sum benefit of R20,000 becomes payable to your beneficiaries in the event of your death.

The trustees have made a number of investment portfolios available to you and you must choose from these portfolios where to invest your benefit. Remember, you have to choose an investment portfolio for your needs, one that will help you reach your own retirement goals. You are able to change your investment choice annually in March. The choice communication will be circulated to remind you of the choices available to you.

Further information regarding the portfolios and what happens if you do not make a choice is included in the Fund’s Investment Choice Booklet. This was included in the new entrant pack which you received and additional copies can be obtained from the intranet site.

The following benefit becomes payable in the event of the death of your spouse or children (age dependant):

Should you have any queries regarding your investment choices, please do not hesitate to contact one of the trustees or the Principal Officer, who will direct you to your service provider.

Person	Cover
Member	R20,000
Spouse	R20,000



## NEW MEMBER DOCUMENTATION AND ANNUAL CHOICE

### New Members

On joining the DSV Flexi Retirement Fund, new members should receive the following communication:



- Member Booklet
- Investment Choice Booklet
- Communication – Flexi Fund Death Benefits
- Communication – Flexi Fund Disability Benefits
- Communication – Flexi Fund Funeral Benefit
- New Member Option Election Form
- Nomination of Beneficiary Form to be completed and returned to your Human Resources Department.

**IMPORTANT!** All these documents are available on DSV Central. Please save this as a FAVOURITE site.

### Annual Choice

All members are able to change their choices annually in March.

Choice	Default
Contribution Rate	15%
Additional Voluntary Contribution	R 0
Investment Portfolio	DSV Growth Fund
Death Benefit [Life Cover]	3 x Annual Pensionable Salary

## THE MANAGEMENT OF YOUR FUND



### The Rules

The rules of the Fund govern the workings of the Fund. The Fund is run in strict accordance with these rules. In a simple booklet such as this one it is not possible to give all the details of the Fund in every situation. We have tried to make this guide as accurate and understandable as possible, but if there is any difference between this guide and the rules, the rules will apply. In the event of a dispute arising, the dispute resolution mechanism detailed in the rules of the Fund will apply. If you want to see a copy of the rules, the financial statements and/or the most recent financial assessment, they are available upon request from the Principal Officer or the trustees of the Fund.

### Trustees and Service Providers

The Fund is managed by a board of trustees, half of whom are appointed by the company and half of whom are elected by

the members. Elections for trustees appointed by members are held at least once every 5 years but may be required more frequently. Please be attentive for communication in this regard as your participation directly affects who manages the affairs of your Fund.

### Member Responsibility

You are responsible for your own affairs, including the choices you make relating to the death benefit, disability benefit, member contribution rate and investing your Fund Credit before your retirement, and also when you retire. It is very important to consult with an accredited financial advisor to assist you in making an appropriate choice. If you do not have your own financial advisor you can obtain contact details of accredited financial advisors on the Financial Planning Institute's website: [www.fpi.co.za](http://www.fpi.co.za)

### EBS Africa Online

EBS Africa Online is an online resource that provides you with up to date information about your retirement savings. You can access EBS Africa Online at <https://portal.ebsafrica.co.za/ASPOnlineFA>. All benefit statements will be provided online, so it is very important that you register. If you have any queries or difficulty registering, please contact Member Support on 0108225056 or email [lleroex@ebsafrica.co.za](mailto:lleroex@ebsafrica.co.za).



### Lodging a Complaint

As a member of the Fund you have a right to complain. Members who are dissatisfied with the way in which their retirement fund benefits are managed or their choices implemented are able to lodge a formal complaint to the Fund by writing to the Principal Officer. The Principal Officer may address the complaint immediately or may need to institute an investigation to ascertain the causes that led to the complaint. Where necessary the Principal Officer will refer the complaint to the Board of Trustees for consideration.

If the Fund's response does not satisfy you or the Fund fails to address your complaint, you have the right to refer the case to the Pension Funds Adjudicator [www.pfa.org](http://www.pfa.org).

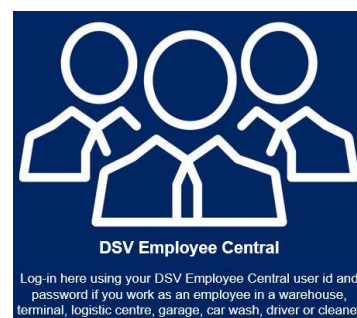


### Reporting Suspicious or Unusual Transactions

If you wish to report any suspicious or unusual transactions in terms of the Financial Intelligence Centre Act, 2001, please follow the DSV Ethics Hotline Access Process.

### YOUR Contact Details:

It is your responsibility to keep the company and the fund informed of any changes to your contact details. Your contact details are stored on the HR system – DSV Employee Central.



Please ensure that you capture the following details:

- Private Mobile number
- Private E-mail address
- Residential address

**Contact Details:**

If you have any queries regarding the benefits offered by the Fund or you have any suggestions, please contact the following:

<b>Name:</b>	Zeenat Badsha
<b>Title:</b>	Fund Consultant
<b>E-mail:</b>	<a href="mailto:zeenat@seshego.co.za">zeenat@seshego.co.za</a>

<b>Name:</b>	Sally Diack
<b>Title:</b>	Senior HR Specialist, Retirement Funds / Principal Officer
<b>E-mail:</b>	<a href="mailto:sally.diack@za.dsv.com">sally.diack@za.dsv.com</a>
<b>Tel:</b>	082 850 7843

**Registered Details:**

DSV Flexi Retirement Fund

- Pension Section [Reg. No. 12/8/13349]
- Provident Section [Reg. No. 12/8/29227]

**Address:** Seshego Benefit Consulting  
Ground Floor, Building 21A  
Woodlands Office Park  
20 Woodlands Drive, Woodmead

