



OLD MUTUAL

EMPLOYEE GROUP IN SUPERFUND

MEMBER BOOKLET



DO GREAT THINGS



OLDMUTUAL



WELCOME TO OMEGS!

You are a member of the Old Mutual SuperFund Pension Fund (SuperFund), a multi-employer umbrella fund. You fall within OMEGS, a sub-section of SuperFund created especially for Old Mutual employees. OMEGS stands for the Old Mutual Employee Group in SuperFund.

This member booklet provides you with a summary of your benefits, information about OMEGS governance, and where you can find more information. Because things are constantly changing, you can also check the OMEGS website (www.omegs.co.za) for the latest information.

OMEGS is part of a pension fund, in a section created specially for Old Mutual employees. OMEGS stands for the Old Mutual Employee Group in SuperFund.

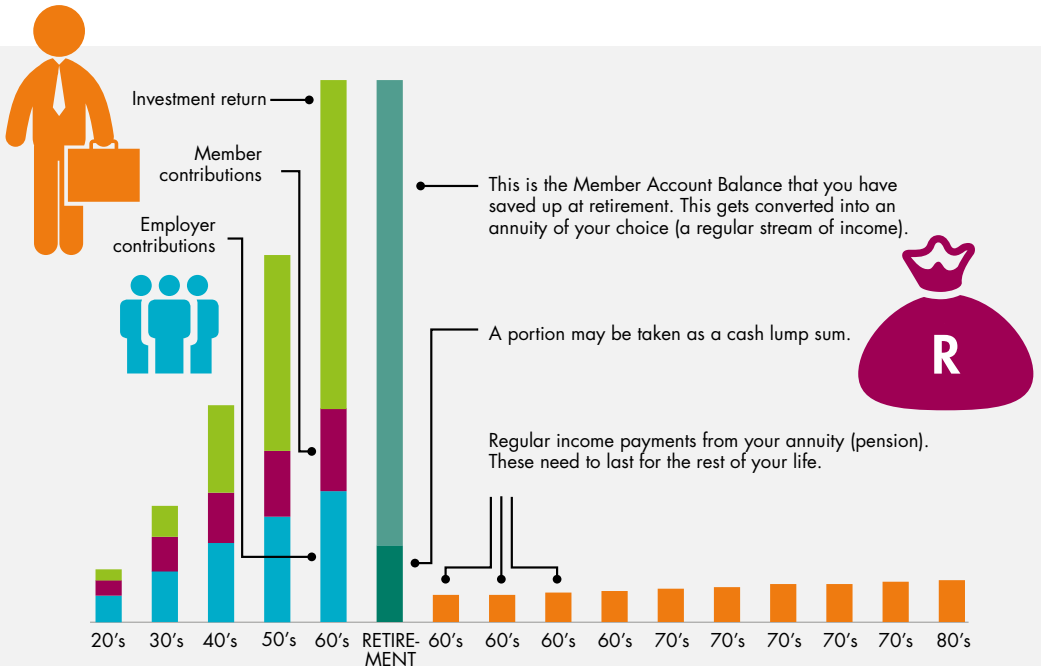


HOW DOES A PENSION FUND WORK?

- Your monthly contributions are added to Old Mutual's contributions and then deducted from your salary. **These contributions accumulate over your working lifetime.**
- You benefit from **tax deductions** on these contributions.
- **This pool of money (your Member Account Balance, is invested to earn investment returns.** This enables you to benefit from the power of compound growth on your savings.
- When you get to retirement, **your pool of money (your Member Account Balance) is used to provide an income for the rest of your life (an annuity).** You are able to choose from a range of different annuity options at retirement, and you can choose your own annuity provider. You can also take up to 1/3rd of your Member Account Balance as a cash lump sum.

If that sounds a bit complicated, let's explain it in a simplified way:

- You put money into OMEGS each month.
- The Employer also puts money into OMEGS on your behalf.
- This money grows with investment return.
- At retirement, this pool of money is used to buy a pension (annuity). This gives you a regular stream of income. It needs to provide you with income for the rest of your life.





CONTRIBUTIONS

HOW DO RETIREMENT CONTRIBUTIONS WORK?

- Each month, a portion of your Old Mutual pensionable earnings is paid to OMEGS. This is made up of an “Employee Contribution” as well as an “Employer Contribution”.
- A portion of the Employer Contribution is used to pay for Life Cover, Disability Cover and Family Funeral Cover (collectively known as Risk Cover), as well as administration and other expenses. The exact deductions change as the underlying costs change.
- You have two opportunities to change your contribution rate each year, in July and November for most employees. Changes must be made on Oracle HRMS using self-service or via a form obtained from HR.
- Your contribution options in respect of your Old Mutual salary depend on whether you are an “Office Staff” employee (i.e. a Total Guaranteed Package (TGP) pay structure) or a “Field Staff” employee (i.e. a non-TGP pay structure that includes some commission and/or bonus elements).

OFFICE STAFF (THOSE WITH A TGP PAY STRUCTURE)

Contributions for Office Staff are based on your full Total Guaranteed Package. (In other words, your Pensionable Earnings equals your TGP). There is an Employer contribution of 3.5% included in your TGP. You may set your Employee contribution anywhere between 9.5% and 24.0% of your TGP. Your options are summarised in the following table:

EMPLOYER CONTRIBUTION (as a % of TGP)	+ YOUR EMPLOYEE CONTRIBUTION (as a % of TGP)	= TOTAL CONTRIBUTION (as a % of TGP)
3.5%	9.5%	13.0%
	10.0%	13.5%
	10.5%	14.0%

	23.0%	26.5%
	23.5%	27.0%
	24.0%	27.5%

FIELD STAFF (THOSE WITH A NON-TGP PAY STRUCTURE THAT HAVE A COMMISSION COMPONENT)

Contributions for Field Staff are based on Pensionable Earnings (PEAR), which is calculated using a special formula for each business unit. There is an Employer contribution of 12.0% of your Pensionable Earnings. You can set your Employee contribution anywhere between 6.5% and 15.5% of your Pensionable Earnings. Your options are summarised in the following table:

EMPLOYER CONTRIBUTION (as a % of Pensionable Earnings)	+ YOUR EMPLOYEE CONTRIBUTION (as a % of Pensionable Earnings)	= TOTAL CONTRIBUTION (as a % of Pensionable Earnings)
12%	6.5%	18.5%
	7.0%	19.0%
	7.5%	19.5%

	14.5%	26.5%
	15.0%	27.0%
	15.5%	27.5%

TAX DEDUCTIONS ON YOUR CONTRIBUTIONS

Did you know? **Your contributions towards your retirement savings are tax deductible!** That means that your contributions to OMEGS come off your salary **before** tax is calculated, and this makes your tax bill smaller. You are able to make tax-deductible retirement fund contributions of up to 27.5% of the greater of your remuneration and taxable income. (Tax deductions will only apply to the first R350 000 that you save each year).




























For example: If Siya earns R30 000 per month, his marginal tax rate is 31% (based on the SARS tax tables at March 2018).

If he increased his OMEGS contribution rate by 0.5%, the contribution going into OMEGS would go **up** by R150 each month (0.5% x R30 000). BUT... his take-home pay would only go down by R103, because his tax bill goes **down** at the same time. Say what? Yes – **by ‘paying’ R103 in reduced cash in his pocket, Siya gets R150 invested!**

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INVESTMENTS

- 1 Aim for **growth over the long term**, and make the power of compound interest work for you.
- 2 You can **mix and match** from the 9 carefully selected investment portfolios on offer. The **default option** is a good “one-size-fits-all” investment suitable for the majority of OMEGS members. You’ll be invested in the default if you don’t specifically make an investment choice.
- 3 You can choose from the following **investment portfolios**:

PORTFOLIO OPTIONS	PORTFOLIO FEATURES			EXPECTED LONG TERM RETURN*	
Old Mutual Absolute Smooth Growth	 DEFAULT	 GROWTH	 SMOOTHED	CPI + (4% to 6%)	
OMIG Profile Edge28		 GROWTH	 MARKET-LINKED	 SINGLE MANAGER	CPI + (4% to 7%)
Coronation Managed		 GROWTH	 MARKET-LINKED	 SINGLE MANAGER	CPI + (4% to 7%)
OMMM Inflation Plus 5-7%		 GROWTH	 MARKET-LINKED	 MULTI-MANAGER	CPI + (4% to 7%)
Prudential Global Balanced		 GROWTH	 MARKET-LINKED	 SINGLE MANAGER	CPI + (4% to 6%)
Old Mutual Balanced Index Fund	 INDEX-TRACKER	 GROWTH	 MARKET-LINKED	 SINGLE MANAGER	CPI + (4% to 6%)
OMIG Shari’ah Composite Fund	 SHARI’AH	 GROWTH	 MARKET-LINKED	 SINGLE MANAGER	CPI + (4% to 6%)
Old Mutual Absolute Secure Growth		 PROTECTION	 SMOOTHED		CPI + (1.5% to 3.5%)
Old Mutual SA Money Market Pooled Portfolio		 PROTECTION		 SINGLE MANAGER	CPI -1% to CPI+1%

* Net of fees and capital charge over rolling 5-year periods, except Money Market, which targets returns over 3 years.



GROWTH

Focused on growth well above inflation over the longer term, to give the long-term growth that you need. Negative returns are possible over the short-term.



PROTECTION

Focused on short-term capital protection. Unlikely to give the inflation-beating returns you need over the long-term.



SMOOTHED

Portfolio value does not move directly in line with market movements and is smoothed over time, resulting in lower volatility.



MARKET-LINKED

Portfolio value moves directly in line with market movements, resulting in higher volatility.



DEFAULT

Default option selected by the OMEGS JMC as a good "one-size-fits-all" investment suitable for the majority of OMEGS members.



SHARI'AH

Portfolio managed in line with Islamic Shari'ah principles.



INDEX-TRACKER

Index-tracker (passive) investment portfolio with low fees.



SINGLE MANAGER

Portfolio where all assets are generally managed by one asset management company.



MULTI-MANAGER

Different asset management companies each manage a portion of the assets. The multi-manager's role is to identify the best managers.

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You can find out more about **fees and investment performance** on the OMEGS website www.omegs.co.za.

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You can make changes to your investments on the **Secure Services website**.

Want to know how to make an investment switch or change the allocation of future contributions? Check the helpful "How To" guides on the website (www.omegs.co.za)





LIFE COVER

OMEGS provides a death benefit to your dependants in the event of your death in service, **but the level of this death benefit depends on your age and whether you have taken a medical test and satisfied medical requirements.** If you were to die while you are an Old Mutual employee, your dependants will receive:

- Your Member Account Balance; **PLUS**
- Life Cover, as a multiple of your Pensionable Earnings, as shown in the table below.

(Note that tax may be payable on the benefit)

LIFE COVER	MULTIPLE OF YOUR PENSIONABLE SALARY/TGP	
YOUR AGE ON 1 JANUARY EACH YEAR	CORE COVER	FULL COVER (ONLY IF YOU HAVE SATISFIED MEDICAL REQUIREMENTS)
UP TO 33	5.1	12.3
34 - 36	3.5	10.6
37 - 39	3.1	9.4
40 - 42	2.9	8.3
43 - 45	2.7	7.2
46 - 48	2.4	6.2
49 - 51	2.4	5.0
52 - 54	2.4	3.9
55 - 57	2.4	3.0
58 - 60	2.4	2.4

LET'S LOOK AT AN EXAMPLE. For a 35-year-old with PENSIONABLE EARNINGS/TGP of R100 000 per year:

- If you **get tested** and satisfy the medical requirements: your dependants will receive **Full Cover** of R1 060 000 plus your Member Account Balance.
- But if you haven't been for the test, your dependants would only receive **Core Cover** of R350 000 plus your Member Account Balance.

Old Mutual pays for the cost of this medical test, you just have to go and take it. Find out how to go for a medical test on the website.

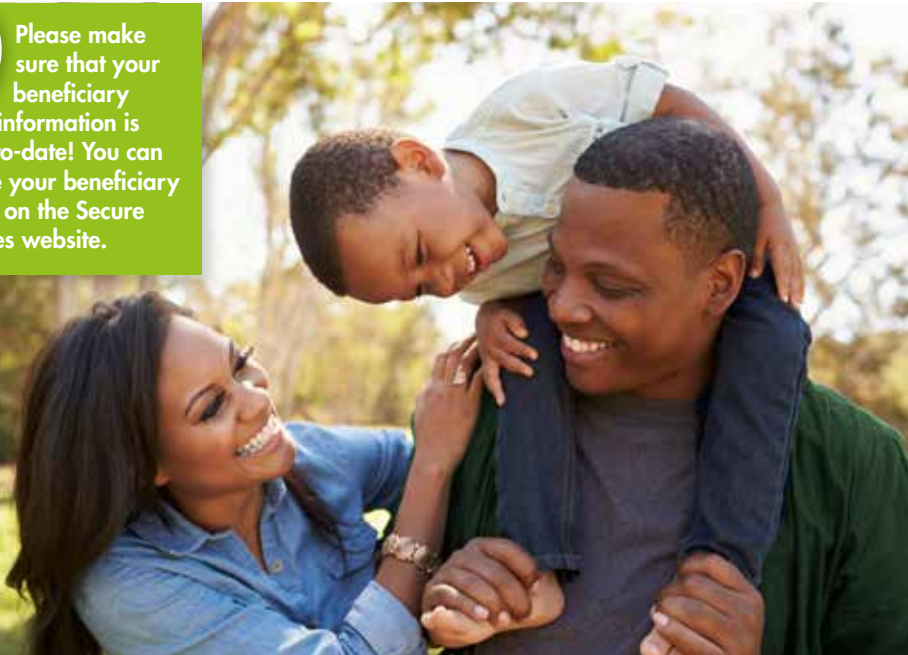


Want to know how to apply for Full Cover? Check the website (www.omegs.co.za) to read our helpful “How To” guide!

The maximum Life Assurance benefit payable on death is R26.3 million (effective June 2018). If your salary is such that you qualify for cover in excess of this amount, you will need to go for further “evidence of health” medical tests.



Please make sure that your beneficiary information is up-to-date! You can update your beneficiary details on the Secure Services website.



UNDERSTAND YOUR OMEGS LIFE COVER BENEFIT AND MAKE IT WORK FOR THOSE YOU LOVE

1. If you were to die while you are an OMEGS member, **a death benefit (i.e. Life Cover plus your Member Account Balance) would become payable by OMEGS.**
2. The OMEGS death benefit will **NOT just automatically be paid out to your spouse or partner, to your estate, or according to your will.**
3. "WHY NOT???" you may ask. This is because the OMEGS death benefit is governed by the Pension Funds Act, and **the Old Mutual SuperFund Trustees must carefully follow the law when allocating and paying out the death benefit.** The law is structured to make sure that everyone who was financially dependent on the deceased is fairly considered.
4. It is **very important to fill in a Beneficiary Nomination Form accurately and keep it up to date.** This helps the Old Mutual SuperFund Trustees allocate the death benefit, so those you care for are appropriately looked after in the event of your death. However, the Old Mutual SuperFund Trustees are not automatically bound by this form, and must consider a wide range of information in making their allocation.
5. Please **complete/update your Beneficiary Nomination Form on the Secure Services Member Web** (<https://secure.ssa.oldmutual.co.za/>). You may need to register for Secure Services (if you haven't done this previously). Registration is a very straightforward process.



5 OTHER BENEFITS

RELATED BENEFITS OFFERED BY THE EMPLOYER

The following benefits **are not OMEGS benefits.**

They are offered by Old Mutual as your Employer.

For more information, please see the HR Toolkit on the Central HR portal or Oracle HRMS (see the My Remuneration and Benefits section), or contact your business unit HR Consultant.



- **Disability Benefit**

Should you become disabled while in the employ of Old Mutual, the Disability Income Benefit will serve as a salary replacement (although some conditions apply). While you are receiving a monthly income from the Disability Income Benefit, you will remain a contributing member of OMEGS.

- **Voluntary Top-up Life Cover**

The multiple of your OMEGS Life Cover benefit decreases as you get older. The Voluntary Top-up Life Cover benefit allows you to “top-up” the cover you lose as you change age bands, without needing to go for any kind of medical test.

- **Voluntary Spouses’ Cover**

The Voluntary Spouse’s Cover allows you to take out cover on the life of your spouse.

- **Family Funeral Cover**

- Primary Insured Person (Employee): R20 000
- Insured Spouse/Partner: R20 000
- Insured Child/ren aged 14 to 20 (24 if a student): R20 000
- Insured Child/ren Aged 0 to13 (including stillborn): R10 000

RELATED BENEFITS OFFERED BY OMEGS

Please check out the OMEGS website (www.omegs.co.za) for more information about the following additional benefits offered by OMEGS:

- **The Life Assurance Conversion Benefit**

- This benefit allows members leaving Old Mutual to convert their Life Assurance Benefit to an Individual policy with Old Mutual, without having to provide medical evidence of good health.

- **Travelling Nurses service**

- An Old Mutual Travelling Nurse may be able to assist you with getting tested for Full Cover, by coming to your office.

- **Funeral Support Services**

- As an Old Mutual Group Life member, you and your immediate family (spouse and dependent children) qualify for the Funeral Support Service. This service



- provides transportation of the deceased (from anywhere in the world) to the place of burial within South Africa, and selected additional support services.

PENSION-SUPPORTED HOUSING LOAN

- Old Mutual SuperFund, in collaboration with Old Mutual as your Employer, offers a pension-backed housing loan facility for OMEGS members. The Pensions Fund Act permits retirement funds to furnish guarantees as security for loans granted to members **for housing purposes ONLY**.

The definition of "housing" is as follows:

- Buying an existing home.
- Building a new home.
- Improving an existing home.

- The Old Mutual SuperFund Pension Fund is not actually providing the housing loan, but rather it is providing security to the bank, based on your Member Account Balance in SuperFund.
- The bank will perform the normal legislated credit evaluation as per the National Credit Act, before any loan can be approved. If you should default on the loan, then the bank will be able to claim back the amount outstanding from your Member Account Balance in the Fund.
- You can read more at www.omegs.co.za



LEAVING OLD MUTUAL

RESIGNATION, RETRENCHMENT OR DISMISSAL

If you resign, are retrenched or dismissed from Old Mutual's employment, you are entitled to receive your full Member Account Balance when you exit the Fund. **The choice you make about what to do with your Member Account Balance is VERY important** – it can have a huge impact on your future financial situation. We encourage members to consider their options carefully, and to obtain financial advice if appropriate. You can read more about your options at www.omegs.co.za.

When you leave Old Mutual's employment, you have the following options available to you:

- Remain a member of Old Mutual SuperFund, by utilising the Old Mutual **SuperFund Preserver** option.
- Transfer your Member Account Balance to another approved fund or funds (often called **preserving** your benefit); or
- Take your Member Account Balance in cash, less tax.

Please make sure that you complete Old Mutual's exit documentation when you leave Old Mutual.

This can be accessed on Groupnet, or by speaking to your Business Unit HR Consultant or line manager. If you don't provide any instruction to Old Mutual about how you want your Member Account Balance to be dealt with, it will automatically be moved to the SuperFund Preserver option after 120 days (subject to certain conditions).

OLD MUTUAL SUPERFUND PRESERVER

Old SuperFund Preserver allows you to remain as a member of Old Mutual SuperFund if you leave Old Mutual's employment prior to retirement (if you resign, are dismissed or retrenched).

- Preserver is a special section of Old Mutual SuperFund for members who have left their employer. You can "park" your retirement savings in Preserver (subject to some conditions) for as long as you need. You can access or transfer your Preserver savings at a later date, or you can wait until your retirement.
- You will have access to a very similar range of investment options in Preserver.
- A monthly Rand-based fee will be deducted from your Member Account Balance to cover administration costs.

You can access the Preserver Member Guide at www.omegs.co.za.

TAX: WHEN YOU WITHDRAW

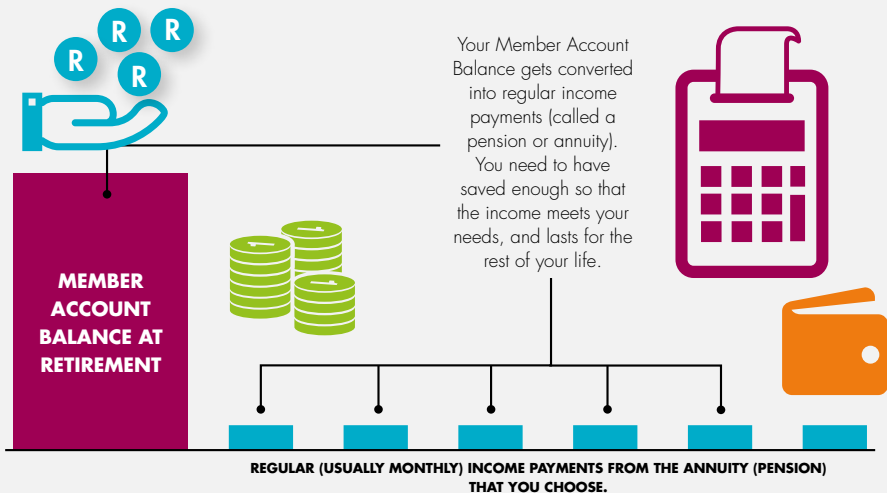
Are you leaving Old Mutual due to resignation, retrenchment or dismissal? If you choose to take some or all of your withdrawal benefit as a cash lump sum, you will be taxed as per the table below. Your tax payable may be affected by any cash withdrawals you have taken in the past.

TAX ON CASH TAKEN ON WITHDRAWAL			
Reason for leaving: Resigned or Dismissed		Reason for leaving: Retrenched	
Benefit Amount	Rate of Tax	Benefit Amount	Rate of Tax
R0 – R25 000	0%	R0 – R500 000	0%
R25 001 – R660 000	18% of taxable income above R25 000	R500 001 – R700 000	18% of taxable income above R500 000
R660 001 – R990 000	R114 300 + 27% of taxable income above R660 000	R700 001 – R1 050 000	R36 000 + 27% of taxable income above R700 000
R990 001+	R203 400 + 36% of taxable income above R990 000	R1 050 001+	R130 500 + 36% of taxable income above R1 050 000

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RETIREMENT

The choices you face at retirement are probably the biggest financial decisions you will make in your life. The decisions you make will affect your finances for the rest of your life! You need to start considering your retirement plans several years before retirement, preferably with the help of a trusted financial adviser.



- Your Member Account Balance at retirement is used to purchase a pension (annuity). This pension/annuity needs to provide you with an income for the rest of your life.
- A pension (annuity) may be purchased from any registered assurer. You may be able to select the guaranteed payment period and the minimum payment period as well as the level of pension you wish to provide for your partner. It is very important to obtain professional financial advice before purchasing an annuity, since some products cannot be changed once purchased.
- Annual pension increases (if applicable) will be determined by the pension (annuity) you have chosen to purchase at retirement.
- The monthly pension payment received from the annuity will be taxable, but as a monthly income and not as a lump sum.
- You may elect to take up to one-third of your Member Account Balance in cash, but at least two-thirds must be used to buy a pension of your choice, which will be paid to you each month.

Any amount taken in cash is potentially subject to taxation and the amount taken will obviously reduce the amount of the remaining benefit from which you can then purchase a pension.



- You may retire from age 55, or earlier with the consent of the Employer. The normal retirement age is 61 (or the age specified in your employment contract, if different). You may extend your retirement beyond this age, providing that both you, your Line Manager and Business Unit Executive have agreed to extend the Contract of Employment on an annual basis. The maximum age until which a contract can be extended is 65.
- You may retire at any age due to ill health. This will only be considered if you do not qualify to receive a Disability Income Benefit from Old Mutual.

TAX: WHEN YOU RETIRE

At retirement, you can take up to 1/3rd of your total savings as cash (although this will reduce your income in retirement). The following tax table will apply to any portion that you take as a cash lump sum. Your tax payable may be affected by any cash withdrawals you have taken in the past.

The annual income you receive from your pension (annuity) in future will be taxed according to the standard income tax tables.

TAX ON CASH PORTION TAKEN AT RETIREMENT	
Retirement Lump Sum Benefit Amount	Rate of Tax
R0 – R500 000	0%
R500 001 – R700 000	18% of taxable income above R500 000
R700 001 – R1 050 000	R36 000 + 27% of taxable income above R700 000
R1 050 001+	R130 500 + 36% of taxable income above R1 050 000

SOLUTIONS AT RETIREMENT

Old Mutual SuperFund's **Solutions at Retirement** can help to simplify your decisions at retirement. Although you are free to choose any annuity (pension) in the market, Solutions at Retirement gives you access to two straightforward annuity options. These are:

- The **Old Mutual Fund Select Annuity** (a guaranteed annuity); and
- The **Old Mutual Max Income Annuity** (a living annuity).

The Old Mutual SuperFund Management Board has selected these two annuity choices as suitable for the retirement income needs of most Old Mutual SuperFund members.

These annuities are supported by a helpful **at-retirement guidance process**. You can follow this process with the help of either your Old Mutual SuperFund Member Retirement Counsellor or your own trusted financial adviser.



You can find out more at www.oldmutual.co.za/corporate/retirement-funds/superfund-retirement-solutions

DEFERRED RETIREMENT

With Old Mutual SuperFund **Deferred Retirement**, you can **continue your Old Mutual SuperFund Membership, even though you have retired from your employer**. This means you can retire from Old Mutual, but defer the purchase of an annuity until you need it, by moving into the Deferred Retirement section of Old Mutual SuperFund. This option is suitable for members who plan to carry on working and earning an income after they have retired from Old Mutual, and so do not yet need their pension.



You can find out more at www.oldmutual.co.za/corporate/preservation-funds/superfund-deferred-retirement



GOVERNANCE

There are two levels of governance for Old Mutual employees in the Old Mutual SuperFund Pension Fund (“SuperFund”), to make sure that your retirement interests are completely protected:

- The **Management Board of Trustees** of SuperFund looks after all the members in SuperFund, including those who work for other employers.
- The **Joint Management Committee** is made up of representatives who are all Old Mutual employees. The **JMC is focused only on Old Mutual employees’ retirement benefits**

The Joint Management Committee (JMC) is responsible for looking after the interests of the grouping of Old Mutual employees in SuperFund (i.e. OMEGS members). The JMC is empowered by a Mandate granted by the Employer, as well as by provisions in the SuperFund Rules. There are 8 JMC representatives – 4 elected by you as members, and 4 appointed by the Employer.

The key functions of the JMC are to:

- Support the governance structure and processes of the Old Mutual SuperFund;
- Exercise oversight over all processes impacting upon the Old Mutual Membership;
- Oversee the investment and benefit framework and recommend changes and enhancements;
- Oversee communication and draft tailored communication specifically for the OMEGS membership; and
- Report back and make recommendations to the Employer regarding OMEGS.

THE JOINT MANAGEMENT COMMITTEE AS AT OCTOBER 2018



Karen Quinlan
(Executive Officer)



Glynis Pattison



Tendai Chigwida



Zulfa Abdurahman



Anele Mbuya



Sydney Sekese



Anton Naude



Trevor Abromowitz

HANDY NAVIGATION TIPS ON YOUR RETIREMENT SAVINGS JOURNEY



- Know the route: WWW.OMEGS.CO.ZA
- Take the freeway: **SAVE AS MUCH AS YOU CAN!**
- Avoid wrong turns
 - Make sure you **PRESERVE** your savings (if you leave Old Mutual)
 - There are no easy short-cuts: **SAVE FOR AS LONG AS YOU CAN!**
- Pick the right **INVESTMENT** lane: Choose the right investment(s) for your needs
- Safety features: Go for a simple medical test and boost your Life Cover to the **FULL COVER** benefit
- Need a navigator? Get **FINANCIAL ADVICE**

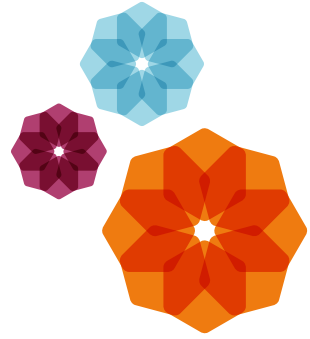


For further information, contact the SuperFund: Call Centre at 0860 20 30 40, fax 0860 38 38 48 or email superfund@oldmutual.com

You can consult two websites:

www.omegs.co.za is a website specific to Old Mutual employees. It contains information about your specific OMEGS benefits.

Secure Services (<https://secure.ssa.oldmutual.co.za/>) is a secure website where you can transact online. You can make investment switches, update your beneficiary nomination form, view your Member Account Balance, see historic transactions, and more.



CHECK LIST

WHAT'S YOUR SCORE?

HAVE YOU:

1. Done the medical test to apply for Full Life Cover benefit?
2. Filled in your beneficiary nomination form and made sure it is up-to-date?
3. Checked that you are contributing enough to your retirement savings?
4. Thought about your investment strategy?
5. Planned your holistic financial needs with a good financial adviser?
6. Registered for Secure Services?
7. If you're leaving Old Mutual: Thought about preserving your retirement savings?
8. If you're 5-10 years from retirement:
Started planning your finances and your life after retirement?

Check
box

