



glacier  
by Sanlam

## Two-pot retirement system - Glacier LISP retirement funds vs Sanlam Life retirement funds

*Kindly note this content is based on the Revenue Laws Amendment Act 12 of 2024, the Draft Revenue Laws Amendment Bill of 2024 and the Pension Funds Amendment Act of 2024, read together.*

The core principles of the two-pot system are applied consistently across retirement funds managed on both the Glacier LISP platform and the Sanlam Life platform. However, due to variations in charging structures, the need for flexibility on the LISP platform, and the distinct market segments targeted by products on each platform, some differences do exist.

<b>Glacier LISP Pre-retirement Solutions</b>	<b>Glacier Life Pre-retirement Solutions</b>
Personal Portfolios Retirement Annuity Fund Personal Portfolios Preservation Provident Fund Personal Portfolios Preservation Pension Fund	Cumulus Echo Preserver products <ul style="list-style-type: none"><li>➤ Sanlam Preservation Pension Fund</li><li>➤ Sanlam Preservation Provident Fund</li></ul>

The person referred to as the life insured in a Cumulus Echo Preserver solution, is a member of the Sanlam Preservation Pension Fund or the Sanlam Preservation Provident Fund, for the Cumulus Echo Pension Preserver and Cumulus Echo Provident Preserver, respectively. The appropriate fund holds a plan with Sanlam Life Insurance Limited (Sanlam Life), on the life of the member, to preserve the benefits until the member retires.

The table below compares the Personal Portfolios Preservation Funds with the Sanlam Preservation Funds, highlighting the key differences between the products offered on these two platforms.

	Personal Portfolios Preservation Funds	Sanlam Preservation Funds	Different?
<b>Vested Component - access before retirement</b>	Only one partial or full withdrawal prior to retirement from the member's vested component allowed, unless on emigration, death or disability.	Only one partial or full withdrawal prior to retirement from the member's vested component allowed, unless on emigration, death or disability.	No
<b>Retirement Component - access before retirement</b>	No access prior to retirement, unless on emigration, death or disability.	No access prior to retirement, unless on emigration, death or disability.	No
<b>Savings Component - access before retirement</b>	One withdrawal per contract per tax year is allowed.	One withdrawal per contract per tax year is allowed.	No
<b>Savings withdrawal benefit - fees</b>	<p>No transaction fees will be applied when making a withdrawal. If the savings component is emptied, annual fees may be levied proportionally for the number of days since the previous fee recovery and deducted from the withdrawal amount.</p> <p>Glacier's fees accrue at the end of each day. The fees are recovered monthly in arrears by selling units from your collective investments. We will recover the fees proportionally from all the components in a contract.</p>	A transaction fee of R500 will apply per withdrawal from the savings component. This is in line with the charge for any other transactions in the Fund.	Yes
<b>Minimum savings withdrawal benefit amount</b>	R2,000	R2,500	Yes
<b>Investment allocation within components</b>	Different investment options can be selected for the various components applicable within the retirement contract.	The amounts allocated to each of the various components will have the exact same investment fund allocation. This means that the amounts invested in each of the chosen investment funds will be split proportionally among the various components. The investment fund allocation may not be specified per component.	Yes
<b>Two-pot administration charges</b>	No explicit two-pot administration charge or increases in current charges.	<p>A <b>two-pot administration charge</b> of R15 per month is levied for the ongoing administration of the various components and related events specified under the two-pot system.</p> <p>A <b>two-pot administration payback</b> will accumulate over the term and is calculated as the sum of the monthly <b>two-pot administration charges</b> plus investment return up to the time of the calculation. When a withdrawal from the savings component occurs, the <b>two-pot administration payback</b> accumulated up to that point will be reduced by a percentage. * The reduction percentage will increase with each subsequent withdrawal event over the term of the investment. After the withdrawal from the savings component, the reduced <b>two-pot administration payback</b> will continue to accumulate with the monthly <b>two-pot administration charges</b> and investment return over the remaining term. The <b>two-pot administration payback</b>, calculated at the time of retirement, will be added to the benefit payable.</p>	Yes

		* <table border="1"> <thead> <tr> <th>Savings component: withdrawal event</th> <th>Two-pot Administration Payback reduction %</th> </tr> </thead> <tbody> <tr> <td>On 1<sup>st</sup> event</td> <td>25</td> </tr> <tr> <td>On 2<sup>nd</sup> event</td> <td>50</td> </tr> <tr> <td>On 3<sup>rd</sup> event</td> <td>75</td> </tr> <tr> <td>On 4<sup>th</sup> and subsequent events</td> <td>100</td> </tr> </tbody> </table>	Savings component: withdrawal event	Two-pot Administration Payback reduction %	On 1 <sup>st</sup> event	25	On 2 <sup>nd</sup> event	50	On 3 <sup>rd</sup> event	75	On 4 <sup>th</sup> and subsequent events	100	
Savings component: withdrawal event	Two-pot Administration Payback reduction %												
On 1 <sup>st</sup> event	25												
On 2 <sup>nd</sup> event	50												
On 3 <sup>rd</sup> event	75												
On 4 <sup>th</sup> and subsequent events	100												
<b>Impact of charges on components</b>	Any charges deducted from the Fund value will be applied proportionally between the applicable components.	Any charges deducted from the Fund value will be applied proportionally between the applicable components. Any Wealth Bonuses applicable, as well as the <b>two-pot administration charges</b> and <b>two-pot administration payback</b> will also be applied proportionally to the various components.	No										
<b>Regulation 28</b>	Withdrawals from the savings component may result in non-compliance with Regulation 28. The member will need to correct their position without delay.	No impact on Regulation 28 compliance.	Yes										

## About the two-pot administration payback

The intent of the payback system is to reward clients invested in a Cumulus Echo Preserver product when the client does not take savings withdrawal benefits from their savings component.

It is important to understand that the R15 monthly **two-pot administration charge** continues to accumulate in the **payback account**, after withdrawals have been taken.

Once the client reaches withdrawal number 4 of their investment term, the reduction percentage from the **payback account** remains 100% for each withdrawal until retirement.

### Examples

<b>Value of two-pot administration payback account</b>	<b>Savings withdrawal benefit number, over investment term</b>	<b>Two-pot administration payback account decreases by</b>	<b>Value of two-pot administration payback account after the withdrawal</b>
<i>Two-pot administration payback account value R1 000 before savings withdrawal benefit</i>	1	25%	R750
<i>Two-pot administration payback account value R1 500 before savings withdrawal benefit</i>	3	75%	R375
<i>Two-pot administration payback account value R2 000 before savings withdrawal benefit</i>	5	100%	R0

Please note: After a savings withdrawal event, the **two-pot administration payback account** will continue to receive the monthly R15.00 **two-pot administration charge**, along with the investment return.