

Implementation of recent amendments

We provide an update on the recent amendments to the Pension Funds Act and the Income Tax Act – in respect of increased foreign exposure (to 45%) and annuity income tax directives - and our plans for implementing these.

Foreign exposure limit increased to 45%

Exchange Control Circular No. 10/2022, in effect from 23 February 2022, confirms that the foreign exposure in terms of prudential limits applicable to institutional investors has been increased to 45% of total retail assets under management.

How the offshore limits changed

Changes to offshore limits

What this means for:

- Retirement savings: All retirement fund members may invest a maximum of 45% of their investment portfolios offshore.
- Endowments, sinking funds and living annuities: Life companies may invest a maximum of 45% of their retail assets offshore. Sanlam Life currently has sufficient offshore capacity and is not placing any restrictions on offshore exposure in the *Glacier Vantage Plan*, *Vantage Life Plan* and the *Living Annuity*.

Implementation at Glacier

This change has been implemented at Glacier. It affects:

- business transaction systems such as the intermediary web and the Investment Hub,
- financial planning tools, such as ICE,
- documentation and marketing collateral.

Annuity income tax directives: annuitants with more than one

source of income

SARS has introduced the concept of providing retirement funds, retirement fund administrators and insurers with **alternative tax rates per annuitant**. The aim is to provide a more accurate tax rate for annuitants receiving income from multiple sources, so that tax debt may be alleviated at the end of the tax year.

The industry has been given a choice to implement the rates either on 1 March or 1 April 2022, due to a second file with rates being made available after the budget speech on 23 February. As previously communicated, Glacier will be implementing these rates on 1 April for affected living annuitants. Sanlam Life implemented these rates on 1 March for the affected life annuitants.

Affected life annuitants will notice a difference in their income at the end of March, while affected living annuitants and investors in the FlexiGuarantee Life Annuity will notice a difference during the month of April 2022.

Please contact our Communication Centre or your Business Development Manager should you have any queries in this regard.

Glacier Financial Solutions (Pty) Ltd is a licensed financial services provider. Sanlam Life is a Licensed Life Insurer, Financial Services and Registered Credit Provider (*NCRCP43).

The Glacier Vantage Life Plan is an endowment policy underwritten by Sanlam Life Insurance Limited, a licensed financial services provider.

The Glacier Vantage Plan is a sinking fund policy underwritten by Sanlam Life Insurance Ltd, a licensed financial services provider

The FlexiGuarantee Life Annuity is administered by Glacier and underwritten by Sanlam Life Insurance Ltd.

The Glacier Investment-Linked Living Annuity is underwritten by Sanlam Life Insurance Ltd and administered by Glacier Financial Solutions (Pty) Ltd.

This document is intended for use by clients, alongside their financial intermediaries. The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document. For professional advice, please speak to your financial intermediary.

Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

Licensed Financial Services Provider | Glacier Financial Solutions (Pty) Ltd. is also a Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest | Sanlam Multi-Manager International (Pty) Ltd. | A member of the Sanlam Group

Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07

Licensed Discretionary Financial Services Provider, acting as Juristic Representative under the Glacier Financial Solutions FSP 770

Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

Reg No 1998/021121/06 | Licensed Financial Services Provider