SENTINEL BENEFITS IN A NUTSHELL

<table>
<tr><th>BENEFIT TYPE</th><th>QUALIFICATION CRITERIA</th><th>BENEFIT COMPOSITION</th><th>MEMBER OPTIONS</th><th>TAX IMPLICATIONS</th></tr>
<tr>
<td>**WITHDRAWAL due to RESIGNATION or DISMISSAL**</td>
<td>The option to withdraw or transfer a benefit becomes available once you have left the service of your employer.
A cash withdrawal may not be claimed if you have already reached your Normal Retirement Age (NRA).</td>
<td>The benefit consists of your Fund Credit (accumulated retirement savings) on the date that you notify the Fund of your option by submitting the appropriate application form.</td>
<td>You may:
• Retain paid-up membership in Sentinel and decide later.
• Retire in Sentinel, if you qualify.
• Transfer to another approved fund.
• Withdraw in cash before NRA.</td>
<td>A transfer to another approved fund (excluding a provident fund) will be done free of tax.
The following tax table will apply to cash withdrawal benefits:
<table>
<tr><th>Lump Sum Value</th><th>Rate of Tax</th></tr>
<tr><td>R1 to R27,000</td><td>0%</td></tr>
<tr><td>R550,001 to R 726,000</td><td>18% of amount above R27,000</td></tr>
<tr><td>R726,001 to 1,089,000</td><td>R125 730 + 27% of the amount above R726 000</td></tr>
<tr><td>R1 089 001 and above</td><td>R223 740 + 36% of the amount above R1 089 000</td></tr>
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<tr>
<td>**WITHDRAWAL DUE TO RETRENCHMENT**</td>
<td colspan="3">Members who are retrenched will qualify for a WITHDRAWAL benefit and all the above will apply, except for the tax treatment that may be better. Alternatively, you may qualify for a RETIREMENT or DISABILITY RETIREMENT in which case the relevant sections below all apply.</td>
<td rowspan="3">The following tax table will be applied to certain retrenchment withdrawal benefits and retirement lump sums:
<table>
<tr><th>Taxable Income</th><th>Rates of Tax</th></tr>
<tr><td>R1 to R550,000</td><td>0%</td></tr>
<tr><td>R550,001 to R 770,000</td><td>18% of amount above R550,000</td></tr>
<tr><td>R770,001 to 1,155,000</td><td>R39,600 + 27% of amount above R770,000</td></tr>
<tr><td>R1,155,001 and above</td><td>R143,550 + 36% of amount above R1,155,000</td></tr>
</table>
This table is applied on an accumulative basis to retirement fund and employer lump sums.
Monthly pensions are taxable and fall within the ambit of PAYE regulations
Disability pensions are taxable and do not qualify for tax exemption.</td>
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<td>**RETIREMENT**</td>
<td>The option to retire from the Fund becomes available when you have left your employer and are within 10 years from your Normal Retirement Age (NRA) and at least 50 years old.
Once you have attained NRA, it is compulsory to retire in the Fund when you stop contributing through your employer.</td>
<td>A retirement benefit is based on your Fund Credit and consist of maximum one-third lump sum, plus a monthly pension(s).</td>
<td rowspan="2">The Pension Income Choice model allows retirees to sculpt the ideal income package, consisting of:
• Guaranteed pensions, including:
• A guarantee that the pension will be paid for the life of the pensioner and nominated spouse thereafter.
• 75% or 100% spouse pensions.
• A term certain guarantee of 5 to 25 years to secure payment beyond the death of the pensioner.
• The purchasing power is maintained on a ‘with profit’ increase basis.
• Flexible pensions (living annuities), provided that requirements are met.</td>
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<tr>
<td>**RETIREMENT DUE TO DISABILITY**</td>
<td>To qualify for a disability benefit, the Trustees must be satisfied that you are totally and permanently incapable to perform your own and similar occupations in a specific environment. Medical evidence must be submitted to support your claim.</td>
<td>Once approved by the Trustees, your Fund Credit will be enhanced by additional risk cover (provided that you participated and contributed towards Sentinel’s Risk Benefits) and a retirement benefit will be awarded on the total available capital.</td>
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<tr>
<td>**DEATH OF A MEMBER**</td>
<td>A death benefit becomes payable when you die whist in service (irrespective whether you died at work or not) and the Fund has been notified of your death.</td>
<td>A deceased contributory member’s Fund Credit will be enhanced by additional risk cover (provided that the member participated and contributed towards Sentinel’s Risk Benefits) and the total will form the basis for benefits.
50% of the total available funds will be used to provide a spouse or spouses pension, if applicable, and the balance will be paid in lump sums to dependents, nominees of the Estate.</td>
<td>A lump sum allocation to a spouse, or part thereof, may be used to increase the spouse pension.
Spouse pensions are guaranteed for life and the purchasing power is maintained on a ‘with profit’ principle. Spouses may elect a term certain guarantee of between 5 and 25 years to secure the payment to dependents beyond the death of the spouse.</td>
<td>Lump sums are taxed in the hands of the deceased member. The following tax table will be applied to lump sums:
<table>
<tr><th>Taxable Income</th><th>Rates of Tax</th></tr>
<tr><td>R1 to R550,000</td><td>0%</td></tr>
<tr><td>R550,001 to R 770,000</td><td>18% of amount above R550,000</td></tr>
<tr><td>R770,001 to 1,155,000</td><td>R39,600 + 27% of amount above R770,000</td></tr>
<tr><td>R1,155,001 and above</td><td>R143,550 + 36% of amount above R1,155,000</td></tr>
</table>
Monthly pensions are taxable in the hands of the spouse(s) and fall within the ambit of PAYE regulations.</td>
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