

Honey Umbrella Fund Simply Put



The Honey Umbrella Fund is an employer-sponsored retirement fund, designed to help employers provide retirement benefits to their employees that are structured, compliant and cost-effective.

Key features and benefits

For Employers	For Employees (Members)
A ready-made solution designed to meet regulatory requirements and overseen by an independent Board of Trustees	A structured and efficient way to save for retirement through your employer
Provide retirement and (where applicable) risk benefits without setting up your own fund	Contributions made by your employer (and where applicable, by you) are invested to grow your savings, with tax deductions applied in line with legislation
Flexibility to structure benefits with support from your financial advisor or consultant	Investment growth is tax efficient, with no tax on interest, dividends or capital gains within the Fund
Contributions are managed through payroll and paid to the Fund	Access to a range of investment portfolios selected as part of your employer's benefit structure and, where applicable, insured risk cover
Reduced administration burden, with ongoing management and compliance handled by the Fund (Employers remain responsible for correct and timely contributions in terms of legislation)	Access to a portion of your savings before retirement in line with legislation
	Flexibility at retirement, including options to take a portion in cash and/or secure an income
	Retirement fund benefits are generally protected from creditors subject to applicable legislation
	Death Benefits are exempt from estate duty and executor's fees

How contributions work

For Employers:

- You deduct contributions via payroll and pay these over to the Fund
- Contribution rates are defined as part of your employee benefits structure

For Employees (Members):

- Contributions may include employer and employee portions
- You may make additional voluntary contributions if your employer allows for it
- Transfers from other approved funds are permitted (Subject to both Funds' rules and legislation)

The Honey Umbrella Fund (Honey Pension Fund) (Reg. No 12/8/0037068) and Honey Provident Fund (Reg. No 12/8/0037069) are registered Funds in terms of the Pension Funds Act 24 of 1956. The registered office is B02G002, Building 2, Bridgeport House, Ground Floor, Hampton Office Park, 20 Georgian Crescent, Sandton, 2152.

Tel: 0860 202 202, Email: umbrella@honeyinvestments.co.za and website: www.honeyinvestments.co.za.



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How contributions work (continue)

Your investment is allocated to different components based on when you contributed to a retirement fund as follows:

Savings Component: 1/3 of all contributions post 1 September 2024 & growth thereon.

Retirement Component: 2/3 of all contributions post 1 September 2024 & growth thereon.

Vested Component: All contributions between 1 March 2021 and 31 August 2024 & growth thereon.

Vested Rights: All contributions to a provident fund/provident preservation fund prior to 1 March 2021 & growth thereon.

Risk benefits

For Employers:

You may include risk benefits (such as death and disability cover) as part of your employees' overall benefits package

For Employees (Members):

You may have risk cover as part of your Fund benefits, depending on your employer's risk benefit structure

This may include:

- Life cover
- Disability cover
- Funeral cover

These benefits are designed to provide financial protection

Access to savings at retirement

From the **1st of September 2024**, your retirement savings are split into:

Component type	Retirement options
Retirement Component	The full value must be used to purchase a compulsory annuity from an insurer to provide you with a regular income.
Savings Component	You may take the available amount in cash, subject to certain conditions Any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.
Vested Right (older savings)	You may take some or all in cash at retirement or use it to provide an income by the purchase of a compulsory annuity.
Vested Component	Up to 1/3 may be taken in cash, and the remainder must be used to purchase a compulsory annuity from an insurer.

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Access to savings at retirement (continue)

- If your total fund value is R360,000.00 or less, you may take the full value in cash.
- If your total fund value is more than R360,000.00, you may take 1/3 in cash, but the remaining 2/3 must be used to purchase an annuity.

Access to savings before retirement

For Employers

The Fund is designed to support long-term retirement outcomes for your employees, while allowing limited access to savings where permitted by legislation.

Access to savings is governed by the Fund Rules and applicable legislation.

For Employees (Members)

You may access a portion of your retirement savings before retirement through the Savings Component.

The following rules apply:

- One withdrawal is allowed per tax year (1 March to end February)
- A minimum withdrawal amount applies (currently R2 000.00)
- Tax treatment depends on the type of withdrawal:
 - Savings Component withdrawals are taxed at your marginal income tax rate;
 - If you withdraw from the Fund before retirement, tax is applied using SARS withdrawal tax table

These tax tables are published by SARS and are updated from time to time, usually as part of the annual National Budget

The following components are preserved until retirement:

Retirement Component: You cannot access this while you are still employed. In limited cases (such as emigration or where permitted by law), withdrawals may be allowed.

Vested Component: Cannot be accessed while you remain employed. It may be accessed when you leave your employer, subject to tax.

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Important:

Withdrawing from your savings will reduce your retirement savings and the income you receive at retirement.

When Employment Ends

For Employers

The Fund manages the exit process in accordance with the Fund Rules and applicable legislation which reduces administrative complexity and ensures that member benefits are processed correctly.

For Employees (Members)

Your membership of the Fund is linked to your employment with your employer.

When your employment ends, you will have options in respect of your retirement savings, including:

- Taking a portion of your benefit in cash (tax will apply)
- Transferring your benefit to another approved retirement fund
- Preserving your benefit within the Fund (if permitted)

Your retirement savings remain protected and continue to be invested until you choose one of the available options

Investment Options

For Employers:

- You have access to default investment strategies for your employees
- Investment governance is managed by the Fund's trustees

For Employees (Members):

- Your contributions are invested in professionally managed portfolios
- You may have the option to choose or switch portfolios (depending on employer rules)

Important information about investing:

- The Fund's investment options are designed to comply with the prudential investment requirements applicable to South African retirement funds
- Investment values may go down as well as up; and
- Your benefit is not guaranteed and may be lower due to market performance or early withdrawals

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How much does it cost?

Fees may include administration, investment management, governance and advisory fees. These are disclosed in your member statement or benefit schedule.

For Employers:

A transparent and scalable fee structure applies to the Fund

For Employees (Members):

Fees are deducted from your investment and may include:

- Administration fees
- Investment management fees
- Advisor fees (if applicable)

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Summary of allocation of contributions & withdrawal / retirement options

Honey Umbrella Plan



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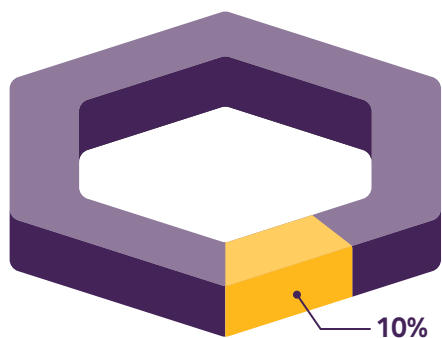
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Honey Investment Solutions (Pty) Ltd, (Reg. No. 2021/848795/07), an authorised 13B retirement fund administrator (24/816) and Financial Services Provider (FSP No. 52376). Honey Investment Solutions (Pty) Ltd is a subsidiary of Holland.

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Saving for retirement: How much is enough?



As low as 10% of people saving for retirement will save enough to make ends meet during retirement

(Source: National Treasury paper: Strengthening Retirement Savings, 2012)

After working for 10 years you need to have **saved 2x** your annual salary for your retirement

(Source: www.sanlambenchmark.co.za)

20 Years:
4x Salary

After working for:

30 Years:
7x Salary

40 Years:
12x Salary



Only 7 million South Africans have access to formal retirement saving through an employer

(Source: Quarterly Labour Force Survey, Quarter 3, Statistics SA, 2)

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Disclosures

- This document is for information purposes only and does not constitute financial advice.
- This document is a summary only. In all cases, the registered Rules of the Fund will apply.
- Where applicable, past performance or return examples are not guaranteed and future outcomes may differ.
- You may wish to speak to a financial adviser before making decisions.
- If you have a complaint, please follow the process as per the Complaints Policy found available on our website www.honeyinvestments.co.za. Unresolved complaints may be referred to the Pension Funds Adjudicator or FAIS Ombud.
- If you do not choose an annuity at retirement, the Fund's default annuity strategy will apply.
- You will receive a retirement benefit counseling document before retirement.
- In the event of death, benefits are distributed by the Trustees in terms of section 37C of the Pension Funds Act and may not follow your will.

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