

# UNCLAIMED BENEFIT PRESERVATION FUND



At Fedgroup, a family-owned company that has grown to become South Africa's leading independent financial services group, we're in the business of paying benefits.

That is why we aim to exceed the industry standard in tracing and tracking the beneficiaries of unclaimed benefits.



**FEDGROUP**

# PAYING THOSE WHO NEED IT MOST

Unclaimed benefits are defined as those not paid by a fund to a member, former member, or beneficiary within 24 months of the date on which it became legally due and payable. As legislation within the Pension Funds Act and Revenue Laws Amendment Act dictates that funds cannot remain in an active provident fund indefinitely, unclaimed benefits have to be transferred into an unclaimed benefit fund. These funds are therefore established to receive and administer these unclaimed benefits, which originate from various retirement funds where members or beneficiaries have not claimed the benefits that are due to them. The main purpose of unclaimed benefit funds is therefore to provide a vehicle to safeguard benefits and to trace members or beneficiaries in an effective and efficient manner, ensuring that the funds get to those for whom they were intended.

The funds are governed by their own rules, which are registered with the Financial Services Board (FSB) and are approved by the South African Revenue Service (SARS). Employers and retirement funds that choose to participate in unclaimed benefit funds can enjoy numerous benefits, including:

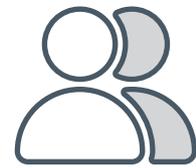
## INCLUDED BENEFITS



**Reduced costs in tracing beneficiaries**



**Greater efficiency in tracking.**



**More capacity from human resources to focus on business-related issues.**

## A DISTINCTIVE OFFERING

The singular purpose of unclaimed benefit funds is to find the members or beneficiaries and pay out the benefit, while limiting the associated costs in the process. As such, Fedgroup's industry-leading Retirement Unclaimed Funds aim to:

- Protect and preserve the benefits of its members.
- Provide a competitive rate of real return to minimise the effect of inflation, and maximise a member's benefits, taking into account appropriate and acceptable risk levels, taxation and costs.
- Ensure that fund assets are available.
- Comply with all aspects of regulation.
- Ensure that benefits reach those for whom they were intended.

## A DISTINCTIVE OFFERING

Accordingly, the trustees of Fedgroup Retirement Unclaimed Funds have invested in a linked investment policy through FedGroup Life.

The funds are invested in the Fedgroup Beneficiary Portfolio, which seeks to preserve capital while targeting real growth at a benchmark of CPI plus 3% over a rolling three-year period. Investments are expertly balanced between equity, debt, immovable property and cash.

# FUND COSTS AND FEES

There is no minimum value on the lump-sum amount that will be accepted.

## FUND FEES INCLUDE

1.15% acceptance fee,  
including VAT.

Annual administration fee of 1.15%,  
including VAT\*.

Dissolution/distribution fee of 1.15%,  
including VAT.

\*The administration fee is calculated by applying the referenced percentage to the market value of the underlying assets at the end of each day, and taking 1/365th thereof. The fees are accrued daily and recovered monthly in arrears from the underlying assets.

## A PROACTIVE APPROACH

Fedgroup uses a proactive tiered approach to actively track and trace beneficiaries, using the most cost effective method first.

This beneficiary tracking process evolves from the most cost-effective method, namely electronic tracing, to more involved, resource-intensive physical tracing processes, which are more expensive.

With this approach Fedgroup is able to trace approximately 33% of people in the first phase, with an additional 33% generally found in the second phase, with the remaining 33% generally found in third and final phase.

## TRACING FEES

Tracing works on a no-trace-no-fee basis.

The tracing fee varies depending on the provider utilised, but ranges from R5 to R1,500 depending on the phase and specific requirements. The tracing fee is deducted from the amount distributed.

**Contact us:**

0860 065 065 | [UFcontact@fedgroup.co.za](mailto:UFcontact@fedgroup.co.za)  
89 Bute Lane, Sandown, 2196 | [www.fedgroup.co.za](http://www.fedgroup.co.za)

Western Cape: 021 949 2100 | KwaZulu Natal: 031 202 1903 | Eastern Cape: 041 365 6525

