

Dear colleague

Please note the following important matters concerning staff benefits.

Stellenbosch University Retirement Fund (SURF) contribution rate

In 2020, the SURF rules were amended to permit reduced contribution levels to a minimum of 5% of pensionable remuneration as a temporary measure to offer members some financial relief. In 2021, the rule amendment was reversed to ensure that all employees appointed from 1 January 2022 again contribute at least 15%. In line with this, the SURF board of trustees have decided to automatically increase the contribution rate of all employees who have been contributing below 15% of pensionable remuneration by 2,5% per year. The objective is to gradually restore the contribution level to 15%. However, should your financial position not allow for an increase in contributions to the fund, you may choose to retain your current contribution rate. Please email the Human Resources Client Service Centre (sun-e-hr@sun.ac.za) to indicate your choice. For record-keeping purposes, Human Resources will act on written requests only.

Benefits for 2023

In October 2022, the University and its consultants again conducted a market analysis to source the best premiums for our risk benefits. We were faced with some difficult decisions in light of the industry's post-Covid premiums. While pricing in the insurance market is subject to a significant amount of uncertainty going forward, the insurers did try to lower their premiums wherever possible. Human Resources, the University's benefit consultants (Simeka) as well as the SURF Death and Benefits Subcommittee thoroughly examined the quoted premiums and returned to the negotiating table several times to secure the best possible deal for our employees. The results of the market research are listed below, by risk benefit:

1. Spouse's and children's pension

Current insurer:	Momentum
Benefit:	Spouse's pension of 35% of pensionable remuneration, and children's pension (maximum three children) of 10% of pensionable remuneration, but with minimum cover of two times annual pensionable earnings. When the benefit is paid as a pension, annual increases will be in line with inflation. <i>SURF members with no spouse or qualifying children may opt out of this insured death benefit.</i>

Click on the link for more information and application documents:

[Spouse's and children's pension](#)

Current tariff: 1,923% of pensionable remuneration
New tariff: 1,047% of pensionable remuneration

Monthly cost of the benefit based on pensionable remuneration of R700 000 per annum:

Current cost: R1 121,75
New cost: R610,75

Please note the following:

Although Momentum gave SURF a further premium discount, we received a 46% lower quote from Sanlam for a nearly identical benefit. The only difference is that if a pension is to be paid out under this benefit, the annual increase will be at inflation, but limited to 10%, while Momentum offered us an uncapped inflation-linked increase. The Rectorate and SURF board of trustees subsequently decided that the uncapped inflation-linked benefit is too expensive, and therefore, the benefit will be moved to Sanlam from 1 January 2023.

2. Group life insurance

Current insurer: Momentum
Benefit: Five times pensionable remuneration
Current tariff: R0,392 per R1 000 cover
New tariff: R0,315 per R1 000 cover

Monthly cost of the benefit based on pensionable remuneration of R700 000 per annum:

Current cost: R1 372,00
New cost: R1 102,50

Please note the following:

- Although Momentum gave SU a further premium discount, Sanlam's quote for a similar benefit was even lower, representing a cost reduction of 16%. Therefore, we will be moving the benefit to Sanlam from 1 January 2023.
- All employees will be returned to five-times cover from 1 January 2023, as the permitted reduction to three times was only an interim measure to mitigate the huge premium increases for 2022. We still have the option to allow employees to reduce their life cover to three times in the first three months of 2023. Sanlam has also agreed to allow employees to increase or decrease their cover multiple as required by life events such as marriage or divorce.

If you wish to reduce your cover, please request this by emailing the Human Resources Client Service Centre (sun-e-hr@sun.ac.za). For record-keeping purposes, Human Resources will act on written requests only. In making your decision, keep in mind that should you switch to three-times cover now, and then choose to return to five-times cover in the course of the year, the extra cover will be charged at the rate applicable to optional cover (see below).

Optional additional cover of two-times pensionable remuneration

Current tariff:	R0.588 per R1 000 cover
New tariff:	R0,504 per R1 000 cover

Click on the link for more information:

[Additional group life cover](#)

3. Disability cover

Current insurer:	Momentum
Benefit:	Maximum of 75% of total cost of employment (capped at marginal tax rate) after a three-month waiting period
Current tariff:	0,874% of pensionable remuneration
New tariff:	1,067% of pensionable remuneration

Monthly cost of the benefit based on pensionable remuneration of R700 000 per annum:

Current cost:	R509,83
New cost:	R622,42

4. Spouse's insurance

Current insurer:	Old Mutual
Benefit:	Two times pensionable remuneration
Current tariff:	R0,415 per R1 000 cover
New tariff:	R0,395 per R1 000 cover

Monthly cost of the benefit based on pensionable remuneration of R700 000 per annum:

Current cost:	R581,00
New cost:	R553,00

5. Funeral cover

Current insurer:	Old Mutual
Benefit:	Current maximum cover of R20 000, to be increased to R30 000
Current tariff:	R37,59 per family
New tariff:	R41,85 per family

Additional funeral cover (also for R30 000)

Aged up to 64:	R57,00
Aged 65 to 74:	R112,50
Older than 74:	R183,00

Click on the link for more information:

[Additional funeral cover](#)

6. Medical aid participation

All permanent employees at post levels 1 to 10 must be a member of a registered South African medical scheme. However, you may now apply for exemption to belong to a medical scheme other than one of SU's chosen schemes. Do so by providing the University's Healthcare Committee with a written motivation, explaining why you wish to be exempted.

Kindly note: Exemption does not do away with the medical aid requirement; it merely allows you to belong to a scheme of your own choosing. In addition, employees who qualify for post-retirement healthcare benefits will forfeit these benefits if they choose not to participate in one of the University's chosen schemes.

Please ensure that this notice also reaches all staff without email access.

For any enquiries, feel free to contact the Human Resources Client Service Centre on 021 808 2753 or sun-e-hr@sun.ac.za.

Kind regards

Ebrahiem Abrahams
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