

Road Map - Risk benefits

FUNDS ADMINISTERED BY GTC



Your journey to financial wellbeing starts here.
Here is your guide to the various risk benefits available to you as a member of your fund.



Group risk benefits



Supplementary benefits may be offered.

The most common are group risk benefits in respect of death, disability and funeral benefits.

As these benefits are established on a group basis, premiums are generally lower than individual risk policies.

Group risk schemes usually have free cover limits. Only where cover is beyond the limit, is medical underwriting required.



Group life cover

Approved group life cover permits tax relief on the monthly premium. Should you die, the insured amount is included with your share of fund payable to your dependants or beneficiaries and could be subject to the tax, if paid as a cash lump sum.

Unapproved group life cover does not qualify for a tax deduction on the premium. Should you die, the insured amount is not included with your share of fund but rather paid out separately to your nominated dependants or beneficiaries on a **tax free basis**. 😊

Group life cover is generally set up as a multiple of your annual risk salary.



Disability cover

Group disability cover is structured in one of two forms, selected by your management committee or your employer.

The first option is called an Income Continuation Benefit (ICB) which usually pays out a benefit at monthly intervals. Different levels of benefits can be elected. In most instances you remain a member of the fund until you either recover, retire or die.

After the waiting period, this benefit is paid out **tax free**. 😊

The second option is a cash lump sum that is paid to you, known as a capital disability benefit and is usually paid out after meeting the specific criteria as stipulated in the insurer's policy document. In most instances you would not thereafter remain a member of the fund.

The amount you receive is generally set up as a multiple of your annual risk salary and there may be tax implications. 🤔

Education protector benefit

Some insurers make provision for a payment towards your child/ren's education costs, should you die.



Severe illness benefit (SIB)

SIB, also known as critical condition benefit or dread disease benefit, pays out when you meet the criteria as stipulated by the insurer. Claims are triggered by being diagnosed with an insured illness or injury with severity levels impacting the amount payable to you.

The total payment amount is generally set up as a multiple of your annual risk salary and is paid out **tax free**. 😊

There is normally a **rand limit** to the benefit.

Spouse's cover

If this benefit has been selected, on the death of your spouse a lump sum benefit will be paid out to you.

The benefit is paid out **tax free**. 😊

The amount is generally set up as a multiple of your annual risk salary.

Funeral benefits

If selected, this benefit provides your family with some immediate financial assistance should you, your spouse or your child/ren die, and is set up on a sliding scale.

The benefit is paid out **tax free**. 😊

Medicals and free cover limits

Within predetermined medical free cover limits, you don't need to undergo any medical underwriting. You will need to do so for any amount in excess of the medical free cover limit. These limits may change from time to time.

Please contact your accredited financial advisor if you would like to discuss any of these benefits and the continuation thereof, when you leave service. Alternatively, contact GTC as your administrator, in this regard. T: 010 597 6920 or E: clientservicing@gtc.co.za. GTC's Privacy Policy can be viewed on the GTC Website at <https://gtc.click/Group-Privacy-Policy>. It is important that you read and understand the Privacy Policy.