

# simply

## Staff Cover



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## WHY SHOULD I CONSIDER STAFF COVER?

People who work in your business are an important part of your daily life. They are often family breadwinners. If tragedy strikes, their dependents may be left destitute. As their employer, you may feel a moral responsibility towards their families.

Chances are many of your staff don't have life cover (or where they do, it's insufficient). Staff Cover is typically much cheaper than the cover your staff might have taken out for themselves. So, if you can get them insured at a lower cost, they might be able to make substantial savings, even where you pass the cost on to them.

Also, some of your staff may not be able to get cover for themselves due to existing health issues. With Staff Cover, depending on the size of your business and other factors, your staff may be guaranteed cover regardless of their current state of health.

## WHO IS SIMPLY?

Simply is a new player in the South African insurance world. Our mission is to secure the financial futures of millions of people. The company offers life, disability and funeral insurance combos designed to meet people's needs in a way they understand, at a price they can afford.

Simply is an authorised Financial Services Provider. We market, distribute and service long-term insurance products. These products are underwritten by Old Mutual Alternative Risk Transfer Limited (OMART), a registered long-term insurance company in the Old Mutual Group.

## ONLY 6 OF THEM WORK FOR YOU



**but their families rely on you too.**

## HOW DO I SIGN UP?

The entire sign-up process is online and can be completed in less than 15 minutes. To get covered, or to just get a quote, go to <https://group.simply.co.za>.

Before getting a formal quote, you can get an idea of what it would cost with a quick quote on our website. With an estimate of gender split and average salary, you'll get an idea of pricing for your company. For a full quote, you'll only need to provide the gender, gross monthly income, age (or date of birth) and first name of all your employees. You can upload this from a spreadsheet, or add one employee at a time.

You can then choose any combination of life, disability and family funeral cover, as well as the cover amounts you want to provide. The premium will change in real time as you adjust your selections.

Once you're happy with your selection and want to takeout the cover, simply provide the remaining employee details: surname, cellphone number, employment start date, date of birth, ID number and email address (optional).

Provide your company details, such as company name, registration number and contact details.

Your employees are covered! We'll contact them directly to collect any outstanding information we may need.

If you have any question as you go through the process, you can contact one of our agents who will be glad to guide you through the process, or to draw up a quote for you to review.

## HOW DOES THE PRODUCT WORK?

### BENEFITS

Simply Staff Cover offers 3 different benefits. You, as the employer, can choose all 3, or any combination of benefits – it's up to you. You can also tailor the amount of cover per benefit to suit your budget.

### Life Cover

This benefit pays a cash lump sum to your employee's family when they die. The lump sum is paid to whoever is nominated as the beneficiary, and they can use the cash to settle any debts and pay for things your employee's monthly income used to cover, such as rent, school fees and food.

You can select the same amount of cover for everyone (anywhere between R50k and R2m), or you can set the cover as a multiple of each employee's annual salary (anywhere between 1X and 5X annual salary).

Beneficiaries will also receive an additional R3000 (R500 cash per month for 6 months) after your staff member's death to help cover the cost of groceries.

### Funeral Cover

Funeral Cover is a form of life insurance, primarily aimed at covering the costs of the funeral, where life insurance might pay out too late. It pays out a cash lump sum within 24 hours of all required information being received (where the claim is valid), and covers the employee, their spouse, and all legal children.

You can select the amount of funeral cover anywhere between R5k and R50k, it will need to be the same for all staff. Note the benefit is less for children aged under 14.

The cover does not terminate on the death of the employee's spouse or children. If the employee dies, their spouse and children will continue to be covered for a further 6 months at no cost.

Only family members who are resident in South Africa can be covered under the Family Funeral Plan, and children are only covered until they turn 21.

### **Occupational Disability Cover**

Simply occupational disability cover pays out a lump sum to your employee if they become totally and permanently unable to perform the duties of their current job or another suitable job, due to illness, injury or surgery.

Determining what other job they might be suited for will take into account their education, training and experience, and could be with another company.

As with the life cover, you can select the same amount of cover for everyone (between R50k and R2m), or you can set the cover as a

multiple of each employee's annual salary (between 1X and 5X annual salary). The lump sum can be used to cover medical expenses or to compensate them for the loss of income due to their inability to work.

## **WHICH EMPLOYEES ARE ELIGIBLE TO JOIN?**

You can cover anyone who is:

- Between 18 and 65 years old
- Permanently employed or on 6+ month contracts
- Legally employed in SA
- Actively working 20+ hours a week, in SA

If any employees don't meet these requirements, you'll need to leave them off the policy.



## COMPULSORY OR VOLUNTARY?

There are two options available when choosing Simply Staff Cover:

- **Compulsory:** Where you intend that all eligible employees will be covered under the policy (existing and new joiners), the compulsory option is more appropriate. This option has certain benefits over the voluntary version, such as better rates and lower requirements for guaranteed cover and waiting periods. These will be explained later in this brochure.
- **Voluntary:** Where you intend to give employees the choice whether or not to join the scheme (or you as the employer want to decide who will get the cover), then the

voluntary version is the right solution, as long as at least 5 people are covered.

## GUARANTEED COVER

Simply Staff Cover may guarantee a certain amount of full cover to each employee no matter their state of health. Full cover here means that the benefit is paid even if the cause of death is a pre-existing illness. The rules around guaranteed cover depends on the number of employees you're covering, and on the participation rate, i.e. the proportion of eligible\* staff that are covered.

**Where Guaranteed Cover is available as per table on the left, the level will depend on the size of the group as the right:**

Product	Participation Rate	Guaranteed Cover	Employee	Guaranteed cover per employee
<b>Compulsory</b>	100%	Yes, for groups of 5+	<b>Up to 49</b>	Up to R500k life, up to R500k disability, up to R50k family funeral cover
<b>Voluntary</b>	80% or more	Yes, for groups of 10+	<b>50 - 99</b>	Up to R1m life, up to R1m disability, up to R50k family funeral cover
<b>Voluntary</b>	50% to 80%	Yes, for groups of 15+	<b>100 +</b>	Up to R1.5m life, up to R1.5m disability, up to R50k family funeral cover
<b>Voluntary</b>	less than 50%	None		

You may offer more than this guaranteed amount of cover, but we'll need to ask each employee 3 simple medical questions for them to qualify for the extra cover (employees can answer these medical questions themselves online, or we'll phone them to ask the questions). If these questions identify an existing health condition that prevents us from offering full cover for the amount above the guaranteed amount, the extra cover will be limited to accidental causes only.

## EXCLUSIONS

Unfortunately, no benefit can be paid if the death or injury is caused by one of the following:

1. Participation in any terrorist activity, riot, civil commotion, rebellion or war.
2. Radioactivity or nuclear explosion.
3. For life/funeral cover: suicide or deliberate self-injury within 2 years of starting the policy. For disability cover: attempted suicide or deliberate self-injury at any time.
4. Refusal of treatment recommended by a registered medical practitioner.
5. Some staff members may not be able to claim disability benefits where the disability is as a result of an existing condition. These exclusions will be highlighted in their policy schedule.

## WAITING PERIOD

This is the 6-month period directly after you've taken out the policy, where cover is limited to accidental causes. The rules differ depending on the product version you have selected.

### Compulsory

There is no waiting period for Life or Funeral benefits.

The waiting period only applies to the disability benefit. So, if your employee is disabled due to natural causes during the waiting period, the claim won't be paid. After that your employees will enjoy full cover.

Waiting periods may also be waived or reduced for staff who are already covered under an existing staff policy.

### Voluntary

The 6 month waiting period will apply to all benefits unless at least 80% of the employees who are eligible for the benefit are participating in the scheme. If at least 80% of the eligible employees are covered, the waiting period will only apply to the disability benefit.



## HOW DO THE BENEFITS AND PREMIUMS CHANGE

The cover level for each employee is fixed in rand terms at the start of the policy. Cover will not automatically increase in line with your employees' salary, even if you initially chose the cover level as a multiple of their salary.

You can choose to adjust the cover for your employees at any time, subject to product and underwriting limits.

If changes in cover are purely as a result of changes in staff salaries, then the additional cover will not be limited in any way. However, if you choose to increase benefits (for example increase the multiple of salary offered), your staff may have to answer simple health questions to qualify, and a new Waiting Period may apply to the additional cover, subject to the same rules as apply to the initial cover.

Likewise, premiums are fixed in rand terms, and will not change for at least one year, unless you choose to change the benefits as above. On 1 June each year, premiums will be revised to reflect the current age of the employees, and potentially other factors. For the voluntary version of the product, the participation rate will be reviewed at this time, and this may impact the terms that are offered to new joiners. You will be provided at least 60 days' notice of the changes to your policy, and you will have the opportunity to revise the benefits or cancel the policy at this time.

Note that no change will be applied where the first increase date falls less than one year from the start of your policy, so your premiums are fixed for at least the first year, and possibly for almost the first 2 years of your policy (assuming no change in staff or in benefits).

## WHAT HAPPENS WHEN A NEW EMPLOYEE JOINS, OR SOMEONE LEAVES?

Adding employees who have joined your company is easy via our online portal, just log in and give us their details, we'll confirm the price for them and contact them to complete the process. For the compulsory version, all new employees must be added to the policy. For the voluntary version, it is up to them (or to you) as to whether they join. If they do not join within the first 90 days from the start of their employment, they will have to wait until the next policy review date (i.e. the next 1 June).

Likewise, if someone leaves the company, you can log on and remove them, your premium will be adjusted immediately. Because you know the premium we charge for each person, it'll be very clear how your overall cost will change. For the voluntary version, individual employees can be removed from cover at any time, but if they leave, they will only be able to join again at the policy review date.

When an employee leaves your company, we will contact them and offer them the option to convert to our Family Cover product. They will enjoy the same benefits as they had under the Staff Cover product, without asking them any medical questions.

Any waiting periods will also be backdated to when they were first covered under the Staff Cover product.

This makes for a seamless transition and allows ex-employees to maintain their cover.

## WHAT ARE THE PAYROLL AND TAX IMPLICATIONS?

### Premiums

If the employee pays all or part of the premium, then the cost comes out of after-tax pay.

If the employer pays all or part of the premium, this is seen as an expense for the business, and therefore tax deductible. In this case the value of the premium must be added to the employee's income as a fringe benefit and taxed accordingly.

### Death Benefits

On death, the total benefit is tax free.

## WHAT HAPPENS WHEN THERE IS A CLAIM?

We need to be notified within 90 days of the incident that has caused death or disability.

Make sure your employees and their loved ones know that you have taken out this

policy, and tell them how to contact us if a claim needs to be submitted.

What is needed for each type of claim can be found on our website at <https://www.simply.co.za/claims/>.

This information will also be available in your policy document, and our claims team can give more detail where needed.

We're in this business to pay benefits to those in need, and we're standing by to help:

- Via email at [claims@simply.co.za](mailto:claims@simply.co.za)
- Call us on (021) 045 1513

## CONTACT US

To get a quote, visit [group.simply.co.za](http://group.simply.co.za)

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