



PROFIT-SHARE ACCOUNT

PPS is a mutual company and has no external shareholders. At PPS, our members (with qualifying products) share in all the profits. The operating profits and investment returns are shared each year in the form of allocations to the PPS Profit-Share Accounts of our members. The balance on the Profit-Share Account can grow to significant values and is accessible at retirement from the age of 60 as a unique retirement benefit, or at earlier death. Members have the opportunity to share in profits throughout their working lives as well as into retirement. The funds can be used to supplement post-retirement expenses, settle debt or enhance retirement savings.

KEY BENEFITS

APPORTIONMENT ACCOUNT - PROFIT ALLOCATIONS

Each year PPS's operating profits or losses are allocated to a member's Apportionment Account based on the qualifying products held by the member. A member will only receive the profits of a product / benefit if the member holds such benefit. The more benefits held, the bigger the allocation will be. The Apportionment Account is also credited with an interest allocation each year. This is based on the declared percentage growth applied to the opening balance of the Apportionment Account for that year.

SPECIAL BENEFIT ACCOUNT - INVESTMENT RETURNS

The full balance of the Profit-Share Account is invested and the Special Benefit Account is debited (if positive) or credited (if negative) each year with the declared percentage on the full opening balance of the Profit-Share Account for that year. Investment returns (and the subsequent declared percentage allocation) is based on the portfolio the member is invested in. From age 55 a member may elect to de-risk the investment strategy of the Profit-Share Account using the Profit-Share Account Portfolio Choice.

KEY THINGS TO CONSIDER

- When a PPS Provider Policy is issued for the first time a Profit-Share Account is automatically created for a member
- No premium is levied, the PPS Profit-Share Account is a member's share in the profits of PPS
- Claims and health status have no impact on profit-sharing and the accumulated balance
- The Profit-Share Account vests and becomes accessible through the Vested Profit-Share Account from the age of 60 as a unique retirement benefit, or it pays out to the nominated beneficiaries at earlier death
- When a member retires and accesses the funds through the Vested Profit-Share Account while keeping other PPS Provider products in force, the member's Profit-Share Account will remain open and the member will continue to share in profits. The Profit-Share Account will then become accessible when all PPS Provider benefits are cancelled, or at death
- When the Profit-Share Account becomes accessible, the member will receive a pro-rata allocation from the end of the previous financial year up to the date of vesting
- The more qualifying products held, the greater the profit allocations to the Profit-Share Account
- Protection against creditors while invested
- Closer to retirement (from age 55 onwards), members can elect to de-risk the investment strategy of the Profit-Share Account by choosing a more conservative investment strategy, through the Profit-Share Account Portfolio Choice

RETIREMENT, DEATH OR CANCELLATION

				
<p>BEFORE THE AGE OF 60</p> <p>MEMBER CANCELS ALL PPS PROVIDER BENEFITS</p> <p>The PPS Profit-Share Account is an unvested policy benefit that vests on retirement after the age of 60, or at earlier death. On early cancellation, the PPS Profit-Share Account may be paid out as cash, subject to limitations and penalties. Some, or even all, of the funds may be forfeited.</p>	<p>BETWEEN THE AGES OF 60 AND 66</p> <p>MEMBER RETIRES AND CANCELS ALL PPS PROVIDER BENEFITS, OR CANCELS SICKNESS AND PERMANENT INCAPACITY BENEFITS (AND IT IS THE ONLY PPS PROVIDER PRODUCT HELD)</p> <p>The PPS Profit-Share Account will be paid directly into the members bank account which is on system.</p>	<p>WHEN THE AGE OF 66 IS REACHED</p> <p>IF MEMBER STILL HAS ANY PPS PROVIDER BENEFITS IN FORCE, THE MEMBER MAY CHOOSE TO:</p> <ul style="list-style-type: none"> • Leave the Profit-Share Account as is and will continue to receive profit allocations until such time as the member chooses to vest, or • Instruct PPS to pay out the Profit-Share sum amount into the members bank account. After the funds have been paid out, the member's PPS Profit-Share will remain open (note the balance will be RO) and the member will continue to receive profit allocations until all PPS Provider products are cancelled, or the member passes away. <p>If the member does not have any other PPS Provider product(s) in force, the Profit-Share Account will become available.</p>	<p>BETWEEN THE AGES OF 60 AND 66</p> <p>MEMBER RETIRES AND CANCELS SICKNESS AND PERMANENT INCAPACITY BENEFITS WHILE HAVING OTHER PPS PROVIDER PRODUCTS IN FORCE</p> <p>The member may choose to:</p> <ul style="list-style-type: none"> • Leave the Profit-Share Account as is and will continue to receive profit allocations • Instruct PPS to pay out the Profit-Share sum amount into the members bank account. After the funds have been paid out, the member's PPS Profit-Share Account will remain open (note the balance will be RO) and the member will continue to receive profit allocations until all PPS Provider products are cancelled, or the member passes away. 	<p>AT DEATH OF THE MEMBER</p> <p>The full benefit in the Profit-Share Account (including a pro-rata allocation) will be paid to the member's nominated beneficiaries or estate if no beneficiaries are nominated.</p> <p>NOTE: Members over the age of 66 who apply for PPS Provider benefits for the first time will also receive a PPS Profit-Share Account and will receive profit allocations until all PPS Provider products are cancelled, or the member passes away.</p>

QUALIFYING PRODUCTS

PPS GROUP AFFILIATE	QUALIFYING PRODUCTS	BASIS OF ALLOCATION PER CALENDAR YEAR
PPS INSURANCE	Sickness and Permanent Incapacity Benefits	Blended level premiums cent / unit of benefit (incl Admission Rider Benefit)** Differentiated premiums - percentage of premiums**
	Professional Life Provider* Professional Disability Provider* Critical Illness Cover	Percentage of premiums paid for the core / basic, accelerated / optional and rider benefits **

* with premiums differentiated by gender and smoking status
 ** Allocations exclude loadings



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