

Liberty Corporate

Educator Benefit



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Liberty Corporate's Educator benefits are designed to cover the cost of education for a member's children if a scheme member dies or becomes occupationally disabled whilst still in the service of the employer.

Liberty Corporate now proudly boasts two types of Educator Benefits offered. These are:

- Foundation Educator
- Progressive Educator

How does the Educator Benefit work?

- The benefits may be selected on any category where Group Life Assurance (GLA) cover has been selected.
- The benefit can be selected at category level to pay in the event of death, alternatively it can be selected to cover death, occupational or total disability.
- A maximum of 5 child dependants will be covered per member, including unborn children.
- Tuition fee payments are made directly to the academic institution to ensure that benefits are handled appropriately.

We are pleased to introduce the following enhancement to our previous Educator Benefit:

- Employer now have the flexibility of specifying child dependant details or simply selecting the benefit for all members without the need to nominate child beneficiaries for each member.

Specification of child dependant details

Liberty Corporate has now introduced the option for employers to either:

1. Specify and maintain the details of the child dependants in respect of each member; or
2. Not provide these details, in which case all eligible children of members in respect of whom the benefit has been selected will be covered, subject to a maximum of 5 children.

Note: if the option not to specify child dependant details is chosen, this option will apply to the entire scheme and cannot be selected for one category of members and not another. However, employers may still select either of the two Educator benefit options* for different categories of staff.

For example, where the employer may have selected either to specify child dependant details or not at scheme level, one scheme category may have the Foundation option selected, whereas a second category may have the Progressive option selected and a third category may not have any Educator option selected at all.

*Please refer to the foundation educator section for more information on this option.

The tables below illustrate this example:

Scenario One: The employer has selected NOT to specify child dependant details for the Educator Benefit		
Scheme Category	Selected Educator option	Child dependant details
A	Foundation	Will not be taken into account if provided
B	Progressive	Will not be taken into account if provided
C	None	Not applicable

or

Scenario Two: The employer has selected to specify child dependant details for the Educator Benefit		
Scheme Category	Selected Educator option	Child dependant details
A	Foundation	Will be required
B	Progressive	Will be required
C	None	Not applicable

Foundation Educator

The Foundation Educator benefit is specifically designed to provide a cost-effective, “foundation” level of cover for all employees and caters for:

- Tuition fees based on public schooling costs,
- Benefits in respect of primary and secondary schooling only, and
- Expenses related to items such as school clothes and stationery.

Conditions of the Foundation Educator benefit

Cover will end at the earliest of:

- Discontinuance of the member’s membership in the scheme; or
- Death or disability of the member for children not yet conceived; or
- Death of the child; or
- The member reaching the scheme’s retirement age; or
- The scheme revision prior to the child turning age 19; or
- The child leaving school prior to the completion of secondary schooling; or
- The child completing secondary schooling.

Where a claim is in process, following the member’s death or occupational disability, the benefits will be discontinued on the earliest of:

- Death of the child; or
- The end of the academic year prior to the child turning age 19; or
- The child completing secondary schooling; or
- The child leaving school.

The Foundation Educator consists of the following components:

- Tuition
- Supplementary Allowances

Tuition

Tuition fees payable are limited to:

- The same standard or level as public schooling; and
- A maximum of 5 children; and
- Payment for a maximum term as detailed in the table below:

Education level	Foundation educator
Pre-primary School	Not applicable
Primary School	7 years
High School	5 years
Tertiary Institution: Degree or Diploma	Not applicable

Maximum cover

Tuition fees may not exceed the lesser of:

- 30% of the member’s pre-claim salary in the first year of claim; or
- An annual amount as detailed in the table below:

Education Level	Public and Private Schooling
Primary School:	R 16,890
High School:	R 18,580

Supplementary allowances

These allowances are intended to assist in covering the additional expenses associated with schooling such as textbooks, stationery, uniforms and after-school care.

This allowance is calculated annually as a percentage of the tuition benefit and differs according to the education level. Allowances will be limited to an annual maximum amount, as detailed in the table below:

Supplementary Allowance		Rand Maximum
Primary School:	15,0% of annual school fees	R 6,590
High School:	17,5% of annual school fees	R 9,880

Underwriting treatment of Educator Benefits

The method of underwriting currently applicable to the existing Educator benefit will continue to be applied to the new version of this benefit.

This means that Educator will be underwritten separately based on a separate free cover limit. However, due to the nature of this benefit, if any member, whose Educator cover exceeds the free cover limit, is restricted or declined for cover, he/she will not be eligible for the benefit at all.

In future, Liberty Corporate will however be investigating alternative solutions to catering for Educator benefits where members’ cover amounts have been restricted.

Progressive Educator

The Progressive Educator is an enhanced version of our previous Educator product. Our Educator benefits were designed to cover the cost of education for a member's children in the event of the member's death or occupational disability whilst still in the service of the employer.

Progressive Educator

This is a comprehensive educator benefit that covers tuition and related costs for education from pre-school to university level. This benefit caters for:

- Public and private schooling;
- Pre-school;
- Primary school;
- Secondary school;
- Special needs schooling;
- Universities and NQF recognised institutions of higher learning;
- International tertiary education;
- Expenses related to items such as school clothes and stationery.

Tuition fee payments are made directly to the academic institution to ensure that benefits are handled appropriately.

When will benefits and cover cease?

Cover will cease on the earliest of the date of:

- Discontinuance of the member's membership in the scheme; or
- Death or disability of the member for children not yet conceived; or
- Death of the child; or
- The member reaching the scheme's retirement age; or
- The scheme revision prior to the child turning age 25; or
- The child leaving the academic institution, other than for a period of two years after completion of high school and prior to commencement of education at a tertiary institution.

The education benefits, once in payment following a member's death or occupational disability, will cease on the earliest of the date of:

- Death of the child; or
- The end of the academic year prior to the child turning age 25; or
- The child leaving the academic institution, other than for a period of two years after completion of high school and prior to commencement of education at a tertiary institution.

The Progressive Educator consists of the following five components:

- Tuition
- Supplementary Allowances
- Special Needs Schooling
- Achievement Allowances
- International Study

1. Tuition

Tuition fees payable are limited to:

- The same standard or level (i.e. public or private schooling) as the child was receiving prior to the member's occupational disability or death; and
- A maximum of 5 children; and
- NQF recognition, in the case of tertiary institutions; and
- One undergraduate degree from a South African tertiary institution, or one of the listed overseas universities; and
- Payment for a maximum term as detailed in the table below:

Education level	Progressive educator
Pre-primary School	1 year
Primary School	7 years
High School	5 years
Tertiary Institution: Degree or Diploma	3 years
Tertiary Institution: BDS (Dental)	5 years
Tertiary Institution: MBSc (Medical)	6 years

Maximum cover

Tuition fees may not exceed the lesser of:

- 30% of the member's pre-claim salary in the first year of claim; or
- An annual amount as detailed in the table below:

Education Level	Public	Private
Pre-primary School:	R 8,030	R 42,220
Primary School:	R 16,900	R 58,970
High School:	R 18,580	R 64,880
Tertiary Institution:	R 38,710	
International Tertiary Institution:	\$ 46,450	

Note that these maximums will be reviewed annually.

2. Supplementary allowances

These allowances are intended to assist in covering the additional expenses associated with schooling such as textbooks, stationery, uniforms and after-school care. In the case of tertiary education, it will also cover any residency fees.

This allowance is calculated annually as a percentage of the tuition benefit and differs according to the education level. Allowances will be limited to an annual maximum amount, as detailed in the table below:

Supplementary Allowance		Rand Maximum
Primary School:	15,0% of annual school fees	R 6,590
High School:	17,5% of annual school fees	R 9,880
Tertiary Education:	As required for books and residence	R 24,150

Note that:

- An annual lump sum payment is made to the child or guardian in respect of any allowances; and
- The allowances apply to both public and private schooling.

3. Special needs

We recognise that there are extra costs associated with educating children who have special needs and therefore include a benefit that will boost the maximum tuition benefit if a child attends a school catering for special learning, behavioural or physical needs. No medical assessment is required as the benefit is based on attendance at a school that has been identified as providing for special education needs. Payment is made directly to the academic institution.

Maximum cover

Tuition fees payable for children with special needs are limited to the lesser of:

- The actual negotiated cost; or
- 140% of the annual standard tuition fees for either public or private schooling, depending on the corresponding nature of the special needs educational institution.

4. Achievement Allowances

This allowance is paid to children who excel in a sporting or cultural activity and are selected to represent their province or South Africa. The allowance may be used to pay for the additional costs usually associated with performing at these levels, including travel and accommodation.

Payment is made directly to the child in the year of achievement.

Maximum cover

The special achievement allowance is the amount detailed in the table below and is dependent on the level of achievement. Where provincial and national representation is achieved during the same year, the benefit will not exceed the amount payable for national representation.

Achievement	Maximum
Provincial Representation	R 6,590
National Representation	R 13,190

5. International study

The benefit pays for tuition and residences fees at leading institutions in the USA and the UK, for children who meet the entrance requirements of these universities. Payments will be made directly into the child's South African banking account determined by the prevailing exchange rate.

Maximum cover

Cover is limited to:

- One undergraduate degree whether nationally or internationally, and
- Tuition fees and residence fees of no more than US\$41,850 per annum, and
- Tuition at selected top universities listed below:

University	
Brown	London School of Economics
California Institute of Technology (CIT)	Massachusetts Institute of Technology(MIT)
Cambridge	Northwestern
Chicago	Oxford
Columbia	Pennsylvania
Cornell	Princeton
Dartmouth College	Rice
Duke	Stanford
Harvard	Washington University in St Louis
Imperial College of Science, Technology & Medicine	Yale
John Hopkins	Yale

Underwriting treatment of Educator Benefits

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For more information contact your Corporate Specialist, Client Servicing Consultant or visit our website on www.libertycorporate.co.za

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