



LIBERTY

Capital Disability and Impairment Benefit

“The worst disability in life is a bad attitude.”

- SupaNova Slom

Capital Disability and Impairment Benefit

Our Capital Disability and Impairment Benefit is designed to provide financial security for members and their loved ones, as it pays a cash lump sum if a member becomes physically disabled or impaired due to an accident or illness. This financial security can help a member and their family adjust to a new way of life.

How does the Capital Disability and Impairment Benefit work?

- This Cover is dependent on the option selected by the employer and assessed based on the severity of the disability or impairment.
- Benefits are expressed as a multiple of a member's salary (for salary-based plans) or as a rand amount (for rand-based plans).
- Benefits can also vary between different member categories.
- It is offered as a stand-alone, unapproved benefit on our Corporate Insured Series Plan, or as part of our Corporate Selection Unapproved Group Life Plan.
- It is also available as an approved risk benefit either on the Corporate Selection Retirement Umbrella fund or is available to another retirement fund that elects to provide for this type of benefit. This benefit only becomes payable should the member of the retirement fund becomes disabled and retires from the fund.
- A continuation option allows members to continue their cover after leaving the plan with minimal underwriting.

Understanding disability and impairment

1. *Own or reasonable occupational disability*

This means incapacity arising from bodily injury, illness, disease or surgical operation resulting in a member being totally and permanently disabled and incapable of performing their current occupation's duties, or the duties of another suitable occupation. This must take into account their education, previous training, abilities and work experience.

2. *Total disability*

This means incapacity arising from bodily injury, illness, disease or surgical operation leaving a member continuously and wholly incapable of engaging in any occupation for remuneration or profit.

3. *Impairment*

This means any bodily injury, illness, disease or surgical operation that has stabilised sufficiently over a period of time to allow optimal tissue repair, and is unlikely to change in spite of further medical or surgical treatment.

The percentage of the impairment benefit is based on the Whole Person Impairment (WPI) principle, where the benefit payable depends on the severity of the impairment. WPI uses the latest American Medical Association (AMA) guidelines to evaluate permanent impairment.



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Which options can employers choose from?

There are two options to choose from including:

- Occupational Capital Disability
- Progressive Capital Disability

What is the Occupational Capital Disability option?

- This option pays a cash lump sum if a member becomes permanently occupationally disabled, resulting in "own or reasonable occupational disability" or "total disability".
- Where the impairment results in a member no longer being able to work, 100% of the benefit is payable and the member may retire due to ill-health. In this case, the member's Group Life Assurance Benefit will be cancelled.

What is the Progressive Capital Disability option?

- This is a comprehensive disability benefit, which pays a cash lump sum if a member becomes permanently occupationally disabled, impaired or both.
- Where the impairment results in a member no longer being able to work, 100% of the benefit is payable and the member may retire due to ill-health. In this case, the member's Group Life Assurance Benefit will be cancelled.
- In instances where the member is permanently impaired, but still able to work, the benefit payment may be staggered. Members have the ability to make multiple claims of up to 100% of the total benefit.
- These staggered claim payments do not reduce the member's Group Life Assurance Benefit cover. However, once the member has received 100% of the benefit, the member retires due to ill-health and their Group Life Assurance Benefit will be cancelled.

How much are members covered for?

For salary-based schemes, cover may not exceed (whichever is less):

- A member's Group Life Assurance Benefit cover.
- 10 times a member's annual salary.
- R8.5 million. This maximum is reviewed annually.
- 2.5 times a member's annual salary, subject to maximum of R1 million (if taken with an income disability benefit other than the Limited Term Income Protection Plan).

For rand-based schemes, cover may not exceed:

- 100 times the total contribution made by and on behalf of the member.

When will a member's cover end?

Cover will end if a member (whichever comes first):

- Cancels their scheme membership.
- Reaches the scheme's Termination age, as outlined in the employer participation schedule.
- Passes away.



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Is there a deferred period?

A 90 day deferred period from date of incapacity is applied before a claim is paid. We will waive this deferred period if we acknowledge that the condition is permanent prior to the expiry of the 90 days.

Who is eligible for the continuation option?

A member who leaves his Employer's service on or before attaining age 60, who is not in claim under the policy, may under certain circumstances exercise an option in respect of all or a part of his benefit under his own personal policy.

What are the limitation and reduction of benefits?

The following table will apply if a member becomes disabled within five years of (whichever comes first):

- Turning 65.
- Reaching the plan's Termination age, as outlined in the employer participation schedule.

Period	Percentage of benefit payable
Less than one year	16.67%
At least one year, but less than two years	33.33%
At least two years, but less than three years	50%
At least three years, but less than four years	66.67%
At least four years, but less than five years	83.33%
Five years and more	100%

What are the tax implications?

Where this benefit is taken as an unapproved benefit, members may pay fringe benefit tax on the premium. The proceeds of the benefit will be paid out tax free.

Where this benefit is taken as an approved benefit there is no fringe benefit tax due and the payment of the benefit is subject to the lump sum retirement tax tables set out in the Second Schedule of the Income Tax Act.

Employers and Members are advised to seek appropriate guidance from a tax practitioner or from their appointed financial adviser

“Disability is a matter of perception. If you can do just one thing well, you’re needed by someone.”

- Martina Navratilova

Benefit exclusions

What are the exclusions?

Exclusions	Capital Disability and Impairment Benefit
Injury that is self-inflicted or in any way deliberately caused by the member or spouse.	x
Suicide (should it occur within the first 12 months of cover having commenced).	
Alcohol consumption or the taking or application of poisons or drugs (except in accordance with a bona fide prescription issued by a qualified medical practitioner).	x
Any medical treatment recommended by the member's or spouse's medical practitioner, or any medical doctor recommended by us, which would be reasonable to expect the member or spouse to undergo, which is refused by the member or spouse.	x
Participation in any form of aviation other than as a passenger travelling between two airfields in an aircraft flown by a duly licensed pilot.	x
Exposure to risks outside of South Africa, which are not generally found, or are more severe, than corresponding risks in South Africa.	
The use of nuclear, biological or chemical weapons, or attacks on, or sabotage of, facilities and storage depots (whether direct or remotely initiated), which leads to the release of radioactivity or nuclear, biological or chemical warfare agents.	x
War, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of usurped power.	x
No occupational benefit in respect of mental health conditions and back impairments will be payable for a period exceeding three years, unless we are satisfied that the condition resulting in the claim is still present.	

Exclusions	Capital Disability and Impairment Benefit
An act of terrorism. Meaning an act including, but not limited to, the use of force or violence and/or the threat thereof, by any person or group/s of persons, whether acting alone or on behalf of or in connection with any organisation/s or government/s, committed for political, religious, ideological, or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear, whether determined in terms of any relevant legislation to have been an act of terrorism or not.	x
Any act of the member or spouse, which is a wilful and material violation of any law.	x
Mental illness or impairment associated with self-inflicted injury, wilful and material violation of any law, consumption of alcohol or taking poisons or drugs.	
Cancerous tumours if the Human Immune Deficiency Virus (HIV) is present.	
Involvement in any riot, civil commotion (assuming the proportions of or amounting to an uprising or not), infringement of martial law, or any act incidental to, or arising from, such an occurrence.	x
Exposure to atomic energy, nuclear fission or reaction, radiation, biological or chemical hazards (whether accidental or not).	x
The member, being a pilot or aircrew by normal occupation, having his or her licence to fly withdrawn or endorsed in any way, unless the member is also considered unable to follow any other suitable occupation.	x
Impairment due to mental health or musculoskeletal conditions during the first two years of eligibility.	

These exclusions above apply as at the date of the printed brochure. Please refer to the Benefit Parameters brochure for the most recent exclusions.



Capital Disability and Impairment Benefit

In addition to the exclusions contained in the previous table, a Capital Disability or Impairment Benefit shall not be payable in the event that:

- The member declines to undergo any medical treatment recommended by his own medical practitioner or by Liberty, which he could reasonably be expected to undergo and which could substantially improve or remove the disability;
- The employer has failed to provide reasonable retraining or reskilling of a member at the employer's cost, regard being had to his education, previous training and work experience.

Terms and conditions

Please see the table of general exclusions listed above as well as the Benefit Parameters brochure for terms and conditions relating to the Capital Disability and Impairment Benefit product. This benefit will only be authorised if Liberty Corporate accepts the claim as valid. There are specific exclusions applicable to this benefit, which can be found on our website (www.libertycorporate.co.za) as well as in the relevant policy document.

Contact details and complaints resolution procedure

Contact us

For more information please contact your accredited Liberty financial adviser, broker or the Liberty Corporate support centre below.

Liberty Corporate General Contact Centre

t: 011 408 2999
f: 011 408 2264
e: lc.contact@liberty.co.za
www.libertycorporate.co.za

Complaints

Complaints or comments should be directed in writing to:

The Complaints Resolution Manager

Liberty Corporate
P O Box 2094, Johannesburg, 2000
t: 011 408 2771
f: 011 408 4440
e: contactlcb@liberty.co.za

Alternatively, complaints may be directed in writing to:

The Liberty Group Internal Adjudicator
P O Box 10499, Johannesburg, 2000
f: 011 408 4195
e: internaladjudicator@liberty.co.za

If your complaint is not resolved to your satisfaction by Liberty, you may contact one of the legislative bodies that have been tasked to look after your interests

For fund complaints:

The Pension Funds Adjudicator
P O Box 580, Menlyn, 0063
t: 012 346 1738
f: 086 693 7472
e: enquiries-jhb@pfa.org.za

For complaints regarding a financial adviser:

FAIS Ombud
P O Box 74571, Lynnwood Ridge, 0040
t: 012 470 9080
f: 012 348 3447
e: info@faisombud.co.za

Ombudsman for Long-term Insurance

The Honourable Mr Justice RP McLaren
Private Bag X45, Claremont, 7735
t: 021 657 5000
Sharecall: 0860 10 3236; 021 674 0951
e: info@ombud.co.za

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