

WHAT TO DO IF YOU ARE RETRENCHED AND HAVE A PERSONAL LOAN



**NEDBANK
INSURANCE**

PUTTING PLANS IN PLACE FOR POTENTIAL RETRENCHMENT CAN HELP YOU MANAGE THE IMPACT

Facing retrenchment can be a frightening experience. However, you can manage the stress and financial fallout if you have a plan in place and understand your options. Retrenchment is when your employer ends your fulltime, permanent employment with them for any of the following reasons:

- Your employer anticipates bad business conditions.
- New technology is introduced.
- Your employer is reorganising the business.
- Your employer is closing.

Retrenchment cannot apply to individuals who are pensioners, receive social grants, are self-employed, or are employed in the informal sector.

CREDIT LIFE INSURANCE COVERS YOUR DEBT PAYMENTS IF YOU ARE NOT EARNING AN INCOME

This type of cover helps pay off your personal loan if you are unable to pay it because you have become disabled, unemployed on retrenchment, or are unable to earn an income while remaining employed. The type of events insured depends on the type of credit life product you have.

AVAILABLE RETRENCHMENT COVER FOR PERSONAL LOANS

You can claim a retrenchment benefit to cover your personal-loan repayments under the Nedbank Insurance **Personal Loan Credit Protection Plan**:



What it covers

Your monthly personal-loan repayments.



When you can claim

If you are:

- retrenched and therefore become unemployed*; or
- employed but are unable to earn an income through no choice or fault of your own, for example if you could not work during the national lockdown and received no pay.

We will also consider your case if your earnings are equal to or less than 25% of your usual monthly income.

* In this context unemployment refers to when you are without a paid job but available to work, and actively seeking employment.

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Details of cover

The monthly instalment of your personal-loan agreement will be paid for a maximum of 12 months or until:

- the loan expires or is repaid;
- you return to fulltime employment;
- you start earning an income again;
- you reach the age of 65; or
- you pass away,
whichever happens first.



Conditions

You can submit a retrenchment benefit claim under this policy only if:

- you are below the age of 65;
- we have not paid any claim under the comprehensive disability benefit; and
- you have been in fulltime employment for 12 consecutive months since your last loss-of-income claim stopped.



Waiting period

- If your loan term is greater than six months, a three-month waiting period will apply for retrenchment claims.
- There is no waiting period if your loan term is less than six months or for claims where you remain employed but are unable to earn an income.



Exclusions

We will not pay if any of the following applies:

- You were lawfully dismissed, including dismissed as a result of wilful misconduct that is in violation of some established, definite rule of conduct, a forbidden act, wilful dereliction of duty or misconduct.
- You accepted voluntary forfeiture of salary, wages or your employment income.
- You resigned or accepted voluntary termination of employment.
- You were aware of or received notice of retrenchment during the three months before the policy start date.
- You retired or are retired.
- You lost your job because you participated in an unprotected strike.
- You reached the end of a fixed-term contract.

HOW TO CLAIM FOR RETRENCHMENT COVER

We will require satisfactory evidence that your employer is embarking on a legitimate retrenchment process or that the company is closing. This will include, but is not limited to:

- a certified copy of the letter of retrenchment from your employer, stating the reasons why you are losing your job;
- a certified copy of your identity card or document; and
- a completed retrenchment claim form.

If you want to submit a claim because you are not able to earn an income while remaining employed, we will require three months' payslips and a letter from your employer stating the actions that were taken and the reasons for the actions. If your salary is not paid into your Nedbank account, we will also need three months' bank statements.

CONTACT US IF YOU ARE INTERESTED IN OUR CREDIT LIFE POLICIES.

You can either:

- call us on 0860 333 111; or
- email us at insurance@nedbank.co.za.

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