



CAPE JOINT
PENSION FUND

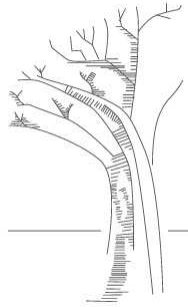
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31st Annual General Meeting – 29 May 2015

General Fund matters

Braam du Plessis
Principal Consultant

SIMEKA



Agenda

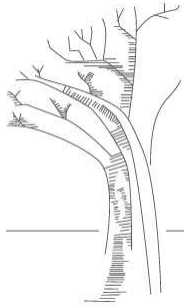
Restructuring of Defined Benefit Section

Fund Rules and Amendments

Trends and Developments



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Latest position?

- Started 1 August 2014
- 98% of membership successfully transferred to the DC section
- Part of the process introduced the following in the DC section
 - flexible investment structure (called Lifestage); and
 - daily unit pricing of investments (values updated daily)
 - flexibility around insurance benefits (converting members)

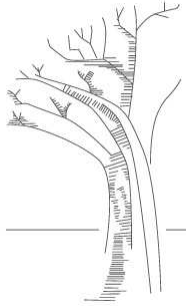


Fund rules and amendments



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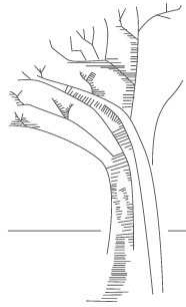
Rule amendment no 20

- The detail reported at the 2014 AGM
- Mainly covered the DB conversion
- Approved on Registrar on 25 July 2014 and resulted in Employers starting to convert from 1 August 2014



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Consolidation of Fund Rules

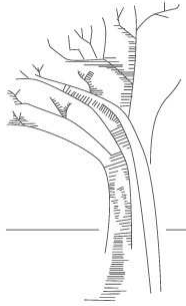
- Consolidation was necessary (original rules + 20 amendments)
- Consolidated and effective date is 1 March 2015
- Consolidated rules registered on 18 March 2015
- Available on the Fund's website ("Fund Governance" tab)

www.cjpf.co.za



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Trends and Developments

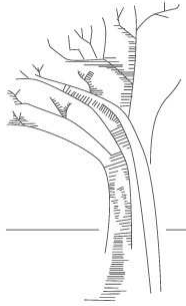
New income tax structure for (income) disability insurance

- Took effect from 1 March 2015
- Position reversed : premiums now taxable and benefit tax-free
- Applicable to members in Risk Options A and E



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Trends and Developments

Trustees' focus?

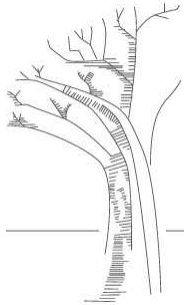
- Constant review of investment offering (better returns = better benefits)
- Reviewing Pensioner Investment Strategy (create greater certainty)
- Cost containment
- Governance (internal and assessment of service providers)

Be the Fund of choice for all Local Authority employees!!



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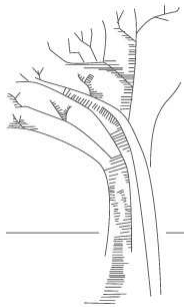


Trends and Developments

What is Government thinking (reshaping the landscape)?

- Trustees must bring down costs and operate responsibly. ✓
- Trustees must empower their members:
 - Educate through clear and simple communication; ✓
 - Set appropriate defaults (in case of flexibility); ✓
 - Look after them when they exit the Fund. ?

Ensure the best possible outcome for Fund members.



7 Habits of financially healthy retirees



1. Start

Well-to-do retirees save for **33,2** years; the rest save for about **29** years.

5. Widen your nets

98% of well-off retirees have an extra source of income compared to **68%** on average.

6. Use the pros



2. Save as much as possible



8%
Financially healthy retirees save **8%** (excluding employers' contribution) of their salary; the average is only **7,3%**.



3. Don't rely on the company

37% of financially comfortable retirees have a retirement annuity on top of their company pension fund.



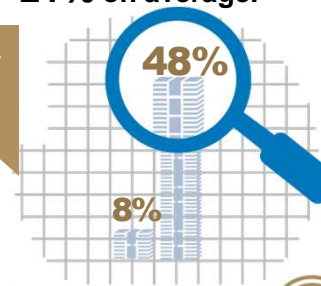
4. Leave your savings alone

Only **12%** of "well-offs" dipped into retirement savings when they switched jobs - **21%** on average.



7. Make sure your money grows

48% of well-to-dos have a guaranteed escalation annuity (**29%** is the average). Only **8%** have a level annuity (average **20%**).



Any questions?



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Thank you



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