



CAPE JOINT  
PENSION FUND

# Newsletter

Volume 49 • September 2014

Beste  
Lid

Hierdie uitgawe van die nuusbrieff is beslis propvol goeie en opwindende nuus.

Die Raad op Finansiële Dienste (RFD) het reël wysiging 20 goedgekeur, wat toelaat dat die herstrukturering van die Fonds kan voortgaan. Dit beteken ons vastevoordeel-lede kan na die vastebydrae-afdeling oorgaan, die nuwe Lewensfase-model kan in werking gestel word en die bydraes van werkgewers wat aan die proses deelgeneem het, kan tot 18% verminder word.

Die trustees het besluit om die begrafnisdekking vir al ons lede en kwalifiserende familieledes te verdubbel. Vanaf 1 September sal jy dus R20 000 dekking hê! Nog goeie nuus is dat die Fonds uitstekende beleggingsopbrengste vir die tydperk 1 Julie 2013 tot 30 Junie 2014 behaal het. Die vastevoordeel-afdeling (VV-afdeling) se opbrengs van 18.86% en die vastebydrae-afdeling (VB-afdeling) se 17.53% is albei beter as hul teikens van onderskeidelik VPI plus 4% (VV) en VPI plus 6% (VB).

Onthou om die artikel te lees oor die belangrikheid van professionele finansiële advies wanneer besluite oor jou aftreepaarfondse geneem word, en kennis te neem van die terugvoer oor die AJV wat in Mei plaasgevind het, asook die feite oor die aftreeshervormingsvoorstelle.

Geniet hierdie uitgawe en onthou, kontak my gerus by [kobusbooyens@capejoint.co.za](mailto:kobusbooyens@capejoint.co.za).



Vriendelike groete  
Kobus Booyens  
Hoofbeampte

## REGISTRAR APPROVES RULE AMENDMENT 20!

The Registrar of Pension Funds (FSB) approved Rule Amendment 20 on the 25th of July. The approval allows for the restructuring of the Fund to go ahead to the benefit of all the stakeholders taking part in the process.

The first transfer of DB members to the DC section was earmarked for the 1st of May 2014 and the second, on the 1st of July. This could however, as pointed out in the communication, only take place once the Registrar of Pension Funds (FSB) has approved the Rule amendment which was already submitted in December 2013.

## GOOD NEWS FOR DB MEMBERS! TRANSFERS TO THE DC SECTION CAN NOW TAKE PLACE

Members received communication packs including detailed information of the transfer to the DC section, a comparative statement reflecting the transfer amount and enhancements and an option form which you were required to complete.

The transfer to the Defined Contribution (DC) section of the Fund can now take place with the first effective transfer date for the majority of the members as 1 August 2014 and the rest from 1 September onwards. On completion of the transfer you will receive a transfer statement confirming the following:



**Your opening balance as a DC member** – This will include Fund interest earned and nett contributions received for the period 1 July 2013 to 31 July 2014 for members transferring on 1 August 2014.

### Confirmation of the Option you selected:

**Option 1** - Transfer or not to transfer the conversion credit to the DC section. (The option not to transfer and leave the benefit as paid-up was not selected by any of our members)

**Option 2** - Insured Benefit Category elected

- Category D (No cover)
- Category E (Lump sum Death and Disability Benefit and a Monthly Disability Income Benefit at a cost of 6.482% of pensionable remuneration)

**Option 3** - Investment Selection

- Life stage Portfolio or;
- A sub phase (Accumulation, Consolidation, Preservation Phase) or;
- Cash Plus Option

The default options will apply to members who have not submitted a completed option form, which are; to transfer the conversion credit to the DC section, Category E and you will be invested in the Life stage portfolio. (The majority of our members followed this option)

## DIE GERUGTE IS NIE WAAR NIE

Lede is nogsteeds rusteloos en onseker oor wat die toekoms inhou ná die Minister van Finansies se aankondiging oor veranderinge in die aftreefondsbedryf. Die grootste vrees is skynbaar dat jy nie die opsie gaan hê om jou volle voordeel by bedanking of aftrede te onttrek nie, en sommige oorweeg selfs om hul diens te beëindig, "om te verhoed dat die regering hul geld vat".

**Hierdie gerugte is nie waar nie! Die waarheid is...**

- ✓ Paragraaf A-fondse is tans vrygestel van die annuïtiseringsreëls. Die Kaapse Gemeenskaplike Pensioenfonds is 'n Paragraaf A-fonds, wat beteken jou opsie van 'n (eenmalige) enkelbedragbetaling by uitrede is nog geldig.
- ✓ Indien dit verander, het die regering die gerusstelling gegee dat jou gevestigde regte ten opsigte van enkelbedragbetalings by aftrede beskerm sal word.
- ✓ Jy kwalifiseer nou vir 'n hoër belastingkorting by aftrede. Die eerste R500 000 is belastingvry. Die beste deel is dat jy boonop 'n paar addisionele belastingvrye jare voor Maart 1998 het.

**Jy sal altyd die feite eerste van ons af kry.** Daarom moet jy asseblief nie op grond van gerugte besluite neem wat 'n negatiewe uitwerking op jou aftreespaargeld kan hê nie.

## GOOD NEWS FOR DC MEMBERS! LIFE STAGE OPTIONS WERE IMPLEMENTED

All DC members received a pamphlet and option form in April containing detailed information on the implementation of the New Life Stage Portfolios and our converting DB members received the information with their conversion packs. A presentation on Life Stage and the different options formed part of the engagement sessions conducted.

Life Stage investing refers to the manner in which your retirement savings (member share) will be invested. The aim is to provide an appropriate balance of risk and expected return at different stages in your life. This means that it is invested according to how many years you have left until normal retirement age (65). All current DC members and DB members transferring into the DC section will be invested according to the new structure.

The option you selected was implemented effective 1 August 2014. This means your member share will be invested accordingly and all future contributions will be allocated to this portfolio. You will also be able to change your investment selection twice per fund year (1 July to 30 June) and the first of these switches is free. There will be a cost of R350 for the second switch which is recovered from the amount being switched.

The implementation of Life Stage and the option you have to invest in any of the sub phases provides you with flexibility and control over your retirement savings.

## GOOD NEWS FOR EMPLOYERS! REDUCTION IN EMPLOYER CONTRIBUTIONS

The monthly contributions for the DC section are 9% member and 18% employer. This means employers participating in the DB restructuring will be able to reduce their monthly contributions from 23.06% to 18% with effect from their respective transfer dates.

## EMPLOYERS WHO HAVE NOT PARTICIPATED

At the time of this newsletter publication, only the following municipalities had not yet agreed to the transfer, representing less than 10% of the DB members: Karoo Hoogland, Chris Hanjani, Emthanjani, Engcobo, Gariep, Kai Garib, Lukhanji, Naledi, Nama Khoi, Ndlambe, Phokwane, Renosterberg and Sundays River Municipalities. Notices have been issued to these employers advising of the increase in employer contributions from 23.06% to 26.77% of pensionable salaries effective 1 July 2014.

**THANK YOU** to everyone who has submitted their completed Option Forms, and who took the time to attend one of the engagement sessions conducted. Your patience has definitely "paid off"!

**Here are some of the pictures of the sessions conducted.**



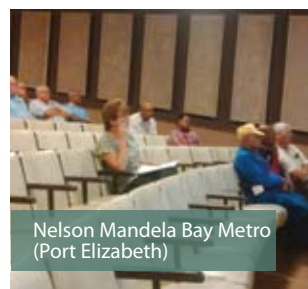
George Municipality



Mnquma Municipality  
(Butterworth)



Buffalo City  
Municipality  
(East London)



Nelson Mandela Bay Metro  
(Port Elizabeth)



Bitou and Knysna  
Municipalities (Sedgefield)



Adv Kobus Booyens  
addressing members



Mosselbay Municipality



Breedevalley  
Municipality (Worcester)



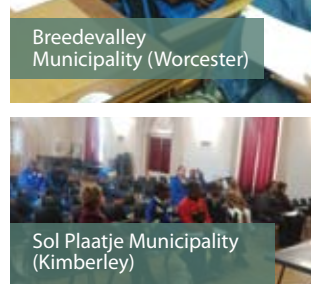
Theewaterskloof and  
Overberg Municipalities



Eden District Municipality  
(George)



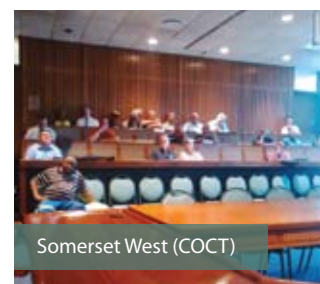
Bredasdorp



Sol Plaatje Municipality  
(Kimberley)



Cape Winelands Municipality  
(Stellenbosch)



Somerset West (COCT)

# R20 000 BEGRAFNISVOORDELE VIR AL ONS LEDE

Ons soek altyd na maniere om die voordele vir ons lede te verbeter. Ons lig jou graag in dat jou begrafnisdekking vanaf 1 September 2014 styg tot R20 000, en die dekking vir jou kwalifiserende familielede sal ook verdubbel.

Die nuwe, verbeterde dekking lyk soos volg:

Lid	R20 000
Gade	R20 000
Kwalifiserende kinders van 14 jaar en ouer (Tot en met ouderdom 26 in die geval van 'n healtydse student wat ongetroud is)	R20 000
Kwalifiserende kinders van 6 jaar en ouer, maar jonger as 14 jaar	R10 000
Kwalifiserende kinders jonger as 6 jaar, doodgebore kinders ingesluit* *26 weke swanger	R5 000

Die koste van die begrafnisvoordeel is slegs R39.40 per lid en word van die maandelikse werkgewerbydrae afgetrek.

## Repatriasievoordeel

Jy kwalifiseer ook vir die repatriasievoordeel wat voorsiening maak vir die vervoer van die oorskot na die plek waar die begrafnis sal plaasvind binne die grense van Suid-Afrika.

## THE IMPORTANCE OF PROPER FINANCIAL ADVICE

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### FINANCIAL SERVICES



**"I can't stop your investments from going down the toilet, but I know a guy who can sell you a nicer toilet."**

Not all of us have the necessary knowledge, time or expertise to deal with the aspects of financial planning and will at some stage need to consult a financial advisor. The importance of ensuring that you obtain professional advice from a licenced financial advisor can however not be emphasized enough, especially when it comes to important decisions regarding your retirement savings.

#### What is a professional Financial Advisor?

The Financial Advisory and Intermediary Services Act (FAIS) requires all persons giving financial advice to be licensed and to disclose specific information to you, including commissions, product details and any conflicts of interest. A professional financial advisor must have the knowledge, qualifications and ethics to provide you with the best financial advice to meet your investment goals.

#### What can you expect from a professional financial advisor?

##### A professional financial advisor should:

- Establish a professional relationship with you
- As far as possible, provide the basis of the professional relationship to you in writing
- Obtain all the information required to give you best advice
- Research and analyse how to achieve your goals
- Explain recommendations and any alternatives
- Help implement the recommendations
- Monitor the recommendations

#### Who can you contact if you require financial advice?

The Fund has a formal agreement with three service providers, Verso Investment Services, GraySwan Wealth and Old Mutual. They are all licensed financial advisors who are able to provide you with financial advice and planning at a pre determined maximum fee.

For more information on their products and services, please visit their respective websites or contact them on the numbers provided below.

Verso Investment Services	<a href="http://www.verso.co.za">www.verso.co.za</a>	021 914 8030
GraySwan Wealth	<a href="http://www.grayswan.co.za">www.grayswan.co.za</a>	021 852 9092
Old Mutual	<a href="http://www.oldmutual.co.za">www.oldmutual.co.za</a>	021 509 5022

Please note that the Fund merely concluded arrangements with these service providers as a measure to assist members with advice and the reduction of cost of such advice. The Fund carries no responsibility/liability for the advice provided and members are welcome to make use of their own or any other financial advisor and to negotiate the fees for these services.

*Did you know?*

The Cape Joint Pension Fund is a Paragraph A fund which means that pensionable service prior to 1 March 1998 is taken into account when calculating your tax free benefit.

# FONDS HOU SY 30ste ALGEMENE JAARVERGADERING

Die Kaapse Gemeenskaplike Pensioenfonds is een van die oudste fondse in Suid-Afrika en het onlangs sy 30ste Algemene Jaarvergadering gehou. Die vergadering het in Bellville plaasgevind en is, soos gewoonlik, goed deur lid-, werkgewer- en pensioenariervertewoorders bygewoon. Vanjaar het die Fonds verslag gedoen oor al die positiewe veranderings en prestasies van die afgelope jaar, met 'n spesifieke fokus op die herstrukturering en algemene beleggingsprestasie.

Mnr Herman Botha, voorsitter vir die afgelope 3 jaar, het in sy Voorsittersrede met genoeg aangekondig dat die Fonds sy vier sleutel doelwitte bereik het: om die ernstige bedreigings in die Vastevoordeel afdeling die hoof te bied; die beskerming van die pensioenarier se belange op die lang duur te verseker; om Vastebydrae lede met die gereedskap toe te rus om hul aftrede voordele volgens hul spesifieke behoeftes te bestuur; en ten slotte 'n volledige herevaluering van die Fonds se beleggingsbeleid te doen om te verseker dat die Fonds korrek geposisioneer is.



Susan Erasmus en  
Trustee I Du Toit



Trustee Carstens (links)  
en Trustee Meiring

posisioneer om "goeie aftreevoordele vir al ons lede te behaal en te beskerm". Hy het voorts gesê daar sal altyd meer wees om te doen om die Fonds vir sy lede te verbeter, en het die gerusstelling gegee dat die Raad steeds lede en pensioenarier se belange op die hart dra.

Besoek die Fonds se webwerf by [www.cjpf.co.za](http://www.cjpf.co.za) vir die voorleggings deur die diensverskaffers en 'n kopie van die Voorsittersrede.

**Baie geluk aan mnr Herman Botha en mev Michelle van Zyl met hul herkiesing as onderskeidelik voorsitter en ondervoorsitter.**

## Het jy geweet?

Jou werkgewer is verantwoordelik om maandelikse bydraes af te trek en teen die 7de van elke maand oor te betaal. Onlangse wysigings aan die Wet op Pensioenfondse beteken dat die nie-betaling van bydraes 'n kriminele oortreding is en die persoon wat vir die nie-betaling van die vereiste bydraes verantwoordelik is, kan nou persoonlik aanspreeklik gehou word.

Vanaf 1 Maart 2015 sal die versekerde Ongeskiktheidsinkomstevoordeel nie meer belas word nie. Vir VB lede beteken dit dat indien jy in Kategorie A of die nuwe Kategorie E (van toepassing op VW-lede wat oorsakel) is en jou ongeskiktheidseis word goedgekeur, sal die maandelikse inkomste wat aan jou betaal word nie belas word nie. Die premie wat vir hierdie versekerde voordeel betaalbaar is, sal belasbaar wees. Dit beteken jou maandelikse belasbare inkomste sal toeneem. Besonderhede hiervan sal nader aan die effektiewe datum verskaf word.



Trustees Van der Berg,  
Van Zyl (middel) en Lawack



Kobus Booyens (middel) saam  
met Mnr Scheepers en Du Plessis



Trustee Van der Merwe (middel)  
met Michelle en Nosiviwe (SASH)

Vir soverre dit beleggingsopbrengste aanbetref, het die voorsitter met groot genoeg aangekondig dat die Fonds buitengewone beleggingsopbrengste behaal het, met onder andere die Pensioenarier afdeling wat inflasie plus 12% oor die afgelope twaalf maande bereik het, in vergelyke met die doelwit van inflasie plus 4%.

Mnr Botha bedank die Raad en die verskillende diensverskaffers vir hul bydrae om die Fonds te

**BOARD OF TRUSTEES:**

Mr HF Botha – Chairperson, Mrs M van Zyl – Deputy Chairperson, Mr DL Carstens, Mr MJ de K de Waal, Mr I du Toit, Mr PW Esterhuizen, Mr J Lawack, Mr WR Meiring, Mr JAH van den Berg, Mr JDB van der Merwe, Mr D Venter

**Principal Officer:**

Adv JVA Booyens