

Letter from the Principal Officer

Dear members

A new President, an increase in VAT and the Australian cricket team shamed by their conspiracy to cheat... a truly explosive start to the year! If this is an indication of things to come, 2018 looks like it will be a busy and eventful year!

As always, the Trustees of the LA Retirement Fund have continued to work tirelessly to ensure that the Fund still offers our members the very best benefits and that we are doing all that we can to help you achieve a comfortable retirement.

In this jam-packed newsletter we remind you about the two new benefits we have added to our existing

offering and why saving for retirement is so important. We also provide you with some highlights from the recent Budget speech.

Happy reading!



Ilse Hartlief
Principal Officer

NEW BENEFITS

You would have recently received communication advising you of the following benefits that have been added to our existing offering:

Voluntary Extended Family Funeral Scheme

With effect from 1 February 2018 you now have the added option of taking out affordable funeral cover for your EXTENDED FAMILY MEMBERS. This cost-effective voluntary extended family funeral scheme is underwritten by Sanlam.

You may take up this option at any time during your membership with the Fund. In addition you can add or remove extended family members as and when your circumstances change. The monthly premiums for this benefit will be deducted via debit order from your bank account.

Voluntary Critical Illness Cover

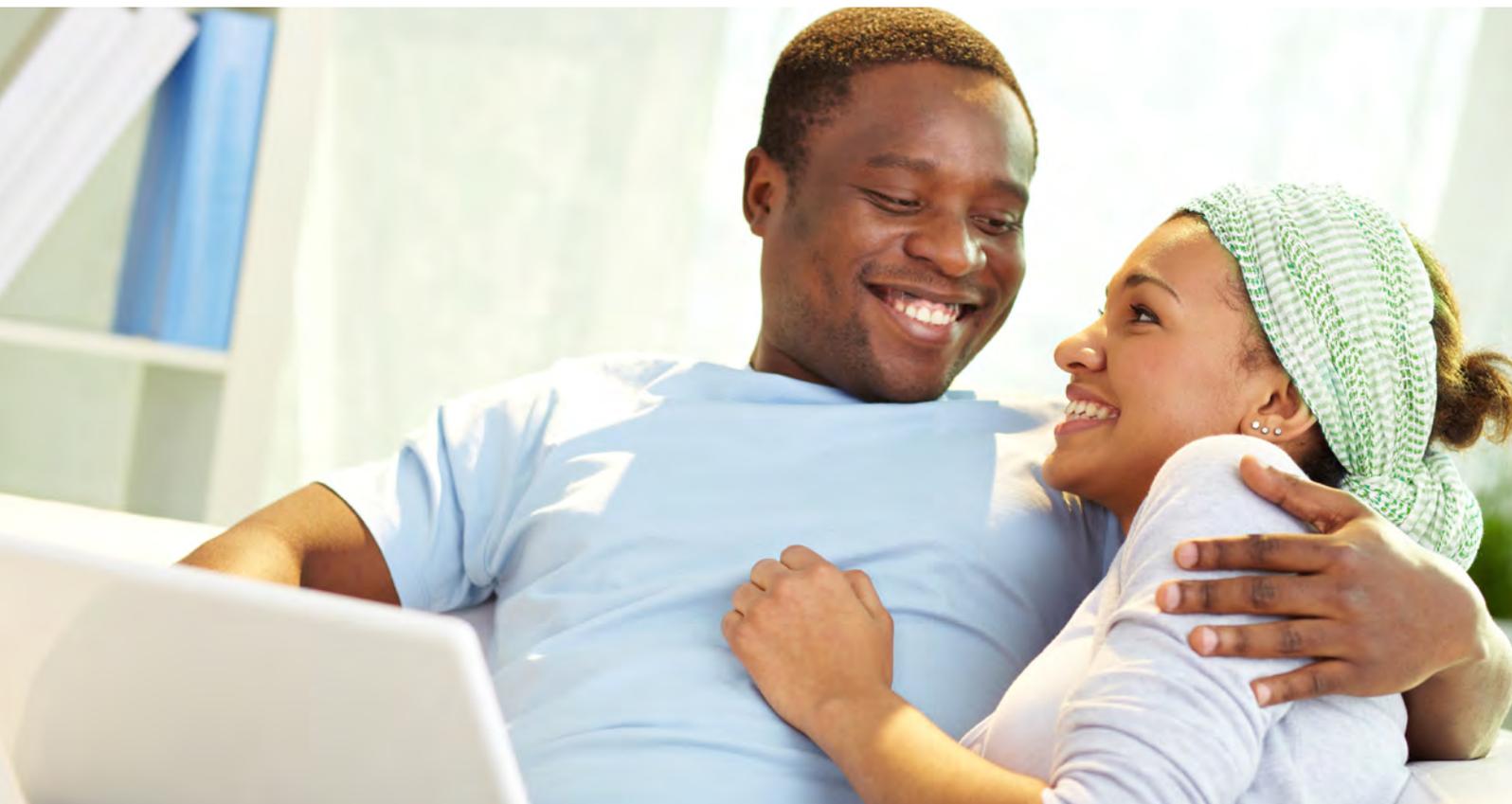
If you are an active member of the Fund as at 1 February 2018, and are younger than 63, you would recently have received communication offering you the once-off opportunity to take up this affordable cover.

This voluntary benefit is provided by Momentum and aims to help members with any potentially overwhelming expenses and lifestyle adjustments caused by a critical illness or condition.

Should you be interested in taking out this cover you need to complete and submit an application form by no later than 31 May 2018. Please note that your decision is final and irrevocable, and if selected, cover will commence from 1 June 2018.

We will inform all Employers about the details of those members who have chosen the benefit by 30 June 2018, as the premiums need to be taxed on a monthly basis in the same way that the disability income premiums are currently taxed.

To read more about these benefits or to access an application form please visit www.laretirementfund.co.za



YOUR FUND, YOUR CHOICE, YOUR FUTURE

Many of us believe that saving for retirement is not something that we need to worry about now as that's "tomorrow's problem". The reality is however that this so called "tomorrow" is closer than you think.

A scary statistic is that currently only 6% of working class South Africans are able to retire comfortably i.e. maintain their current lifestyle post retirement. Unless you plan early and make sound financial choices throughout your working lifetime, you will be one of the 94% who do not get to enjoy the comfortable retirement you deserve.

Securing a financial future takes more than one wise choice – it takes very careful planning and dedication. The best way to save for your retirement is... slowly, over time, preferably 35 to 40 years long. The earlier you put money into a retirement account, the more interest you will accumulate over time. This is the true power of compound interest!

Early withdrawal remains one of the main reasons why South Africans are unable to retire in comfort. Throughout your working life you may choose to take on new opportunities and therefore change employers more than once. Changing employers gives you access to your retirement fund savings and this is one of those times when you as a member need to fight the temptation of instant gratification and make wise choices for your future.

As a member of the LA Retirement Fund, you can preserve your benefit by:

- Preserving your full benefit in the fund and becoming a deferred member;
- Transferring your full benefit to another approved fund; or
- Transferring part of your benefit to another approved fund and taking the balance in cash

While we understand that having disposable cash after withdrawing from a Retirement Fund can be tempting, the choice is really simple.... You can either ensure that your financial future is secure or you can work all your life only to retire to a life of financial struggle!

Every year that you reinvest your interest (in other words, don't touch your money), greatly improves the chances of

growing your money into a decent nest egg at the end of your working life. When we save and invest for our entire working lives, the power of compound interest really can make the difference between retiring with security or having to depend on others, as we get older.

When it comes to saving for retirement, there are no shortcuts. Invest wisely, contribute as much as you can for as long as you can, don't be afraid to get financial advice, and resist the temptation to spend your retirement savings on anything other than your retirement!

**Remember, this is
YOUR FUND, YOUR CHOICE, YOUR FUTURE...**



BUDGET 2018

The 2018 Budget Speech was delivered at the end of February 2018. We have created a summary to help you understand how it affects your pocket.

On 1 April 2018 VAT increased from 14% to 15%.



You can expect a further rise in the cost of basic consumer goods.

The health promotion levy, which taxes sugary beverages was implemented from 1 April 2018.



The tax rate is 2.1c/gram for sugar content in excess of 4g/100ml.



Guilty pleasures now cost you more

Those who prefer unfortified wine will have to fork out an extra 23 cents per 750 ml. Ciders and alcoholic fruit beverages up by 15c per 340 ml. Spirit up by R4,80 per 750 ml. Cigarettes up by R1,22 per packet of 20. Cigars up by R6,45 per 23 g.

Fuel taxes have increased by 22c per litre with effect 4 April 2018.



Invest in a more fuel-efficient car or cut down on petrol expenses by starting a lift club.

Estates above R30 million will now be taxed at a rate of 25%.



Make sure your home is adequately valued.



Fee-free higher education and training for students from families whose income is less than R350 000 a year.

An additional amount of R57 billion has been allocated to fund the system over the medium term. This will create a broader taxpayer base in future years and increase the skill and talent that corporate South Africa is able to nurture.

The budget speech affects us all in one way or another and it's a reminder of how rapidly the cost of living increases. All the more reason for you to take all the necessary steps now to ensure that you are on track to retire in comfort.

ANNUAL GENERAL MEETING COMING SOON!

The LA Retirement Fund is proud to announce that we will be hosting our 34th Annual General Meeting.

A big thank you to those local authorities who have appointed delegates to attend our AGM and have informed us of the details. In addition, we have decided to extend an invitation to all our members who would like to and are able to join us as we discuss the challenges and successes of the year that was and our vision for the year ahead. Members who have not been appointed by their Local Authorities as delegates have observer status only.

The AGM will be held at the CR Louw Lecture Hall, Sanlam Head Office, Strand Road, Bellville on Friday, 25 May 2018 at 09:00.



As a member of the LA Retirement Fund it is important that you attend, as your contribution is invaluable in helping us achieve our vision.

We hope to see you there!"

CHANGE OF DETAILS – PLEASE INFORM US

Please do not forget to inform the LA Retirement Fund if you change your address, personal details, cellphone number and/or your email address as we like to ensure that you receive all fund communiques timeously.