

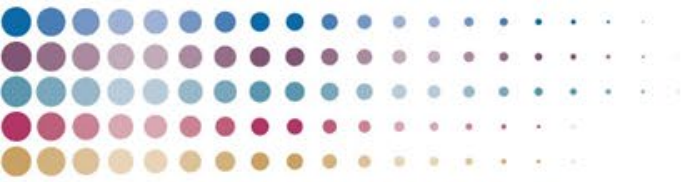
# **LA Retirement Fund**

## **35<sup>th</sup> Annual General Meeting**

### **Legal and Technical Review**

Braam du Plessis  
Principal Consultant

24 May 2019



# Agenda

1. Fund Rules and Amendments
2. Legislative update (including governance related activities)
3. In-Fund Living Annuity Information Session (after the conclusion of the AGM)



# Fund Rules and Amendments

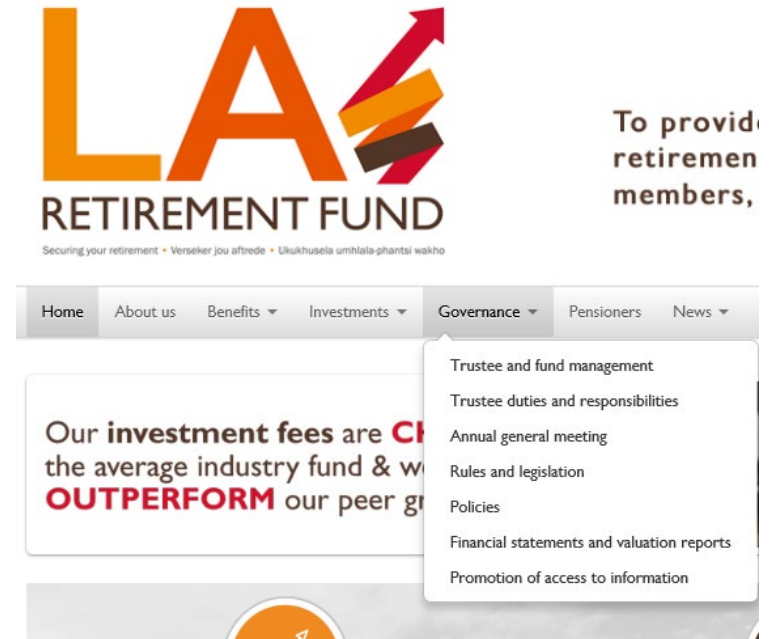


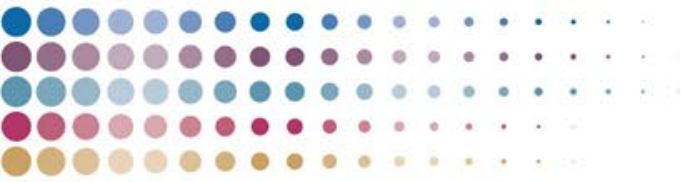
# Fund rules (introduction)

At 2018 AGM reported up to amendment no 10

*Four amendments were passed in the review period (amendments 11 to 14)*

*Rules were consolidated and revised effective 1 July 2018*





# Rules Amendment(s) during review period


## **Amendment no 11** (registered 19 July 2017)

*Effective dates: 1 July, 1 August and 1 September 2017*

*1 July 2017: death cover continues to 75 for members who remain in service past normal retirement age*

*1 August 2017: new death benefit structure applies to new members*

*1 September 2017: new death benefits apply to all members*



# Rules Amendment(s) during review period


## **Amendment no 12** (registered 31 July 2017)

*Effective date: 1 July 2017 and specific to the defined benefit (pensioner) section*

*Adequacy of provision of benefits (pensioners)*

*If DB assets are not adequate to provide DB benefits, then*

- 1) Employers contribute more; or*
- 2) Future benefits are reduced; or*
- 3) Combination of the above.*




# Rules Amendment(s) during review period

## **Amendment no 13** (registered 4 October 2017)

*Effective date: 1 October 2017*

- *Financial advice for in-fund living annuitants;*
- *Fund may identify one or more financial advisors;*
- *In-fund annuitant may appoint own financial advisor;*
- *Fees will be paid on explicit instruction of annuitant.*

*Board not responsible for and therefore liable for advice provided.*



# Rules Amendment(s) during review period

## Amendment no 14 (registered 8 February 2018)

*Effective date: 1 March 2018*

Technical matter and linked to the introduction of the voluntary critical illness benefit from 1 March 2018.

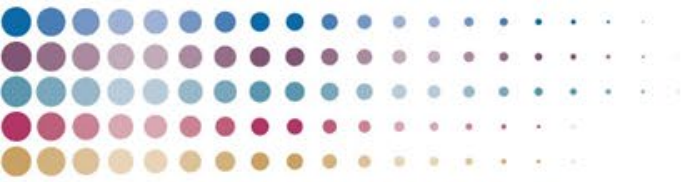
The amendment allows the premium for this benefit to be deducted from the Fund contributions.

Cover Amount	Attained Age		
	Up to 40	41 - 50	51 - 65
	Monthly Premium		
<b>R100 000</b>	R14.96	R 50.95	R126.67
<b>R200 000</b>	R28.58	R 97.39	R241.82
<b>R300 000</b>	R40.39	R140.99	R351.16





Legislative Update (including governance related activities)



# Legislative Update Default Regulations

**Cost effective and appropriate investment strategy**



**Annuitisation strategy**



**Retirement benefits counselling**



**Preservation and portability**



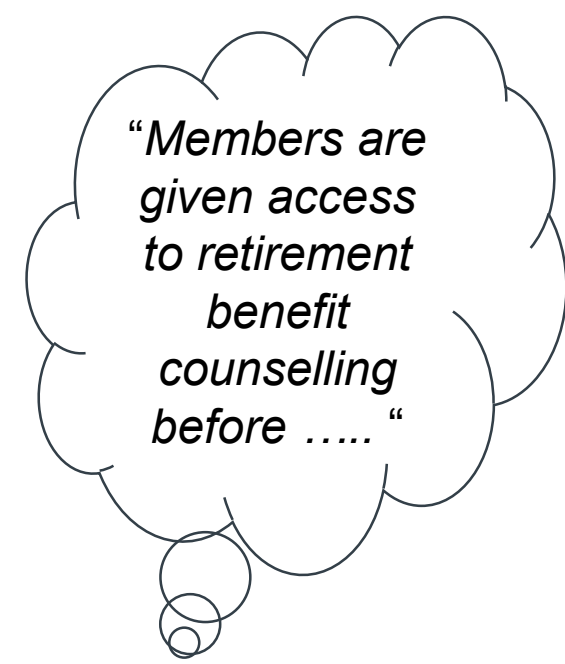
**Default Regulations (Regulations 37, 38 and 39)**

Published 1 September 2017 and took effect 1 March 2019



# Retirement Benefits Counselling

- Required before any benefit payment is made
- Hybrid system of written communication and contact with Fund Counsellor
- Focus on explaining relevant Fund strategies at termination of service
- Also available for any other fund related options (e.g. death benefit multiple)
- Look out for fact sheets on Life stage portfolios
- Updated booklets on in-fund preservation and living annuity
- Favourable and transparent fee arrangement

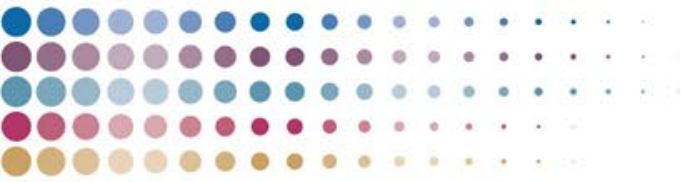


*“Members are given access to retirement benefit counselling before .....”*



# Legislative Update (a few others)

- Twin Peaks – in operation since 1 April 2018 - Financial Sector Conduct Authority (FSCA) and Prudent Authority
- Voluntary B-BBEE disclosure
- T-Day (annuitisation of provident fund benefits at retirement) postponed to 2021
- POPIA
- Conduct of Financial Institutions (COFI)



# Governance Activities 2018

- Board Charter;
- Governance framework;
- Updated Gift Policy;
- Other ..... refer annual report



# In-Fund Living Annuity Information Session

You are invited to attend the session (upon the conclusion of the AGM)

12H00 to 13H00

Training Room 1 in this building

Who should attend: current IFLA's, anyone still to retire and Employers

# Your retirement journey



**20 to 55**

“Time is on your side, and an aggressive investment strategy with real return objective is appropriate. This is your wealth accumulation phase”

**55 to around 70**

“As you approach retirement and look to reduce risk in your portfolio, there will typically be little time to recover any losses.”

**70 and beyond**

“Ensure your accumulated assets continue to work for you through retirement.”

**The Fund has set appropriate strategies for all these stages**

# Thank You

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**Durban**  
**Pretoria**  
**Sandton**

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