LA RETIREMENT FUND
Securing your retirement

Dear HR Partner

Annual Review of Insured Benefits

The Board of Trustees is committed to making sure that members get the maximum value for the lowest cost from the insured benefits provided by the Fund. These benefits are therefore reviewed regularly. When necessary, changes are made to ensure that these benefits provide the very best offering to our members.

The details of the most recent review are available on the Fund's website and a brief overview is provided below:

Funeral cover – outstanding savings

We are pleased to confirm that from 1 July 2019, the funeral cover rates for all 3 categories reduced. This is the 3rd year in a row that these rates have reduced; resulting in a huge 20% saving since inception of the flexible funeral benefit in 2017. The good news is that these achieved savings will be added to a member's share value to enable it to grow that much faster.

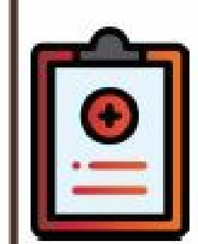
Death benefits – great savings

The new, flexible age banded benefit structure was implemented on 1 August 2017. The rates remained unchanged in 2018 and have now all reduced by 5% with effect from 1 July 2019. This is again great news for all members who have chosen the death benefit as the savings achieved will be added to your member share value.

Voluntary critical illness benefit – no increase

All members were given a once-off option of electing this benefit in February 2018, when three options with their corresponding levels of cover were provided. The Board is pleased to announce that the rates for all 3 options remain unchanged from 1 July 2019 to 30 June 2020.

Disability income bene it – bene it re-design



This benefit was offered to all members, irrespective of their insured category, in August 2017. Rates remained unchanged in 2018. Over the last two years there has been an increase in claims under this insurance arrangement and Momentum (the Insurer of the benefit), as a result has tabled an unaffordable increase in the cost for this insured benefit. The Board is mindful that every additional cost reduces the employer's contribution towards your member share – this is contrary to the business of a retirement fund which is ultimately to provide for members' retirement. The Board decided that the best way to manage this escalating cost, and prevent an increase in the current rate of 1.837% of salary, was to re-design the benefit. All members will shortly receive targeted communication detailing the changes to the benefit structure. Members are also welcome to view the new benefit design on the Fund's website.

Ilse Hartlief
Principal Officer

In the words of Henry Ford. "Coming together is the beginning; keeping together is progress; working together is success." Click here to give us your feedback on the kind of topics / information you would like to receive from us. We look forward to your feedback!

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