



DECEMBER 2020

Note from the PO

Despite the many challenges that we have faced in 2020, it is important that we look for the silver lining in this dark cloud. The holidays are often a good time to take stock of where we are at and where we are headed.

Setting your goals for 2021 will help to keep you motivated and focused despite the confusion in the world around you. It is important to ask yourself what you should **keep, start, and stop doing**. These are essential in helping you map out your future. As human beings, it is our resilience, in spite of the challenges we face that helps us soar above the storm.

The Fund has also faced many challenges in light of the pandemic, but as always, our motivation and dedication to reach you, our pensioners, have seen us adapt and evolve to ensure that we continue to serve in your best interest, no matter what the circumstances.

I would like to thank each pensioner who takes the time to read our communications, those who provide their missing contact information when requested to do so, the pensioners who attended our Virtual AGM in May, and those who generally cooperated with the Fund during these difficult times. It is my hope, as we look ahead to 2021 that we remain committed to working together.

It was Nelson Mandela who said: "I learned that courage was not the absence of fear, but the triumph over it."

I look forward to our continued triumphs in 2021. Wishing you a peaceful and safe Festive Season!

Happy reading!
Ilse Hartlief
Principal Officer

Our new virtual reality

The Coronavirus pandemic has highlighted the important role that technology plays in our lives. In order to ensure continued and effective communication during this pandemic, institutions were forced to embrace the role of technology in order to ensure the continuous supply of accessible communication. As a Fund, we have had to do the same.

This year the Fund has therefore successfully hosted what we hope to be the first of many Virtual Annual General Meetings and many other virtual engagements with our various stakeholders. Watch your inbox or the Fund's **online calendar** for more information on upcoming events that are relevant to you.

In addition to the Fund's walk-in office, we remind you that you may contact us at any time via:

Tel: 021 943 5305
Fax: 021 917 4114
WhatsApp: 081 806 9959
(between 08:00 - 16:00)
E-mail: support@laretirementfund.co.za

**Pensioner
Pay
dates
2021**

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
22/01/2021	22/02/2021	22/03/2021	22/04/2021	21/05/2021	22/06/2021
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
22/07/2021	20/08/2021	22/09/2021	22/10/2021	22/11/2021	15/12/2021

Pension increase and bonus

Your pension increase effective on 1 January 2021 takes, amongst other things, the following into account:



1. Pension Increase Policy:

The Rules of the Fund allows the Trustees the discretion to review and revise the Pension Increase Policy from time to time based on the circumstances of the Fund, after consultation with the Actuary. The Fund's Pension Increase Policy formally confirms the rationale underpinning the annual increase that is paid to pensioners.

The Fund's current Pension Increase Policy is as follows:

- Annually perform a review to target a pension increase of 70% of CPI effective 1 January but based on the CPI to the preceding 30 June (subject to affordability as determined by the Actuary having regard to investment returns), including the value of any bonus.
- Every three years perform a catch-up review to increase pensions to 100% of CPI since the date of retirement (known as a minimum pension increase), subject to the value of the notional pensioner account and affordability, as provided for in the Pension Funds Act, as amended.

2. Investment returns and interest rates:

The period from March 2020 to June 2020 has been a particularly trying time as COVID-19 negatively impacted investment markets worldwide. The sudden impact was far worse than that of the Great Depression from 1929 to 1933. Whilst the impact resulted in a sudden drop in Fund assets, the Fund had recouped most of these paper losses by August 2020.

The pensioner investment strategy means that investment returns should not be viewed in isolation but rather together with the change in the value of the promised benefits (liabilities). This is because a large portion of the assets (bonds) move in a similar way to the value of

the liabilities when interest rates change. When interest rates rise, the value of both the assets and the liabilities decreases and vice-versa. This occurred in March 2020 when interest rates suddenly increased. Investment returns on pensioners assets averaged 2.7% p.a. over the 3 years to 30 June 2020. While the return is low, the value of the liabilities also reduced. It is this matching effect that the investment strategy seeks to achieve.

3. Financial strength of the Fund:

When the Board of Trustees considers the annual pension increase, financial soundness is always foremost in mind. The Fund's investment strategy and reserves have helped protect the Fund against the financial impact of the pandemic. I wish to confirm that the Pensioner Account is 100% funded as at 30 June 2020. The Fund is therefore in a sound financial condition.

The Board of Trustees has been able to grant a pension increase in line with the Fund's pension increase policy. As mentioned above, the policy targets a pension increase of 70% of price inflation, including the value of any bonus. Part of the targeted pension increase may be exchanged for a bonus.

Your gross pension will be increased by 1% with effect from 1 January 2021. Your January 2021 pension payslip will reflect your increased pension. While the pension increase is low, please note that price inflation was only 2.2% for the year to 30 June 2020.

In addition, you will receive a bonus to be paid during December 2020 amounting to 55% of your gross December pension. Your December pensioner payslip will reflect your bonus payment. Please note that there is no requirement for the Fund to pay bonuses and there should be no expectation for these to necessarily be repeated in future.

The pension increase and bonus are equivalent in value to an increase of 70% of inflation. This is in line with the pension increase policy.

Pro-rata pension increases, and bonuses will be made in respect of pensions in payment for less than a year.

Help us help you!

As many of you would have noticed by now, the Fund has changed the way in which we distribute pensioner payslips. Where possible, we are moving away from posting pensioner payslips to emailing them to you instead. Whilst this not only saves the Fund on stationery and postage, it ensures timeous delivery to you and provides less opportunity for your personal information to get into the wrong hands. For these and other communication purposes, we urge you to please ensure that we always have your latest contact details on record. We can only communicate efficiently and effectively with you if we are able to contact you.

Update your contact details today via:

Tel: 021 943 5305

Fax: 021 917 4114

WhatsApp: 081 806 9959 (between 08:00 - 16:00)

E-mail: support@laretirementfund.co.za

Older people are especially vulnerable to severe illness when it comes to the Coronavirus, especially now that we are in a more relaxed lockdown level. It is therefore important that you continue to take care of yourself and stay at home as much as possible. Here are a few simple tips to help you stay happy and healthy during these difficult times:



As a pensioner, you probably already have a daily routine. It is important that you maintain your routine, while remaining flexible, as this helps you take control of your day.



Stay in touch with your loved ones by embracing technology. Technology makes it easy for us to stay in touch. You can even say that you have mastered the art of all forms of calling; namely video calls, regular calls or WhatsApp calls.



Too much information for too long can become harmful to your peace of mind. Schedule your news intake, for example, only watch the 6 pm news every day to ensure that you stay up to date.



Find safe ways to keep active in your own environment by taking short walks in your garden and getting much-needed fresh air.



Make healthy food choices to keep your body healthy. You can also boost your immune system by taking vitamin C supplements every day.

Continue to protect yourself and those around you by wearing your mask, practice social distancing and keep washing your hands!

On behalf of the Management of the Association of Pensioners, I wish you a blessed and happy Festive Season (as opposed to this past year, when “ COVID-19” and “Coronavirus” became buzz words and we were all confined, in the interests of our own health and well-being). May you and your loved ones enjoy good health and happiness in 2021.

Steph du Toit
Chairman of the Association of Pensioners

