

MEMBER NEWSLETTER

Vol 01 | February 2022

NOTE FROM THE PRINCIPAL OFFICER



Dear Member

Welcome back from your holidays if you were fortunate enough to take leave. We hope that you enjoy our first newsletter of 2022 as we continue to keep you updated on important Fund matters and items which require your attention.

Even though we are still in an environment of mask wearing and social distancing, it is evident that the Covid-19 strain is now less severe, which is good news as this will allow us to start visiting our members and the local authorities again. We look forward to more engagement with you this year.

The Board of Trustees will continue to work hard in ensuring that the Fund remains a retirement fund of choice in local government, providing optimal benefits to its members.

Ilse Hartlief
Principal Officer



Death benefit - applicable to members who joined the Fund after 01 August 2017

As a member of the LA Retirement Fund, you have the flexibility to decide on the amount of cover that best suits your needs and budget when joining the Fund. If you did not do so, you would then automatically have been covered under the Default option applicable to your age band.

After joining the Fund, members then have the opportunity to adjust their multiple and increase or decrease their level of cover on 01 July every year and/or within 3 months of a life event.

What benefit do you qualify for?

The table below illustrates the different age bands, the level of death cover (multiples of annual pensionable salary) available in each age band and the default selection that applied if you, at the time of joining the Fund, did not make a formal selection. Qualifying for the default means that your benefit will automatically reduce from 3 times annual pensionable salary to twice annual pensionable salary on 1 July following your 50th birthday.

Multiples of annual salary		
<p>Younger than 30</p> <p>Choice (multiples of annual pensionable salary) 0, 1, 2, 3, 4, 5 Default = 3</p>	<p>Age 30 - 39</p> <p>Choice (multiples of annual pensionable salary) 0, 1, 2, 3, 4, 5 Default = 3</p>	<p>Age 40 - 49</p> <p>Choice (multiples of annual pensionable salary) 0, 1, 2, 3, 4, 5, 6 Default = 3</p>
<p>Age 50 - 54</p> <p>Choice (multiples of annual pensionable salary) 0, 1, 2, 3, 4, 5 Default = 2</p>	<p>Age 55 - 75</p> <p>Choice (multiples of annual pensionable salary) 0, 1, 2 Default = 2</p>	<p>You can find out what your current level of death cover is by checking your 2021 Annual Member Benefit Statement or the member information section on the secure website or via the Verso mobile app. You can also contact the Fund Service Centre for assistance.</p>



**ADJUSTING
YOUR LIFE
COVER TO SUIT
YOUR NEEDS**

A. Changing your level of cover on 1 July

Once a year you may increase your level of cover by increasing your chosen multiple or you may decrease your cover by decreasing your multiple. Your application to **increase** your cover must be received by the administrator **by 31 March** and, if approved by the insurer, the increase will take effect from the 1st of the month following the insurer's approval (earliest 1 July).

An application to increase death cover is subject to you having to provide proof of good health to the insurer. The medical information required will be determined by the insurer and the costs associated with medical tests and/or examinations will be paid for by the insurer.

If you decide to **decrease** your cover, your application must be **received by 31 May**. No medical information is required when requesting a decrease in death cover. Please access the form from the website under risk benefits: *Annual change in insured death benefit option form*

B. Changing your level of cover within 3 months of a life event

You may also choose to increase or decrease your cover at any time should you experience a life event.

A life event is defined as marriage, divorce, the death of a spouse, the birth of a child, promotion at work, a change in the employment contract from permanent and full-time to a fixed-term contract and vice versa.

You have 3 months from the date of the life event in which to apply for a change in your life cover. Please access the form from the website under risk benefits: *Life events that require a change in insured death benefits options form.*

C. Moving age bands

MOVING FROM 30 - 39 TO 40 - 49
Moving from the 30-39 age band to the 40-49 age band - you may elect to increase your cover from a maximum multiple of 5 times your annual pensionable salary to 6 times your annual pensionable salary.

MOVING FROM 40 - 49 TO 50 - 54
Moving from the 40-49 age band to the 50-54 age band - your maximum multiple reduces from 6 to 5 times your annual pensionable salary. Members who opted for 6 times annual pensionable salary will automatically be moved to 5 times annual pensionable salary from 1 July following the attainment of age 50.

MOVING FROM 50 - 54 TO 55 - 75
Moving from the 50-54 age band to the 55-75 age band - your maximum multiple reduces from 5 times to 2 times your annual pensionable salary.
On the 1st of July following the attainment of age 55, members who selected 5, 4 or 3 times annual pensionable salary will automatically be changed to twice annual pensionable salary death cover.

IMPORTANT POINTS TO REMEMBER

- The maximum amount of cover reduces with age. The reason for this is that cover becomes increasingly more expensive the older we become. The Trustees prefer members to save for retirement rather than paying large premiums for death cover.
- If you are in the 30-39 age band and have chosen the maximum multiple of 5 times your annual pensionable salary and you do not make a selection on moving age bands, you will automatically still qualify for a multiple of 5 times your annual pensionable salary on moving to the 40-49 age band. This is despite the fact that you could have applied to increase your cover multiple to 6 times your annual pensionable salary.
- If you are in the 40-49 age band and have chosen the maximum multiple of 6 times your annual pensionable salary and you do not make a selection on moving age bands, the new maximum multiple of 5 times cover will be applied on moving to the 50-54 age band.
- From the 1st of July following the attainment of age 55, the maximum multiple of cover that applies to each age band is different for the old risk benefit options.

What are the important trigger ages when the maximum cover changes?

When you turn 40

You may increase your maximum cover to 6 times your annual pensionable salary.

When you turn 50

Your maximum multiple reduces from 6 to 5 times your annual pensionable salary.

From 1 July following the attainment of 55

Your maximum multiple reduces from 5 to 2 times your annual pensionable salary.



MEMBER ENGAGEMENT

The Fund has appointed Verso Financial Services to provide the Fund's Communication Services to the members from 1 January 2022. We look forward to continuing to build on the many communication initiatives since the Fund launched its new name and logo in 2016. The Fund encourages you to attend the member sessions which will be set up this year, both in person where it is financially viable for the Fund to do so or through virtual meetings, which continue to remain a cost and time effective way of engaging with our members.

To make sure that you don't miss the communication about the dates of the member sessions, please ensure that the Fund has your current contact details (cellphone number and e-mail address).

In the December 2021 newsletter we encouraged members to download the new Verso Insight mobile App from the respective App Stores (either Apple or Android). The link to the Verso Insight web App can be accessed on the Fund's website. If you have not yet done this, we encourage you to, as this will enable you to access your member information effortlessly.

The Fund believes it is important to empower their members to retire affordably. Towards the end of 2021, we advised members that the Fund had uploaded videos onto the Fund's website which deal with various stages of retirement planning. There are four videos with the longest being around 30 minutes:

1. The Principal Officer highlighted the importance of the retirement savings journey.
2. The Fund's Retirement Benefits Counsellor, Grant Greenfield discussed the cost effective In-Fund Living Annuity option for members at retirement.
3. Wessel Oosthuizen of Verso Wealth had an armchair discussion with Francois du Toit about the road to retirement savings and the various difficulties which can be encountered along the way.
4. Jonathan Theunissen of Verso Wealth continued the savings discussion by expanding on ways to save and suggested budgetary considerations.

RETIREMENT SAVINGS VIDEOS

We invited you to watch these videos over the holiday period and the Fund will hold a virtual Question & Answer (Q&A) session in February where the topics discussed can be expanded on. At this virtual session, Jonathan will be giving some important pointers on how to save responsibly. Look out for the newsflash confirming the date of the Q&A.



ONE BUCKET OR TWO?

In the December 2021 newsletter, we discussed National Treasury's announcement that government is working on a "two-bucket system", which aims to provide a solution for members to access part of their retirement savings in an emergency, while still ensuring that members preserve the bulk of their retirement savings.

National Treasury published a further discussion paper in December 2021 and public comments on this paper were to be submitted by 31 January 2022. It is the intention that draft legislation will be published in line with the 2022 Budget process.



ANNUAL GENERAL MEETING

The Fund held its first live virtual Annual General Meeting (AGM) on 28 May 2021. This was a resounding success and enabled members who otherwise would not have been able to attend the meeting, to attend virtually.

As such, the Fund will again hold its Annual General Meeting virtually at 9 am on Friday, 27 May 2022.

Holding the AGM virtually will continue to alleviate the time needed and expense incurred in travelling to Cape Town and will enable more members to attend the meeting and to be part of the discussions on important Fund matters. It also reduces Fund costs which is to the benefit of all members.

Communication has been sent to the participating local authorities requesting the election/nomination of member, pensioner, and councillor delegates to attend the virtual AGM. The Board of Trustees encourages all members to join the AGM as this will give you the opportunity to hear first-hand about the Fund's investments, the funding level, benefit structure and the highlights from the 2021 annual financial statements. Members will be invited to ask questions at the end of the AGM.

This is your Fund - this is your opportunity to obtain the information you need to ensure that you understand the details so that you can one day retire comfortably.

Join us on Friday, 27 May 2022 at 9 am - look out for the AGM newsflash and online link that will be sent to all members closer to the time.

Retirement Benefits Counsellor / Client Liaison Officer

The Fund's Retirement Benefits Counsellor, Grant Greenfield and the Client Liaison Officer, Glenda Kunene are available to assist with any questions you may have about the Fund.

They can be contacted as follows:

Grant Greenfield
(Retirement Benefits Counsellor)
021 - 943 5305,
or email:
support@laretirementfund.co.za

Glenda Kunene
(Client Liaison Officer)
081 778 0923,
or e-mail:
glendak@verso.co.za

The Fund has a WhatsApp No:
081 806 9959 to enable members to have easy access to communicate effectively with the Fund during office hours (8h00 to 16h00, Monday to Friday).

Trustees
Mr DL Carstens (Chairperson) | Mrs M Van Zyl (Deputy Chairperson) | Adv CJ Franken | Mr J Lawack | Mr J Jacobs | Mr WR Meiring
Mr S Philander | Mr JAH van den Berg
Principal Officer | Mrs IT Hartlief

P O Box 4300 | Tygervalley 7536 | Belmont Office Park | Twist Street | Belville | 7530
WhatsApp 081 806 9959 (between 08h00 - 16h00) | Tel 021 943 5305 | Fax 021 917 4114 | Email support@laretirementfund.co.za
www.laretirementfund.co.za | Fund Registration No. 12/8/1278/2