LA RETIREMENT FUND
Securing your retirement

# PENSIONER NEWSLETTER

December 2023

## NOTE FROM THE PRINCIPAL OFFICER

Dear Pensioner

We have come to the end of another year when the investment markets again showed volatility. The Fund continued to show resilience as its long-term investment strategy yielded positive returns.

The Board of Trustees regularly review their service provider agreements and test the pricing in the market.

The investment consulting services were reviewed this year and the Fund appointed Simeka as the new investment consultant with effect from 1 October 2023. Their pricing will result in a substantial saving in investment consulting fees for the Fund and we look forward to the same high degree of professionalism and sound investment advice as were received from their predecessor, GraySwan.

The Board of Trustees is delighted that the Fund is able to grant a pension increase of 4.5% on 1 January 2024, which is higher than the Fund's pension increase target, as well as a bonus of 100% of gross monthly pension in December this year.

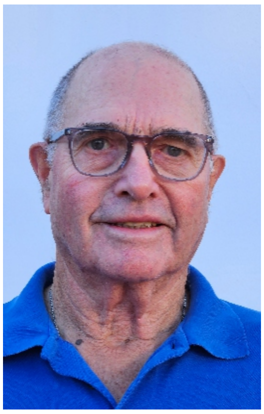
We hope that you enjoy reading the latest Fund news as well as the tips for healthy living during the festive season in the Wellness section.

We wish you a safe and joyful time with your loved ones over the holiday season and look forward to sharing more news with you in 2024.

*"Don't act your age in retirement. Act like the inner young person you always have been."* - JA West

Ilse Hartlief
Principal Officer

# MESSAGE FROM THE CHAIRMAN - ASSOCIATION OF PENSIONERS



On behalf of the Management of the Association of Pensioners, I wish you a blessed and pleasant festive season. During 2023 Adv. Christi Franken was co-opted into the management team and he makes a valuable contribution.

You are still encouraged to try to secure access to e-mail and forward it to info@vpkgp.co.za.

May 2024 bring you and your loved one's good health, joy and peace.

Best wishes
Steph du Toit
Chairman

# PENSION INCREASE AND BONUS

The Board of Trustees takes into account the following when considering pension increases:

1. **The Fund's Pension Increase Policy:**
   The Fund's current Pension Increase Policy targets 70% of price inflation (CPI) effective 1 January based on the CPI to the preceding 30 June including the value of any bonus. The pension increase is subject to affordability as determined by the Actuary having regard to investment returns.

2. **Investment returns and interest rates:**
   The investment return on pensioners' assets was 9.4% for the year ending 30 June 2023.

   The pensioner's liability driven 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. The increase in interest rates over the year to 30 June 2023 had a positive impact on the financial strength of the Fund.

3. **The financial strength of the Fund:**
   When the Board of Trustees considers the annual pension increase, the financial soundness of the Fund is always foremost in mind.

   As mentioned previously, the Fund's investment strategy and reserves helped protect the Fund against market volatility. The Pensioner Account was 120.3% funded as at 30 June 2023 compared to a funding level of 111.6% as at 30 June 2022. The Fund therefore remains in a sound financial condition.

   As a result, the Board of Trustees has been able to grant a pension increase which is higher than the pension increase target of 70% of CPI. The Pension Increase 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. As there is surplus available, the Board has resolved to apply part of the surplus towards funding a bonus in December.

We are pleased to advise that your gross pension will increase by 4.5% with effect from 1 January 2024. This represents 83% of CPI. Your January 2024 pension payslip will reflect your increased pension.

In addition, you will receive a bonus to be paid during December 2023 amounting to 100% of your gross December pension. Your December pension 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 a bonus to necessarily be repeated in future.

The pension increase and the value of the bonus are equivalent in value to an increase of 104% of price inflation, which exceeds the Pension Increase Policy target of 70% of price inflation. The Trustees will retain the remaining surplus in the Fund in the event that investment markets remain volatile going forward.

## PENSIONER TRUSTEE ELECTION

The details of the newly elected pensioner trustee will be communicated to you in a separate newsflash.

## 2024 PENSIONER PAY-DATES

| | | | |
|---|---|---|---|
| 22 January | 22 February | 22 March | 22 April |
| 22 May | 21 June | 22 July | 22 August |
| 20 September | 22 October | 22 November | 13 December |

## CHANGE OF DETAILS

Please remember to inform the Fund if you change your address, personal information or banking details. Please also ensure that we have your up-to-date email address on record. You can update your personal details online, via the Fund's secure website or you can contact the Fund's call-centre.

We have previously informed you of our decision to email rather than post your pension payslip to you as this ensures that you receive it safely and instantly. To receive your payslip electronically, you must give the necessary consent.

Please contact the Fund on 021 943 5305 or send an email to support@laretirementfund.co.za or Whatsapp 081 806 9959 and request the "Consent to Receive Payslip via Email" form and return it to support@laretirementfund.co.za, once completed.

Should your banking details change, the Fund must be notified in writing before the 10th of the month for your pension to be paid into your new bank account. Any notifications received after the 10th of the month will only be implemented the following month.

## LET'S TALK TO BRETT SAMUELS

Many of our pensioners have spoken to Brett Samuels. Brett works for Verso, the Fund's benefit administrator. Brett has worked on the pensioner payroll for many years to ensure that our pensioners are paid timeously each month.

We decided to interview Brett to understand what his job entails and what it is that makes his job fulfilling.

**Q: Brett, you have been working with the Fund's pensioners for some years now. What do you do?**

I run and oversee the full pensioner payroll function. This includes loading the pensioner's spouse on the payroll after a pensioner has passed away, ensuring that medical aid changes are captured, carrying out tax updates, assisting with pensioner queries, all building up to the monthly committing of the payroll and making sure the monthly pensions are paid on time.

**Q: What are the highlights of your job?**

There have been many, from the relief in a pensioner's voice when I confirm that their Certificate of Existence (COE) has been received, the joy I hear when I confirm that the pay date is before the 22nd of the month to the Christmas blessings they bestow upon the Trustees when the annual increase and bonus is announced.

**Q: Do you have a story that you can share with our readers of when you helped a pensioner (or their spouse)?**

A pensioner had passed away and for years we had not received any spouse details. When we eventually tracked down the spouse, she was due quite a large payment as the arrear pensions were backdated for a few years. She was ecstatic as this payment was also made before the festive season.

One pensioner I must mention is a former traffic officer who is one of the many pensioners who live around my area and to whom I take their Certificate of Existence each year. He has shared his wisdom with me, by telling me that to avoid receiving speeding fines I should drive on the payment. I enjoy the humour and engagement with our pensioners.

**Q: What would you say to the pensioners about this Fund?**

The LA Retirement Fund is a great fund run by some of the industry's best and very knowledgeable individuals and teams who are available for queries, questions and information through several accessible contacts. The pension increase and bonus history over the years have been sustainable and gratefully accepted by the pensioners. The Fund has various ways of keeping the pensioners up to date of what is going on.

## FESTIVE SEASON OFFICE HOURS

The Fund's walk-in centre, call-centre and WhatsApp will remain open over the festive season from 08:00 to 16:00 (excluding weekends and public holidays).

**E-mail:** support@laretirementfund.co.za
**Tel:** 021 943 5305
**WhatsApp:** 081 806 9959
**Walk-in:** Belmont Office Park, Twist Street, Bellville

## WELLNESS FOR SENIOR CITIZENS

The festive season is a difficult time to watch what we eat. For many people, this time of year is more social. We can certainly indulge a bit more, but not all the time. Balance is important.

Here are some tips for healthy living while enjoying time with family and friends.

### STAY ACTIVE

Walking for 30 minutes a day helps to increase cardiovascular fitness. It is also good to do some stretching exercises so that your muscles stay strong. Take the stairs when you can.

Remember, always speak to your medical doctor about what exercises you can do.

### WATCH WHAT YOU EAT

At this time of the year, it is easy to eat more sugar (cakes, chocolates) and fried foods or other treats. Everything can be eaten in moderation! Dish up a small amount of these foods and wait a while for your digestion to settle before going back for a second helping.

Enjoy the piece of cake, but don't forget to also eat your fruit and vegetables.

Drinking a glass of water with a slice of lemon is very refreshing, helps to soothe the gut and is also preferable to drinking sugary, carbonated cool drinks.

### AFTERWARDS

If you do happen to over-indulge, don't feel guilty. It is important to enjoy yourself with your family and friends and you will soon go back to your normal healthy lifestyle.

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