Risk Rate Review
May 2026

LA RETIREMENT FUND
Formerly known as the Cape Joint Pension Fund
Securing your retirement

Annual Review of Insured Risk Benefits – 1 July 2026

An annual saving of approximately R2 million!

This money, instead of being a cost towards risk benefits, will be invested straight into member shares within the Fund.

The Board of Trustees is committed to making sure that the insured death, disability, critical illness and funeral benefits add maximum value to our members at market related costs.

To ensure this, the Board undertakes regular reviews of the Fund benefits and makes changes where they feel these are in your best interest. Risk premium rates are largely affected by claims experience and changes in the membership profile (such as increased membership age).

The Board of Trustees is pleased to announce that the Fund's annual insured benefit review has resulted in premium reductions across all insured risk benefits effective from 1 July 2026. These reductions translate into an estimated annual saving of approximately **R2 million** across all members collectively. As mentioned above, the reduced rates enable a greater portion of the monthly contributions paid into the Fund to be directed towards members' retirement benefits, supporting improved long-term retirement outcomes.

The risk benefit details are available on the Fund's website and a brief overview is provided below.

Funeral Cover – Sanlam's rates have decreased by 5.2%!

The rates are reviewed every year. Last year these rates decreased by 18%.

The number of funeral cover claims has decreased since the pandemic and Sanlam has therefore agreed to again reduce the premiums for all three options by a further 5.2% from 1 July 2026.

A market review was undertaken that confirmed that Sanlam's new rates are the very best that can be achieved for our members. The reduced premium rates from 1 July 2026 are as follows:

Rate per member per month effective 1 July 2026			
Benefit	**Option 1 – R30 000**	**Option 2 – R40 000**	**Option 3 – R55 000**
Funeral cover premium	R31.00	R41.33	R56.83

Breaking news!

The Fund has also introduced a new option that will allow members to increase their cover annually from 1 July to 30 September. Further communication with details on this enhancement will be shared soon.

Death Benefits – rates decreased by a further 13.4%!

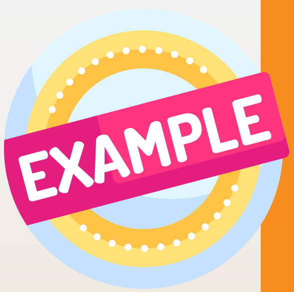
The rates were reduced by 14.5% and 13% with effect from 1 July 2023 and 1 July 2024 respectively – due largely to the reduction in claims since the pandemic.

The Board is happy to announce that the rates have again reduced across all age bands – by 13.4% – effective 1 July 2026.

A market review was also undertaken that confirmed that the rates are both competitive and sustainable and are therefore the very best rates that can be achieved for our members.

The rates are expressed as cents per R1 000 insured amount per age band. The reduced premium rates from 1 July 2026 are as follows:

Age bands	Unit rate from 1 July 2026 (cents)
Younger than 30	15.46
30-39	23.19
40-49	43.80
50-54	70.86
55-64	119.17
65-69	233.19
70-75	341.40



Death benefits example: A member is 29 years old and earns an annual pensionable salary of R400 000.

The member chooses death benefit cover of 2 X their annual pensionable salary = R800 000 cover.

Calculation: R800 000 x 15.46 (unit rate) / 1 000 = R 123.68 p.m. premium to be deducted from the employer's portion of the contribution towards the Fund.

For this member, the annual premium equates to a rate of 0.3710% of their annual pensionable salary.

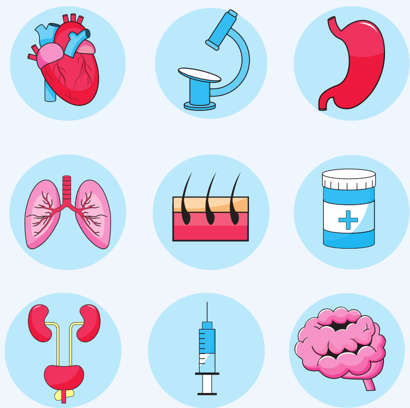
The free cover limit has also increased from R5 000 000 to R6 000 000, which is the maximum cover before medical underwriting is required.

Disability Income Benefit – rates decreased by 11.05%!

The premium rate of 1.837% of pensionable salary has been unchanged for 6 years in a row. The Board is therefore very pleased to announce that the rate has reduced to 1.634% effective 1 July 2026. This is a reduction of 11.05%.

The maximum permissible monthly benefit remains unchanged at R220 000 p.m. The free cover limit has increased to R80 000, which is the maximum cover before medical underwriting is required. The market review confirmed that the new premium rate is the best rate in the market for this benefit taking into consideration the complexity of the benefit structure, the service required of Momentum and the free cover limit provided.

Voluntary Critical Illness Benefit – rates decreased by 7.5%!



All members were given a once-off option of selecting this benefit in February 2018 when three options, with their corresponding levels of cover were provided. On request, members were once again given a once-off option to take up this cover by 31 October 2022.

Subsequently, members requested that they be afforded the opportunity to select or upgrade their critical illness benefit more frequently and the insurer amended the policy from 1 October 2023 to allow members to select or upgrade their critical illness benefit following specified events (i.e. on promotion was added). New members may choose to take up this benefit within 3 months of becoming a member of the Fund.

The Board is pleased to announce that the rates for all 3 options have reduced. The premium rates remained unchanged for 7 years in a row and have now decreased from 1 July 2026.

	Age 40 years and younger*	Age 41 years up to 50 years*	Age 51 years up to age 65 years*
Option 1 – R100 000	R13.84	R47.14	R117.19
Option 2 – R200 000	R26.44	R90.10	R223.73
Option 3 – R300 000	R37.37	R130.44	R324.89

* Age is calculated initially at date of entry, and at the anniversary date (1 July) each year thereafter.

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