

Stay on top of Retirement Reform

The latest change to impact you



New retirement fund regulations to be in place by

1 March 2019

There are a new set of default retirement fund rules that were gazetted on 25 August 2017. These default regulations must be implemented within the next 18 months. The new regulations are designed to protect you, as a member of your employer's retirement fund, and help you secure your retirement savings.

How am I affected by the new rules?

In brief, the new regulations will compel the management of your retirement fund to incorporate some new strategies.

Active Members

(Default investment portfolio)

Definition of investment portfolio: Combination of asset classes (shares, bonds, cash)

As a contributing member of your fund, you should be offered a default in-fund preservation arrangement.

This default investment portfolio(s) should be:

- Appropriate
- Reasonably priced
- Well communicated to members
- Good value for money

This investment portfolio will thus also become the default option to contributing members who choose not to decide how their savings should be invested. If you resign, you will also be given the option to preserve your savings in the Fund from which you are withdrawing.

Retiring Members

(Default annuity strategy)

Definition of annuity: Pension paid to pensioners, usually on a monthly basis.

The fund should have a default annuity (pension) strategy in place.

This default annuity should:

- Give annuity options, either in-fund or out-of-fund
- Only "default" retiring members into a specific annuity product after they have **made a choice**

Members should be given access to retirement benefits counselling to assist them in understanding the annuity strategy.



Change can be intimidating and you might feel uncertain about all the information above. Therefore, it is required that you seek retirement benefit counselling before making any rash decisions. Contact your fund or accredited financial advisor today!

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