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## UCT RETIREMENT FUND

Communication Policy  
September 2013



UNIVERSITY OF CAPE TOWN  
IYUNIVESITHI YASEKAPA - UNIVERSITEIT VAN KAAPSTAD

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## 1. Scope of Document

### *Communication Policy*

PF 130 requires all retirement funds to have a communication policy based on :

- An investigation into the membership of the fund with the focus on the demographics, literacy levels, geographical distribution, and preferences of all members.
- An identification of the objectives of the communication of the fund.
- An analysis of the information and messages to be communicated to members to meet the identified objectives, complying with, but not limited to the minimum communication requirements as per the Pension Funds Act, PF86, PF90 and PF130.
- An analysis of the most effective media to be utilised to reach all of the members identified and to ensure members are educated on all Fund matters.
- A policy on the evaluation of the success of the Fund communication.

### *Communication Strategy*

Building onto the communication policy, the communication strategy covers the following:

- An analysis of the **nature and frequency of the media** to be utilised. Cost effectiveness must at all times be an important consideration.
- A **project plan** indicating the important messages to be communicated annually to facilitate members' education.
- A **budget** of the funds and resources allocated by the Fund, for member education annually.
- An investigation into the **evaluation method** to determine the success of the communication strategy as well as the review process to address any shortcomings.

Both the communication policy and strategy were drafted after an investigation of all the issues mentioned above.

## 2. Introduction

The aim of the document is to formalise the communication responsibility of the Board of Trustees towards its members and other stakeholders. To this end, the Board of Trustees commits to clear, transparent, valid and comprehensive communication delivered in a cost effective manner via media easily accessible to members.

### **3. Purpose of the Communication Policy**

This document outlines the Communication Policy of the UCT Retirement Fund ('the Fund'). The objective of the Communication Policy is to ensure:

- that the Trustees' duty of providing adequate and appropriate information to Members in terms of Section 7D (c) of the Pension Funds Act is met
- that members' financial literacy is increased
- that members gain a better understanding of the investment and any other risks that are inherent in the Fund's structure.
- the provision of access to a specialized information service specific and relevant to the needs of the members of the Fund;
- that members are able to make informed decisions (investment choices and at retirement);
- the use the resources of the Fund in a responsible, cost effective manner to achieve this.

The Trustees agree that the focus of the communication strategy is the transfer of knowledge and understanding as opposed to the mere distribution of information. The Trustees undertake to measure the success of this undertaking continuously. In order to achieve this, all campaigns will focus on overcoming real or perceived member apathy.

### **4. Specific Objectives**

The Fund will aim to:

1. Encourage younger members to take an active interest in their Fund and to save sufficiently for retirement.
  - Another important objective will be to educate members on sufficient retirement provision and proper financial planning.
  - Another important will be to continue educating members on our Fund's investments. The aim is not for members to complete switch forms, but to understand the different portfolios on offer and the suitability of any Life Stage Model offered by the Trustees as an investment portfolio for the average member, and for the member himself or herself given his or her needs.
  - A third will be to enable members to appreciate the rationale behind the portfolios they select, and the process they follow in selecting.
  - A fourth will be to ensure that members understand important concepts in the Fund's IPSs.
  - Finally, preserving their retirement savings at withdrawal will also be an important message.
2. Motivate older members to increase retirement savings and to properly plan for all aspects of retirement, financially as well as psychologically:
  - The monthly pension indicator tool implemented in 2011, to provide members with the means to gauge the level of pension they might be able to procure with their Funds' credit in general terms, using market related rates and to explain the different pension options at retirement, will be updated monthly.
  - The onus will always be on motivating members to obtain professional financial advice to assist with any retirement planning decisions.
3. Remind all members to regularly update their Nomination of Beneficiary Forms.
4. Educate members on their group life cover benefit options. The aim is not for an increase in the number of nomination forms completed, but merely for an improved understanding of the benefits on offer.

5. Persuade all members to access the Fund's website at least quarterly and to access their Fund values on the Sanlam "RetirementFundWeb" secure member website.

## **5. Languages**

Members of the Fund cover a range of nationalities and speak a myriad of languages. As the stated medium of communication for the University is English, this shall be the method of communication by the UCTRF. However, the Communication Committee and the Trustees shall monitor needs of members on a continuous basis and introduce other media of communication if necessary.

## **6. Computer Literacy**

As at least 95% of members have access to a computer, e-mail and the internet and use them on a daily basis, and as their computer literacy is at least at the basic to intermediate level, using electronic communication for this target audience will be a very effective means of distributing information. It will be supported in all campaigns by other media to ensure the small and diminishing number of members who do not have access to electronic media receive all messages.

## **7. Messages to be Communicated**

The central aim of the Funds' member education is on empowering members to properly plan for their retirement. The messages to be communicated to members to include the following:

### ***Operating Activities***

- Explaining general information on the Fund
- Explaining benefit calculations to members as well as the method and timing of benefit payments
- Reminding members to complete their *Nomination of Beneficiary forms* and explaining Section 37 C death benefit payments
- Communicating any changes to the Rules of the Funds as well as to provide members with a summary of the Rules
- Communicating important changes to regulatory requirements
- Educating members on sufficient retirement provision with the focus on early provision
- Educating members on effectively utilising the Sanlam RetirementFundWeb secure member website and all tools and calculators on the Fund's internet site

### ***Funding Activities***

- Communication of financial data and extracts from the annual financial statements
- Communicating changes to the investment strategy and providing information on Investment Portfolio Options and switches
- Providing regular information on all the portfolio returns, as well as a comparison of these returns against benchmarks
- Providing members with information on the contact details for the Administrator

## **8. Disclosure of minimum information: Requirements of PF 86 & 90**

PF Circulars 86 & 90 provide guidelines in respect of the information that is required to be communicated to Members, Pensioners and Deferred Pensioners. The Communication Policy of the Fund will therefore include the following:

### ***8.1 New member certificate on admission and benefit statement***

A new member joining the Fund will receive a new member certificate within three months of joining the Fund. All active members of the Fund will receive a benefit statement from the Fund within 6 months of the financial year-end of the Fund.

The new member certificate will be a written document, designed to incorporate all requirements in terms of legislation and the format and content will be reviewed from time to time to incorporate any changes to the rules of the Fund or any legislative amendments.

The benefit statement will be a written document, designed to incorporate all requirements in terms of legislation and the format and content will be reviewed from time to time to incorporate any changes to the rules of the Fund or any legislative amendments.

## **8.2 Additional information**

### **Standard member booklet**

A membership booklet, incorporating information pertaining to the benefits provided for in the rules of the Fund, any associated insured benefits and the investment policy of the Fund is available at the Principal Officer's office.

### **Newsletters**

Newsletters are issued at least quarterly, further newsletters on ad hoc basis to communicate changes in rules or policy and fund events. The newsletters will include:

- Information on the Financial Statements of the Fund
- A summary of the Financial Review of the Fund, including a comment regarding the investment performance achieved relative to the benchmark agreed on in the Investment Policy Statement
- An overview of the investment performance during the financial year of the Fund and any changes in the investment strategy
- Information pertaining to any changes in the Rules of the Fund, insured benefit provisions or cost structures of the Fund
- Information pertaining to funding activities
- Details of the Trustees, Principal Officer and any other service provider
- A summary of any PFA determinations against the Fund
- A note (if applicable) on any deviations from policies in place and the rules of the Fund.

## **8.3 Notification to members on specific events or Fund restructuring**

Members of the Fund will receive a special communiqué, within the time periods prescribed in regulation, from the Fund in the event of the following:

- In the event of rule amendments
- In the event the Fund is terminated
- In the event of a reduction or an increase in benefit provisions or contributions occurs
- If a group or all of the members are implicated in a transfer, merger or amalgamation of Funds
- In the event the employer fails to submit contributions to the Fund by the 7<sup>th</sup> of the month following the

deduction from the member's remuneration.

## **8.4 On exit from the Fund**

### **Withdrawal from the Fund**

#### *Withdrawal Options*

When a Member terminates his or her service with the company a withdrawal benefit from the Fund becomes payable. The Member will receive information in written form pertaining to the options available on withdrawal from the Fund from the HR Department.

The format and content of the written document will be reviewed from time to time to incorporate changes to the rules of the fund or any legislative amendments.

#### *Payment letter*

A payment letter providing a breakdown of the Member's payment from the Fund will be forward to the address provided on the claim form.

### **Retirement from the Fund**

#### *Retirement Options*

Prior to the Member qualifying for a normal retirement benefit, the Member will receive information in written form pertaining to the options available at retirement from the HR Department.

#### *Payment Letter*

A payment letter providing a breakdown of the Member's payment from the Fund will be forward to the address provided on the claim form.

### **In the event of the Member's death while in service**

The deceased Member's beneficiaries will receive a notification of the decision made by the Trustees regarding the distribution of the benefit.

## **9. Fund information**

The following information is available to the Member at the registered office of the Fund:

- The Rules of the Fund
- The last revenue account
- The last balance sheet
- The last valuation report

- Trustee and Principal Officer Code of Conduct
- Investment Policy Statement

## 10. Optional methods of communication

- Fund website: updated regularly with information, interesting articles, monthly investment returns, newsletters and relevant information
- Online benefit statements
- Annual investment information roadshows
- Annual Retirement Seminars
- Annual General Meeting
- Bi-monthly induction/information sessions
- Sessions on rule changes/policies if needed

## 11. Media for communication

The media utilised to ensure the successful transfer of knowledge has to take into consideration all factors pertaining to the target audience.

The Trustees have to utilise a range of different media. Due to the bulk of members having access to computers, we propose the bulk of communication to be in English and in an electronic format, with other solutions to cater for members who do not have the necessary access to computers. Low literacy members will be targeted by alternate methods of communication.

Another important consideration will be the active interaction of members with the media. Members will be given the opportunity to obtain information at a time and place convenient to them, utilising their method of preference.

We propose the following media be utilised:

**Workshops / Seminars** – Utilised for specific projects such as:

- Pre-retirement counselling - as requested.
- Induction / member sessions – as requested. Seminars are scheduled around work shifts to ensure most members have the opportunity to attend.

**Sanlam RetirementFundWeb secure member website** – An internet site where members are able to obtain member specific information.

**Fund newsletter** – At least two newsletters annually and ad hoc newsletters as appropriate to

inform and educate members on retirement fund matters. These newsletters are distributed electronically as well as via the Employer's internal communication distribution network, for those members who do not have electronic access. Newsletters are also published on the Fund's internet site.
<b>Trustee Report</b> – Report of Fund's and industry developments over the last financial year with a report by the Principal Officer and a summary of the Fund's financial situation as well as a summary of the benefits. Distributed annually in magazine format and published on the website.
<b>Welcome Letters</b> – Letters issued to all new members directing them to the site and member booklet and welcoming them to the Funds.
<b>Benefit statements</b> – Member statements with comprehensive information about benefits, costs and investment returns. The Employer's internal communication arrangement is utilised to distribute benefit statements.
<b>An interactive Fund internet site</b> – An internet site with general Fund information, contact details, member booklets, and a FAQ. It is easily accessible by all members with pc's, smart phones and tablets. The site has useful calculators and tools to assist members with proper retirement planning.
<b>Member E-book</b> – A member booklet in virtual format, with easy navigation for both literate and illiterate members. Graphics and diagrams form an important part of the information communicated to simplify information. It is published on the internet site and also available in PDF in a print ready format on the website.
<b>FAQ</b> - Covers important issues and published on the internet.
<b>E-mail</b> – Regular mails per annum used as supportive form of communication to provide links and as reminders.
<b>Posters</b> – Supportive form of communication used as reminders

## 12. Confidentiality

The Trustees of the Fund undertake to keep Fund member information confidential and only release private Fund information to persons that have a lawful right to the information. Minutes of Trustees meetings and membership details may be accessed by the Trustees, service providers and any other person so authorised by the Trustees. The Rules of the Fund and its Annual Financial Statements are public documents.

## 13. Costs

In order to provide information in a cost effective manner, we shall ensure that all communication is carried out within the budget framework for the year as approved by the Trustees of the UCTRF. If excesses are considered necessary, these shall be proposed to and approved by the Board of Trustees prior to incurrence.

## 14. Conclusion

The main purpose of any form of communication from the Fund is to inform Members and all other stakeholders of the Fund. The Trustees undertake to provide communication that is timely, transparent, accurate, cost effective and above all addresses the information needs of members in a format that is appropriate to the membership profile of the Fund and secondly to increase the financial literacy of Members.

Signed at \_\_\_\_\_ on this the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**Chairman**

Name \_\_\_\_\_ Signature \_\_\_\_\_

**Principal Officer**

Name \_\_\_\_\_ Signature \_\_\_\_\_

**Employer appointed trustee**

Name \_\_\_\_\_ Signature \_\_\_\_\_

**Employee elected trustee**

Name \_\_\_\_\_ Signature \_\_\_\_\_

UCT Retirement Fund					
	Communication medium	Mode	Frequency	Responsibility	Delivery date
1.	New entrant statement	Written	Once-off on the member joining the Fund	Sanlam Fund Administrators (Pty) Ltd and the PO	Within 3 months of the member joining the Fund
2.	Benefit statement	Written	Annually	Sanlam Fund Administrators (Pty) Ltd and the PO	Within 3 months after year end and in terms of the Service Provider Agreement
3.	Fund newsletter	Written Electronic via email and Fund website	At least two annually and Ad hoc as appropriate	Board of Trustees and the PO	Two weeks after the Board of Trustees meeting where approved. Two weeks after Communications Committee meeting where approved or special resolution.
4.	Member booklet	Written Electronic	Once-off and Ongoing	Board of Trustees and the PO	On joining the Fund
5.	Fund documentation	Written	Updated annually	Board of Trustees and the PO	Updated information available 6 months after year end date

	Communication medium	Mode	Frequency	Responsibility	Delivery date
6.	Communication on specific events: <ul style="list-style-type: none"> <li>• Communication regarding investment switches</li> <li>• Transfer certificates</li> <li>• <i>Ad hoc</i> newsletter</li> </ul>	Written	<i>Bi-annually</i>	Board of Trustees and the PO	At least two months prior to the event
		Written	<i>Ad hoc</i>	Board of Trustees and the PO	Prior to the effective date of transfer
		Written and electronic	<i>Ad hoc</i>	Board of Trustees and the PO	Prior to the event
7.	Annual General Meetings	Verbal and Multi-media	Annually	Board of Trustees and the PO	Within 2 months after the distribution of the benefit statements
	Optional:				
8.	Website	Multi-media	On-going	Board of Trustees, Sanlam Fund Administrators (Pty) Ltd and the PO	<i>Ad hoc</i>
9.	Meetings with Members	Verbal	<i>Ad hoc</i>	PO	Within 7 days from request
10.	Benefit sessions	Verbal and Multi-Media	Bi-monthly	PO	Sessions scheduled annually in advance. Included in the staff learning guide
11.	Planning for Retirement Seminar	Verbal and Multi-Media	Annually	UCT HR and PO	Session scheduled annually in advance. Included in the staff learning guide
12.	Investment information roadshows	Verbal and Multi-Media	Annually	Board of Trustees and the PO	Scheduled in Feb and March each year after delivery of annual benefit statements and one month prior to April switching

					opportunity
13.	Training sessions for HR Staff		Ad hoc	PO	As and when training is required