



# OLD MUTUAL SUPERFUND MEMBER NEWSLETTER

June 2019

## MESSAGE FROM THE PRINCIPAL OFFICER

The face of retirement is changing... Previously you contributed to your Fund and when you reached retirement age you had the opportunity to kick your feet up and enjoy your carefree years.

With the current advances in technology and medicine you can now expect to live longer. This means you need to make provision for an additional 20 - 25 years if you are planning to retire at age 65.

Imagine reaching your retirement age without having saved enough and ending up having to rely on a state pension...

As an Old Mutual SuperFund member you have an opportunity to make the most of your retirement journey and we are here to support and guide you to reach your retirement goal.

We would like to hear from you! What do you think about the new look of the Newsletter?

LIKE DISLIKE

### Happy Reading!

Fiona Reynolds  
Independent Principal Officer



## PENSION FUND CHANGES WORTH NOTING IN 2019

New default regulations to the Pension Funds Act were implemented from 1 March 2019. The new regulations introduced the following 'three key pillars':

- Default investment portfolio(s);
- Default preservation and portability; as well as
- An annuity strategy.

Below, we outline what the changes mean and how they will potentially impact you as an Old Mutual SuperFund member.

### DEFAULT INVESTMENT PORTFOLIO(S)

**Requirement:** When a member joins a defined contribution pension or provident fund, their savings must automatically be **invested in a default portfolio that is designed to be cost-effective and appropriate**, unless and until the member opts out and chooses a different portfolio.

As a member of Old Mutual SuperFund you have access to two investment packages available for a default option, being "Trustee Choice" or "Lifestage". Your employer selects one of these options based on employees' needs and the number of staff employed.

#### Trustee Choice Default

The Old Mutual Absolute Stable Growth portfolio provides a high growth expectation, smoothed returns and an 80% capital guarantee.

OR

#### Lifestage Default

Your employer may have selected one of the Lifestage Investment Options for employees. It consists of a selection of smoothed or market-linked Investment Options. Employees are automatically switched from a growth-focused to a more protection-focused Investment Portfolio as they approach retirement.

Your retirement savings will automatically be invested in the applicable default unless you choose a different portfolio (should that option be available to you).

If you're not sure which investment options are available to you, speak to your employer or HR department.

### DEFAULT PRESERVATION AND PORTABILITY

**Requirement:** When a member leaves employment before retirement, **the fund must automatically preserve the member's benefit in the fund** and convert the member to a "paid-up" member.

The purpose of this regulation is to encourage the preservation of retirement savings on exit by providing members with a cost-effective and tax neutral preservation option. If need be, members can still access their withdrawal benefit prior to retirement.

Members who leave their job before retirement (e.g. resign or get retrenched) will automatically be defaulted into Preserver (Old Mutual SuperFund's in-fund preservation solution). However, you can still request that your exit benefit should be processed in a different way, if you prefer.

For more information on Old Mutual SuperFund Preserver, [click here](#)

In addition, your retirement savings in other approved funds may be transferred to your Old Mutual SuperFund Member Account, subject to what is allowed in terms of the Income Tax Act. To find out more, please contact Member Support Services on 0860 38 88 73.

### THE ANNUITY STRATEGY

**Requirement:** When a member reaches retirement, **he or she must be offered the option to secure an annuity (regular monthly pension income) in terms of the annuity strategy** that the fund has determined to be cost-effective and appropriate. The choice of annuity (or annuities) still remains that of the retiring member.

Old Mutual SuperFund launched its Solutions at Retirement annuity strategy offering in 2017. It offers members two annuity options (a living annuity option and a guaranteed with-profit annuity option) that have been specially chosen by the Old Mutual SuperFund Management Board to meet the different needs of Old Mutual SuperFund members. These are supported by a helpful at-retirement guidance process that you can follow with the help of an Old Mutual Retirement Benefit Counsellor or your financial adviser.

[Click here](#) to find out more about Old Mutual SuperFund Solutions at Retirement

The Default Regulations will benefit members of retirement funds as the regulations ultimately aim to improve the level of savings by South Africans and allow members to retire securely.

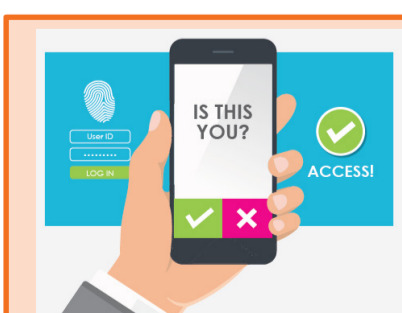


[Read more](#), for a copy of the latest **Old Mutual SuperFund Special Member Newsflash on the 2019 Budget** in case you missed it.



Compound interest is one of the great wonders of successful investing – and it's not nearly as complicated as many think. See for yourself what a difference compound interest makes to your total savings. [Read more](#)

[Read more](#), for a copy of the **Old Mutual Member Report Infographic 2018**, in case you missed it.



#### Having a strong password is vital to secure your online identity and assets!

Passwords and pin codes are the gateway to our electronic accounts and devices. They protect our information, our homes and our hard earned money. [Read more](#)

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## CORPORATE

DO GREAT THINGS EVERY DAY

Indemnity

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