



OLD MUTUAL SUPERFUND **MEMBER UPDATE**

FEBRUARY 2015

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SIMPLE SOLUTIONS FOR YOU

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DOING GREAT THINGS

- The advancement of South Africans and our economy
- The Kathu Solar Photovoltaic (PV) plant

MESSAGE FROM **CHERYL MESTERN**

Old Mutual SuperFund Principal Officer

Welcome to the first Member Update for 2015!

We trust that you have enjoyed your well – deserved break, and that you and your family have had a peaceful and safe festive season.

To help get you started, we are pleased to bring you the first issue of the 2015 Member Update.

2014 was a very busy year, filled with exciting changes aimed at enhancing the Old Mutual SuperFund product and providing simple solutions for you. We look forward to working with you in 2015 to help you “deliver your retirement future”.

In this edition we update you on the retirement reform changes that will go ahead in March 2015 and we share our first IDEAS Managed Fund project, to showcase how Old Mutual SuperFund members’ investments are doing great things for our country.

Happy reading!

Cheryl Mestern
Old Mutual SuperFund Principal Officer





SIMPLE SOLUTIONS FOR YOU

RETIREMENT REFORM - CHANGES THAT WILL GO AHEAD WITH EFFECT FROM 1 MARCH 2015

Last year we sent out a communication regarding Government's retirement reform changes.

In October 2014, Government announced that it will delay the implementation of certain retirement reform changes originally scheduled for implementation 1 March 2015.

For now, the new laws regarding the tax treatment of retirement fund contributions and the harmonisation of the annuitisation regime will be delayed for one year, to 1 March 2016.

However, should there be no agreement at the National Economic Development and Labour Council (Nedlac) by end of June 2015, the implementation date may be moved to 1 March 2017.

THE FOLLOWING THREE CHANGES WILL HOWEVER STILL GO AHEAD WITH EFFECT FROM MARCH 2015:

The tax incentivised savings scheme:

- Government will allow **tax-free savings accounts** to encourage individual savings.
- You will be entitled to invest in tax free investments up to an annual **maximum of R30 000, with a lifetime maximum of R500 000.**

The **tax incentivised savings scheme** is a good opportunity for you to earn returns on your investments tax free. We encourage you to consider this vehicle, and to consult with your financial adviser to see how it could best fit into your financial plan.

The new disability income tax regime:

- Disability income **premiums will be taxed as a fringe benefit in the hands of the employee.** This will reduce your take home pay, unless you are below the tax threshold.
- Disability **income benefits are tax free** – should you become disabled, the benefit will now be paid to you tax free.
- Existing claimants will receive their disability income benefit tax free with effect from 1 March 2015.

The option to postpone receipt of retirement benefits:

You are currently compelled to retire upon reaching the normal retirement age. There is a change to the definition of "retirement date" that will allow pension and provident funds to change their rules so as to permit members to elect when they want to retire (at any date on or after retirement from their participating employer).

Ultimately, Government's aim with Retirement Reform is to **encourage members to save and to help members improve their chances of retiring in comfort.**

We believe the proposed reforms are positive, concrete steps to improving savings levels and income in retirement in South Africa and hope that any issues can be resolved soon so that reforms can continue to progress.





DOING GREAT THINGS

THE ADVANCEMENT OF SOUTH AFRICANS AND OUR ECONOMY

In the November 2014 edition of the Member Update, we informed you about the **IDEAS (Infrastructural, Developmental and Environmental Assets) Managed Fund**, South Africa's largest domestic infrastructure equity fund, focused on growing investors wealth and enabling them to actively contribute towards creating a more sustainable and prosperous South Africa.

The Absolute Growth Investment Portfolios within Old Mutual SuperFund enable members to contribute towards these South African dreams, as members' retirement savings are invested in life changing projects in renewable energy (solar, wind and hydro-generation projects), economic (roads and railways) and social infrastructure (housing and public private partnerships).

Existing media headlines about South Africa's energy complications have been very disconcerting for readers, leading to a negative perception of our leading energy source (Eskom). On a more positive note, Old Mutual is the leading private investor in renewable energy, and we are proud to showcase our first individual project, to demonstrate how Old Mutual SuperFund members' investments are "doing great things" for our country, by placing the spotlight on one of many beneficial initiatives for renewable energy.

THE KATHU SOLAR PHOTOVOLTAIC (PV) PLANT

The **Kathu solar PV plant** has been described as **one of the largest solar projects worldwide**, incorporating single-axis tracking technology. The project was among the 28 renewable-energy projects to sign power purchase and implementation agreements with Eskom and the Department of Energy in November 2013.

Kathu is a well-positioned mining town with a strong infrastructure network in an area rich in iron ore deposits in the Northern Cape Province. Being situated in this

prime location, the Kathu Solar PV Plant benefits from an existing high voltage substation, owned and operated by Eskom. Construction is well under way and is scheduled for completion in 2015.

Once the plant is operational, the Kathu Solar PV will generate clean, renewable energy to power thousands of homes across South Africa, while delivering sustainable economic and social benefits through the Kathu Solar Community Trust. The 'cherry on the top' is that it also **creates 540 construction jobs and 30 permanent employment opportunities.**

Thus, members of the Old Mutual SuperFund who are invested in the Absolute Growth Investment Portfolios can be content in knowing that their retirement savings investments are making a difference in the lives of ordinary South Africans, while at the same time contributing to a more sustainable and prosperous South Africa.



IDEAS Managed Fund ownership interest: 28.50%

In the next issue of the Member Update, we will showcase AFHCO Holdings (PTY) LTD, social infrastructure project... watch this space!!



Indemnity