



OLD MUTUAL SUPERFUND **MEMBER UPDATE**

AUGUST 2015

WHAT'S IN THIS **EDITION**

HOW MUCH IS ENOUGH?

- Where are you on your retirement journey?
- Keeping up with the retirement reform

SIMPLE SOLUTIONS FOR YOU

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- Update your personal details via your human resource department
- Changes to Old Mutual SuperFund Investment offering

DOING GREAT THINGS

- Greefspan And Herbert energy renewal projects

MESSAGE FROM THE **PRINCIPAL OFFICER**

Welcome to the August 2015 issue of the Member Update.

In this issue we look at the proposed retirement reforms and highlight the important issues. We dispel rumours that are doing the rounds and aim to give you accurate information of how this legislation will affect you, when it is implemented!

Help us to help you!

To improve the Fund's response time to your email queries or when requesting information from the Old Mutual SuperFund Member Service Centre (at superfund@oldmutual.com), please make sure that you include your identity (ID) number in your email.

I trust that this issue will help you answer the question 'How much is enough?' provide you with 'Simple solutions' and encourage you to 'Do great things' to achieve a comfortable retirement.

Happy reading!

Cheryl Mestern
Old Mutual SuperFund Principal Officer





HOW MUCH IS ENOUGH?

WHERE ARE YOU ON YOUR RETIREMENT JOURNEY

As a member of the Old Mutual SuperFund you receive an Annual Member Benefit Statement which provides details of your current Retirement Planning Status – an indication of how “on track” you are towards achieving a comfortable retirement.

We encourage you to read your Member Benefit Statement, review where you are on your retirement journey and then to take the necessary action to help you achieve your retirement dreams.

Understanding your Retirement Planning Status

Your retirement planning status provides you with an indication of how “on track” you are to achieving a comfortable retirement.

It is however based ONLY on your Member Account Balance in the Old Mutual SuperFund, and does not take into account other savings you may have made towards retirement.

ARE YOU RED?



You are in the “danger area”! There is a high likelihood that you will not be able to save enough for retirement and may have to significantly change your lifestyle at retirement.

Recommended action:

Urgent action is required to save more, and/or save for longer.

ARE YOU AMBER?



You are in the “warning zone”. Unless you take some positive steps to improve your position, there is a very good chance that you will not have sufficient funds to retire in comfort.

Recommended action:

Adjustments required to save more and/or to save for longer.

ARE YOU GREEN?



You appear to be on track with your retirement savings. You should continue to monitor your savings and your investments to ensure that your requirements during retirement will be met.

Recommended action:

No major changes required at present.

How much money do you need to retire?

There is no ‘one size fits all’, but most experts agree that if you want to retire comfortably, you will need savings that will give you a pension after retirement that is about 75% of your salary just before retirement.

Your personalised Member Benefit Statement will provide you with details of your current Retirement Planning Status – you can access your 2014 Member Benefit Statement on the Secure Services website or by phoning the Call Centre on 0860 20 30 40.

Watch this space to find out when the 2015 Member Benefit Statements will be available.....

What can you do to improve your Retirement Status?

- Increase your savings (either in the Old Mutual SuperFund or via other methods).
- Make Additional Voluntary Contributions to the Old Mutual SuperFund - simply contact your Human Resource (HR) department to find out how.
- Save for as long as possible, and think carefully before retiring early.
- Avoid taking your Retirement Savings as cash when you change jobs, but rather keep your savings in Old Mutual SuperFund Preserver, transfer it to a Preservation Fund or to another approved Fund.
- Pick an investment strategy that is appropriate for your needs.
- Assess your financial position as a whole and understand the dangers of not retiring comfortably.

The power is in your hands

While your employer and the Fund will do their best to help you achieve a comfortable retirement, **the power remains in your hands**. Use the tools provided to you, seek the necessary financial advice from an accredited financial adviser and take the required action to secure a worry-free retirement.

Remember, the golden rule when saving for retirement is **to save as much as you can, for as long as you can**.

KEEPING UP WITH THE RETIREMENT REFORM CHANGES

The new tax laws which the government announced in 2014 caused a stir amongst many working South Africans. Feedback from members has highlighted that there is still a high level of uncertainty and fear amongst members.

The most common concern raised by members, is the fear that they will not be able to access their retirement savings, once the new tax laws are implemented.

THIS IS NOT TRUE!

YOU will still be able to access in full all the money that YOU would have saved up to the date the new law comes into effect (the recently published Tax Laws Bill has confirmed that the changes legislated by government are to go ahead with effect from 1 March 2016) – changes will only affect contributions that are made after the new legislation is implemented.

Let us be more practical with an example:

On the date that the legislation comes into effect, **Peter has R60 000** saved up in his member account. At any stage into the future, **Peter will be able to access the full R60 000** as the changes will only affect the contributions that he makes after the legislation is implemented.

It is uncertain when the changes will be implemented; regardless of this it is important that we stress that **YOU should not resign simply because you believe you won't have access to your money!**

Research shows that only 6% of South Africans are able to retire in comfort. Government's aim with Retirement Reform is to encourage members to save and to ultimately help members improve their chances of retiring in comfort. This is the motivation behind the legislation.

We strongly encourage you to seek advice from an accredited financial adviser before you make any decisions that could impact on your future retirement.





SIMPLE SOLUTIONS FOR YOU

PENSION SUPPORTED HOUSING LOANS

The lack of housing in South Africa remains a priority to the South African government. Section 19(5) of the Pension Funds Act enables the Management Board to assist you to finance your legitimate housing needs.

The Act permits retirement funds to furnish guarantees/security for loans granted to members for housing purposes only.

The definition of "housing" is as follows:

- Buying an existing home;
- Building a new home;
- Improving an existing home.

You will only have access to this benefit if your employer is participating in the housing loan surety arrangement and has entered into the respective agreements with the various Banks. Please contact your HR Department to find out if your employer is a participant.

Important information that you should keep in mind when considering a housing loan:

- You or your family/dependants must occupy the home;
- The Old Mutual SuperFund offers housing sureties (no direct home loans from funds can be granted to you and surety can only be granted for one property at a time);
- The loan may not exceed an amount equal to 80 percent (in the case of Standard Bank this is 70 percent) of your lowest benefit in terms of the Rules of the Fund at the time the housing loan is granted;

Example:

If your lowest benefit in terms of the Rules of the Fund is R900 000, the loan amount may not be more

than R630 000 (70 percent) for Standard Bank and R720 000 (80 percent) for other banks.

- For Fund members within ten (10) years of the Normal Retirement Date, the members may only take a loan surety of up to 25 percent of his/her benefit;
- On termination of membership of the Fund, you will be given the opportunity to secure alternative finance. If you are unable to secure such alternative finance then the amount outstanding will be deducted and only the balance will be paid over to you.

[Click here](#) to view the principles adopted by the Management Board regarding home loan sureties.

UPDATE YOUR PERSONAL DETAILS VIA YOUR HUMAN RESOURCES DEPARTMENT

Old Mutual SuperFund is committed to keeping you informed about your own status as well as the changes that are happening in the industry. To do this, we need to always have your current contact details.

Please inform your Human Resource department if any of your information has changed;

- Recently married or have just become a proud parent? Remember to change your marital status and to update your beneficiary nomination form.
- Have your contact details (email, postal address and cellphone number) changed? Contact your HR department to update your contact information.

CHANGES TO OLD MUTUAL SUPERFUND INVESTMENT OFFERING

Old Mutual SuperFund recently conducted an annual investment review of 2014. As a result of this review, the trustees are introducing some changes to the current investment landscape. [Click here](#) for more information on these changes.



DOING GREAT THINGS

GREEFSPAN AND HERBERT ENERGY RENEWAL PROJECTS

The IDEAS (Infrastructural, Developmental and Environmental Assets) Managed Fund, focused on growing investors' wealth whilst enabling them to contribute actively towards creating a more sustainable and prosperous South Africa.

The Old Mutual Absolute Stable Growth Investment Portfolio invests in the Old Mutual IDEAS Managed Fund.

In the February Member Update we highlighted the Kathu Solar Photovoltaic (PV) Plant as one of the projects of the IDEAS Managed Funds, in this edition we shine the spotlight on the Greefspan and Herbert energy renewal projects.

About the projects

The first of the two projects, Herbert, generates 20 MW; while the second Greefspan, has a generation capacity of 10MW. Both plants were constructed near Douglas, in the Northern Cape. These projects are estimated to power approximately 29 550 average household per annum.

The projects form part of 28 renewable-energy projects identified as preferred bidders in the first round of South Africa's Renewable Energy Independent Power

Producer Procurement Programme in December 2011. SunPower and its partners announced the completion of the Greefspan and Herbert ground-mounted PV facilities in June 2014.



IDEAS Managed Fund ownership interest: 28.50%

The solar power projects will generate local construction jobs and deliver clean, reliable energy to the community. Old Mutual SuperFund members who are invested in the Old Mutual Absolute Stable Growth Investment Portfolio can truly pride themselves in the fact that they are indeed doing great things.



Indemnity