



HEADLINE NEWS

- e National Treasury has released revised proposals allowing members to have emergency access to part of their retirement benefits
- e Member benefit statements, a pen and a 2024 calendar will be sent out shortly
- e Investment returns continue to be volatile, although inflation has dropped

DITABAKGOLO

- e Kgoro ya Boses̱haba ya Matlotlo e lokološ̱e diš̱hiš̱inyo tš̱e di lekoš̱wego ka boswa tš̱a go dumelela maloko go ka ba le phihlelelo ya tš̱hoganyetš̱o go karolo ya dikholego tš̱a bona tš̱a tholamodiro (phenš̱ene)
- e Ditatamete tš̱a maloko, pene le khalentara ya 2024 di tla romelwa mo nakong e sa fetš̱ego pelo
- e Dipelo tš̱a dipeeletš̱o di tš̱welapele go fetogafetoga ka lebelo , le ge infleiš̱ene e wetš̱e fase

IZINDABA EZINOHNLONZE

- e UMnyango Wezezimali Kazwelonke ukhiphe iziphakamiso ezibuyekeziwe ezivumela amalungu ukuthi akwazi ukuthola usizo oluphuthumayo engxenyeni yezinzuzo zawo zawo zomhlalaphansi
- e Izitatimende zenzuzo yamalungu, ipeni kanye nekhalenda ka 2024 kuzothunyelwa maduze
- e Izinzuzo zokutshalwa kwezimali ziyaqhubeka nokuguquguquka, nakuba ukwehla kwamandla emali kwehlile

MAHUNGUKULU

- e Ndawulo ya Rixaka ya Timali yi humesile misusumeto leyi pfuxetiweke leyi pfumelelaka swirho ku teka xiphemu mpfuno wa mudende wa vona ehansi ka xiyimo xa xilamulelamhangu
- e Switatimende swa mpfuno wa swirho, bolopene na khalenda ya 2024 swi ta rhumeriwa ku nga ri khale
- e Ntlheriso wa vuvukisi wu ya emahlweni wu tsekatseka hambiloko inifulexini yi hungutekile

EMERGENCY ACCESS TO RETIREMENT BENEFITS

National Treasury has released revised proposals for the so-called “Two Pot” system that allow members to have emergency access to part of their retirement benefits before retirement. The main proposals are:

- Access to part of the benefit will be allowed from 1 March 2024.
- 10% of each member’s Fund Credit as at 1 March 2024, subject to a maximum amount of R25 000, will be transferred to their **Savings Component** (or Pot).

IMPORTANT

The proposals are only draft and may change in the final law, especially things like the start date and any portion of each member’s accrued retirement benefits that may be withdrawn

- One-third of the total of each member's contributions and the employer retirement funding contributions each month after 1 March 2024 will be allocated to their **Savings Component**.
- Members may withdraw part or the full amount of their **Savings Component** while they are still employed, subject to the following conditions:
 - Their Savings Component balance must be at least R2 000.
 - They may take only one withdrawal in any tax year (running from 1 March to the following 28 February).
 - The amount withdrawn will be taxed as income in the hands of the member (tax will be deducted by the Fund's Administrator and the net amount paid to the member).
 - An administration fee will also be deducted from the amount withdrawn.
 - *This means that members who choose to take, say R2 000, will get much less than that in cash after tax and the administration fee.*

EXAMPLES

If the member's Fund Credit is less than R20 000 as at 29 February 2024, 10% will be transferred to the Savings Component, but the member cannot withdraw anything (as it will be less than R2 000) until further contributions take it up to at least R2 000.

If the member's Fund Credit is between R20 000 and R250 000 as at 29 February 2024, 10% will be transferred to the Savings Component and the member can withdraw part or all of it at any time.

If the member's Fund Credit is more than R250 000 as at 29 February 2024, then R25 000 will be transferred to the Savings Component and the member can withdraw part or all of it at any time.

- Two-thirds of the total of each member's contributions and the employer retirement funding contributions each month will be allocated to their **Retirement Component**.
- Each member's full **Retirement Component** must be preserved until retirement, i.e. members cannot access this amount on resignation prior to retirement. If the member resigns, the Retirement Component must either be left paid-up in the eJoburg Retirement Fund or transferred to another retirement fund or preservation fund that the member belongs to.
- The balance of each member's Fund Credit as at 1 March 2024, after the transfer discussed above, is called their **Vested Component**. The Vested Component will retain the "rights" that applied as at 28 February 2024, i.e. members may access it on resignation prior to retirement.

Various further provisions apply which will be fully communicated to members once the final provisions of the system are known when the amendments to the Income Tax Act are legislated.

CAUTIONS:

Cash withdrawals from the Savings Component prior to retirement should be limited to emergencies as the amount paid is reduced by the tax payable to SARS and an administration fee to make the payment.

Any amounts withdrawn prior to retirement reduce the member's eventual benefits on retirement and will mean less money is available for the member to retire with enough monthly retirement pension. Essentially, any amount withdrawn is taken from the one-third of the member's retirement benefit that may be taken in cash on retirement, thereby reducing the remaining amount that may be taken in cash on retirement.

30 JUNE 2023 BENEFIT STATEMENTS

Member benefit statements as at 30 June 2023 will be sent to the HR Departments for distribution to members during September 2023. If you do not receive your benefit statement, please contact your HR Department.

Included with each benefit statement is a Fund pen and a 2024 year planner which sets out useful information regarding the Fund, its benefit and investment structure and the process for claiming retirement, resignation, death, disability and funeral benefits, as applicable.

FUND INVESTMENTS

FUND INVESTMENT RETURNS OVER THE LAST 12 MONTHS

South African and international investment markets remained weak over the last 3 months ended 31 July 2023, although there was good news in that Headline Inflation dropped to 5.4% for the year ended 30 June 2023 (and is expected to drop further by the end of July 2023).

Despite the market weakness, all three portfolios performed well against their benchmarks over the last 12 months, as follows:

- The High Growth Portfolio earned 13.17% versus its target of 10.37% (inflation plus 5%)
- The Medium Growth Portfolio earned 11.91% versus its target of 8.37% (inflation plus 3%)
- The Money Market Portfolio earned 8.62% versus its target of 6.37% (inflation plus 1%)

The returns over the 12-month period for the three portfolios is set out in the following table.

Period	High Growth (Inflation Target) Portfolio	Medium Growth (Stable) Portfolio	Money Market (Capital Protection) Portfolio
August 2022	-0.19%	0.32%	0.69%
September 2022	-2.73%	-2.05%	0.49%
October 2022	4.12%	2.63%	0.67%
November 2022	4.72%	1.43%	0.59%
December 2022	-0.90%	0.31%	0.72%
January 2023	6.19%	4.76%	0.69%
February 2023	-0.45%	0.50%	0.68%
March 2023	-1.76%	-0.36%	0.72%
April 2023	2.44%	1.49%	0.68%
May 2023	-1.21%	0.71%	0.71%
June 2023	1.54%	1.12%	0.84%
July 2023	1.11%	0.60%	0.82%
1 August 2022 to 31 July 2023	13.17%	11.91%	8.62%

FUND LONG-TERM INVESTMENT RETURNS

The investment returns earned on each of the portfolios for longer periods to 31 July 2023 are set out in the table below.

Period to 31.7.2023	High Growth Portfolio (inception 1.9.2005)		Medium Growth Portfolio (inception 1.5.2014)		Money Market Portfolio (inception 1.9.2005)	
	Actual per annum	Target: Inflation plus 5% per annum	Actual per annum	Target: Inflation plus 3% per annum	Actual per annum	Target: Inflation plus 1% per annum
Last 12 months	13.17%	10.37%	11.91%	8.37%	8.62%	6.37%
Last 3 years	12.63%	10.96%	8.80%	8.96%	6.37%	6.96%
Last 8 years	8.14%	10.09%	7.66%	8.09%	7.76%	6.09%
Since inception	11.91%	10.70%	7.88%	8.08%	7.86%	6.70%

Given the nature of each of the three Portfolios, performance is assessed by the Trustees over different periods (eight years for the High Growth Portfolio, three years for the Medium Growth Portfolio and one year for the Money Market Portfolio) as highlighted in the table.

Inflation for July 2023 is an estimate based on actual inflation over the previous 12 months.

This Newsletter is issued for the general information of the members of the eJoburg Retirement Fund.

It is not intended as a substitute for specific legal, financial or other advice in considering the implications for each member's particular circumstances.