

# NEWSLETTER 1 OF 2023

MARCH 2023

## HEADLINE NEWS

- The death and disability benefit multiples remain unchanged for the year commencing 1 April 2023.
- The funeral benefit amounts will increase by about 20% effective 1 April 2023.
- The total premiums for the death, disability and funeral benefits are materially lower than the current premiums and the difference will be allocated to members' retirement savings in the Fund.
- From 1 April 2023, the death benefits will be provided directly by the Fund.
- Market linked investment returns continue to be volatile but have performed well in total over the last 4 months.

## DITABAKGOLO

- Dikatišo tša dikholego tša lehu le bogole ga se tša fetoga go ngwaga wo o thomago ka 1 Moranang 2023.
- Tšhelete ya kholego ya poloko e tla oketšwa ka bokaalo bja 20% go thoma ka 1 Moranang 2023.
- Palomoka ya dipremiamo tša kholego ya lehu, bogole le poloko gabotse di ka fasana ga dipremiamo tša gabjale gomme dipharologano di tla abelwa dipolokelo tša tholomodiro tša maloko ka go Sekhwama.
- Go tloga ka 1 Moranang 2023, dikholego tša lehu di tla fiwa thwii ke Sekhwama.
- Dipolelo tša dipeeletšo tseo di amantšwego le mebaraka di tšwelapele go ba tše phakišago eupša di šomile gabotse ka kakaretšo mo dikgweding tše 4 tša go feta.

## IZINDABA EZINOHNLONZE

- Ukuphindaphindwa kwenzuzo yokufa nokukhubazeka kuhlala kungashintshile onyakeni oqala ngomhlaka-1 Ephreli 2023.
- Amanani enzuzo omngcwabo azonyuka cishe ngo-20% kusukela ngomhaka-1 Ephreli 2023.
- Isamba samaphrimiyamu ezinzuzo zokufa, ukukhubazeka kanye nezokungcwaba ziphansi kakhulu kunamaphrimiyamu amanje futhi umehluko uzokwabelwa imali eyongile yomhlalaphansi yamalungu esiKhwameni.
- Kusukela ngomhlaka-1 Ephreli 2023 izinzuzo zokufa zizohlinzekwa ngqo yisiKhwama.
- Izinzuzo zokutshala izimali ezixhumene nezimakethe ziyaqhubeka nokuntengantenga kodwa zithuthuke kahle sezizonke ezinyangeni ezi-4 ezidlule.

## MAHUNGUKULU

- Nyandziso wa mpfuno wa swa rifo na vutsoniwa a wu cincangi eka lembe leri sungulaka hi 1 Dzivamisoko 2023.
- Mitsengo ya mpfuno wa swa nkosi yi ta tlakuka hi kwalomu ka 20% kusukela hi siku ra 1 Dzivamisoko 2023.
- Ntsengo wa mali leyi hakeriwaka hi swirho wa mpfuno wa swa rifo, vutsoniwa na mikosi wu le hansi ka mitsengo ya sweswi, manuku mali leyi salaka yi ta ngenisiwa eka vuvekisi bya mudende wa swirho bya Nkwama.
- Kusukela hi siku ra 1 Dzivamisoko 2023, mpfuno wa swa rifo wu ta huma eka Nkwama hi ku kongoma.
- Mitlheriso ya vuvekisi lebyi hlanganaka na timakete yi ya emahlweni yi tsekatseka kambe yi tirhile kahle eka tin'hweti ta 4 leti nga hundza.

## DEATH, DISABILITY AND FUNERAL BENEFITS



The Fund's death and disability benefits, and the separate funeral benefits provided in terms of a policy in the name of the City of Johannesburg, are reviewed each year effective 1 April.

For the year from 1 April 2023 to 31 March 2024:

- The death and disability multiples will remain unchanged.
- The funeral benefit amounts will increase from R40 000 to R48 000 on the death of a member after 1 April 2023, with similar percentage increases in the funeral benefit paid on the death of the member's spouse or eligible children.
- The death benefits will be paid directly by the Fund (self-insured) with effect from 1 April 2023.
- The total death, disability and funeral benefit premiums will reduce by 0.602% of pensionable salaries. This amount will be allocated to each member's Fund Credit in the Fund from 1 April 2023.
- The maximum disability benefit limit will increase from R12.5 million to R13.125 million on 1 April 2023.

Attached to this Newsletter, is a Risk Benefits Counselling Document providing full information on the risk benefits. The Counselling Document may also be accessed from the Fund's website or obtained from the Fund's administrator.



## INVESTMENT PERFORMANCE

### Fund investment returns over the last 12 months

Period	High Growth (Inflation Target) Portfolio	Medium Growth (Stable) Portfolio	Money Market (Capital Protection) Portfolio
March 2022	-0.65%	-0.84%	0.52%
April 2022	-1.18%	-0.08%	0.50%
May 2022	0.53%	-0.06%	0.44%
June 2022	-4.35%	-2.41%	0.46%
July 2022	3.20%	2.69%	0.40%
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%
<b>1 March 2022 to 28 February 2023</b>	<b>8.04%</b>	<b>7.20%</b>	<b>7.08%</b>

The market linked investment returns in the High Growth Portfolio and the Medium Growth Portfolio continue to be volatile. Excellent returns in November 2022 and January 2023 more than compensate for the slightly negative returns in December 2022 and February 2023.

The return on the Money Market Portfolio continues to be quite consistent from month to month.

## Fund long-term investment returns

The investment returns earned on each of the portfolios for longer periods to 28 February 2023 are set out in the table below.

Period to 8.2.2023	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	8.04%	11.84%	7.20%	9.84%	7.08%	7.84%
Last 3 years	13.54%	10.10%	9.24%	8.10%	6.01%	6.10%
Last 8 years	8.13%	10.16%	7.54%	8.16%	7.64%	6.16%
Since inception	12.08%	10.63%	7.83%	7.91%	7.82%	6.63%

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 green.

The Medium Growth Portfolio was introduced as part of the review of the three stage life stage model during April 2014. The returns for this portfolio are reported from 1 May 2014, representing the first full month that the portfolio was in existence.

The returns on the three Portfolios are fairly similar over the last 12 months, but the High Growth Portfolio has outperformed the other portfolios over longer periods.

The return on the High Growth Portfolio is less than the target of inflation plus 5% over the last 12 months, but this is a reflection of investment markets and higher than expected inflation rather than poor performance by the Fund. The portfolio is mostly invested in a combination of South African equities, South African bonds and international investments which overall performed as follows over the last 12 months:

Investment	Index	Index return
South African equities	FTSE/JSE All share Index	6.2%
South African bonds	All Bond Index	4.9%
International investments	MSCI World (ND) ZAR	10.1%

The return on the High Growth Portfolio of 8.04% compares very favourably to the weighted return of these indices over the last 12 months. It is, however, also important to remember that market linked returns should be considered over longer periods than 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.*

## DEATH, DISABILITY AND FUNERAL BENEFITS FROM 1 APRIL 2023

The benefits paid by the Fund on the death or disability of a member are the member's Fund Credit and an age-related multiple of the member's annual pensionable salary. The total benefit is paid to the eligible dependants and beneficiaries of a deceased member or used to provide a retirement pension to a member who is disabled. A family funeral benefit is also payable on the death of the member, the member's spouse or an eligible child of the member.

The benefits are reviewed effective 1 April each year, with the benefits and contributions set for the following 12 months. A full review was undertaken effective 1 April 2023. The total required premium rate in respect of the benefits will decrease materially effective 1 April 2023 and the saving in the premium rates will be allocated to member Fund Credits in the Fund.

The death benefits are paid directly (self-insured) by the Fund. The disability benefits are insured with Old Mutual in terms of a policy held in the name of the Fund. The funeral benefits are insured with Old Mutual in terms of a policy held in the name of the City of Johannesburg.

### DEATH AND DISABILITY BENEFIT MULTIPLES

The benefit payable (in addition to the member's Fund Credit) on the death of a member contributing to the Fund at any age before age 70 or the disablement of a member before the normal retirement age is a multiple of the member's annual pensionable salary at the date of death or disablement, where the multiple depends on the member's age at the date of death or disablement, as follows:

Age at date of death or disability	Death benefit multiple	Disability benefit multiple
18	8.17	9.96
19	8.55	10.41
20	8.86	10.78
21	9.13	11.12
22	9.36	11.39
23	9.57	11.64
24	9.71	11.81
25	9.77	11.90
26	9.83	11.96
27	9.78	11.92
28	9.75	11.86
29	9.68	11.78
30	9.55	11.63
31	9.43	11.48
32	9.25	11.25
33	9.07	11.05
34	8.87	10.80
35	8.66	10.54
36	8.48	10.31
37	8.24	10.02
38	8.00	9.74
39	7.78	9.46
40	7.54	9.17
41	7.31	8.88
42	7.08	8.60
43	6.80	8.28
44	6.59	8.01

Age at date of death or disability	Death benefit multiple	Disability benefit multiple
45	6.32	7.70
46	6.05	7.36
47	5.79	7.05
48	5.52	6.72
49	5.24	6.38
50	4.99	6.05
51	4.63	5.64
52	4.36	5.32
53	4.11	5.00
54	3.84	4.67
55	3.56	4.35
56	3.33	4.06
57	3.07	3.74
58	2.85	3.48
59	2.64	3.22
60	2.43	2.95
61	2.23	2.70
62	2.05	2.49
63	1.88	-
64	1.73	-
65	1.12	-
66	1.06	-
67	0.99	-
68	0.87	-
69	0.81	-
70 or older	-	-

#### Death benefit: Evidence of good health requirements and maximum benefit

Until such members provide satisfactory evidence of good health to the Fund, members over the normal retirement age on joining the Fund have no death benefit cover and the cover is limited to a maximum benefit of R17 100 000 for all other members.

The limits do not apply if death is due to an accident.

#### Disability benefit: Maximum benefit

The insured disability benefit is limited to a maximum benefit of R13 125 000.

#### Disability benefit: Waiting period

The disability benefit is payable after a 3 month waiting period following the date of disability.

The member remains covered for the death benefit in the event of death during the disability waiting period.

## DEFINITION OF ELIGIBILITY FOR A DISABILITY BENEFIT

For the payment of a disability benefit, the member must (to the satisfaction of Old Mutual) be totally and permanently incapable of performing his or her own occupation, or any alternative occupation for which he or she is suited, taking into account his or her age, education, training, knowledge, ability, income and experience, as a result of a condition that has continued for the duration of the 3 month waiting period and arose from an injury or illness.

## FUNERAL BENEFIT AMOUNTS

The funeral benefits payable on the death of the member, the member's spouse or an eligible child of the member are as follows:

On the death of:	Benefit
Member	R48 000
Spouse	R40 000
Child aged 6 to 21	R20 000
Child under age 6 or a stillborn child	R13 000

## DEFINITION OF AN ELIGIBLE SPOUSE

For the payment of a funeral benefit in respect of the spouse of a member, the spouse:

- must be legally married to the member (including marriages in terms of the Customary Marriages Act, 1998); or
- must be party to a marriage concluded with the member (to the satisfaction of Old Mutual) in accordance with the customs and usages traditionally observed amongst the indigenous African people of South Africa and which form part of the culture of those people; or
- must be party to a union (to the satisfaction of Old Mutual) with the member validly concluded under a system of religious law; or
- must (to the satisfaction of Old Mutual) have been the partner of the member in an abiding serious relationship akin to living together in a manner resembling for all intents and purposes a monogamous relationship between husband and wife (except the relationship may be heterosexual or homosexual) for a continuous period of at least six months.

For members who have more than one spouse, only one spouse's funeral benefit will be paid in any policy year.

In the event of a claim, the relationship of the spouse to the member must be substantiated by a marriage certificate or other proof acceptable to Old Mutual.

## DEFINITION OF AN ELIGIBLE CHILD

For the payment of a funeral benefit in respect of a child of the member, the child must be:

- a biological child, a stepchild, a legally adopted child or a foster child of the member; or
- a child who has been placed under the member's guardianship as contemplated in Section 18 of the Children's Act, 2005; or
- any other child who (to the satisfaction of Old Mutual) is proven to be financially dependent on the member through the member's financial contributions for the child on a regular basis.

A stillborn child is defined as a foetus that was at least 26 weeks old as at the date of termination of the pregnancy.

In the event of a claim, the relationship of the child to the member must be substantiated by a birth certificate, adoption certificate or other proof acceptable to Old Mutual.

## FUNERAL SUPPORT SERVICES

The service allows for the transportation, at no cost, of the deceased member, spouse or child by road or air from anywhere in the world to the funeral home closest to the place of burial in South Africa or neighbouring countries: Botswana, Lesotho, Mozambique (south of the 22nd parallel – Vilankulo), Namibia, Swaziland and Zimbabwe.

The service can be accessed at any time by calling 0860 000 500.

## POLICY AND BENEFIT CONDITIONS

The death and disability benefits are subject to such maxima, restrictions and conditions as are set out in the Fund policy and the Old Mutual insurance policies, as applicable. The main conditions include:

- No insured death and disability benefit will be payable, unless the claim is accepted by the Fund or is accepted and paid by Old Mutual, as applicable.
- New members are not eligible for the death benefit cover until they actively commence work with their employer.
- New members are not eligible for the disability benefit cover during their first 12 months of membership in respect of an intentional self-inflicted injury or in respect of any illness or injury for which the member received (or would have reasonably received) medical advice, a diagnosis or treatment during the 6 months prior to joining the Fund. The member is covered for illness or injury for any other reason.
- If a member dies before the disability cover is paid by the insurance company to the Fund, a death benefit and not a disability benefit is payable.
- Members are not covered for death or disability benefits which arise out of:
  - Active participation in terrorist activities, war, warlike operations, civil war or revolt which assumes the proportion of a wide-scale uprising (other than in the course of fulfilling their duties as employees); or
  - Use of nuclear, biological or chemical weapons or any radioactive contamination arising out of them; or
  - Any attack on or sabotage of facilities and storage depots that leads to the release of radioactivity or nuclear, biological or chemical warfare agents.
- Members are not covered for the death or disability benefits:
  - If they are outside of South Africa for more than 90 days, unless this is notified to and accepted by the Fund or by Old Mutual, as applicable; or
  - If they are absent from the service of the employer for more than a month without their employer's consent.
- Claims must be submitted to the Fund or to Old Mutual within 12 months of the date of death or disability, as applicable.

## IMPORTANT ISSUES

- a) This document contains a summary of the self-insured death benefits and the insured disability and funeral benefits and is provided for information purposes only. In the event of a difference between this summary and the terms of the insurance policies and the policies and Rules of the Fund, the insurance policies and the policies and Rules of the Fund will prevail.
- b) Members need to assess whether the death, disability and funeral cover is sufficient for them and their families. If it is insufficient, they should consider taking out further personal cover. Members should consider any aggregation clauses in individual life policies that they hold, that may limit the benefit paid by the policy in the event of a claim.
- c) Members should ensure they have completed and signed an up-to-date nomination of beneficiaries form in respect of their death benefits and their funeral benefit. If their circumstances change (e.g. marriage, divorce, birth of a child) members should update their nomination form and submit it to their HR department or to the Fund's administrator.
- d) Members should ensure that their personal contact details, and those of their next of kin, are kept updated with their employer. This will assist in communication to members and the processing of any death, disability and funeral claims.
- e) If a member, or the member's family in the event of the death of the member, has any concerns regarding a decision by Old Mutual in respect of a disability or funeral claim, they may contact Old Mutual directly on:

Disability claims: [gapdisabilityassessments@oldmutual.com](mailto:gapdisabilityassessments@oldmutual.com)

Funeral claims: [gapdeathclaims@oldmutual.com](mailto:gapdeathclaims@oldmutual.com)

## TAXATION OF CONTRIBUTIONS AND BENEFITS

The employer contributions paid to the Fund on behalf of members in respect of the death and disability benefits may be offset against income in determining the net taxable income of each member. Any death and disability benefits (including the member's Fund Credit) paid by the Fund are subject to the deduction of the appropriate tax.

The employer contributions paid to Old Mutual in respect of the funeral benefit premium is added to the net taxable income of each member and is subject to tax. The funeral benefit is paid out tax free.

## CONTRIBUTION ALLOCATIONS FROM 1 APRIL 2023

The total required self-insurance and insurance premiums, expressed as a percentage of pensionable salary, in respect of the death, disability and funeral benefits will reduce as follows:

	Up to 30.3.2023	From 1.4.2023
Death benefits	3.531%	2.921%
Disability benefits	0.898%	0.898%
Funeral benefits	0.173%	0.181%
<b>Total</b>	<b>4.602%</b>	<b>4.000%</b>

The allocation of contributions to the Fund will be as follows:

	Up to 30.3.2023	From 1.4.2023
<b>Member contributions:</b>		
Retirement savings <sup>1</sup>	7.500%	7.500%
<b>Employer contributions:</b>		
Retirement savings <sup>2</sup>	12.998%	13.600%
Death benefits	3.531%	2.921%
Disability benefits <sup>3</sup>	0.898%	0.898%
Funeral benefits	0.173%	0.181%
Fund expenses	0.400%	0.400%
<b>Total</b>	<b>18.000%</b>	<b>18.000%</b>

Note:

1. For two groups of Joburg Market employees, their member contributions are phased in on entry to the Fund with member contributions of 2.5% of pensionable salaries in the first year of membership, 5.0% of pensionable salaries in the second year of membership and 7.5% of pensionable salaries thereafter.
2. For a small number of senior employees, the employer contribution is less than 18%. For these members the allocation of employer contributions to death, disability and funeral benefits and Fund expenses is as set out in the above table and the allocation to retirement savings is reduced accordingly.
3. For members who are over their normal retirement age and are therefore not eligible for the disability benefit, the contribution in respect of the disability benefit is allocated to their Fund Credit in the Fund.

## PROTECTION OF PERSONAL INFORMATION

The Fund, its administrator and Old Mutual will process and protect your personal information as required by relevant laws and the constitution of the Republic of South Africa.

Old Mutual may send your personal information to service providers outside of South Africa for storage or further processing on Old Mutual's behalf. Old Mutual will however not send your information to a country that does not have information protection legislation similar to that of South Africa, unless Old Mutual has a binding agreement with the service provider which ensures that it effectively adheres to the principles for processing of information in accordance with the Protection of Personal Information Act No 4 of 2013.

For more information, please refer to the **eJoburg Retirement Fund Privacy Notice** and the **Old Mutual Privacy Notice**. Alternatively they can be sent to you on request by email to the Fund's Information Officer: [eJoburgPO@gmail.com](mailto:eJoburgPO@gmail.com) or to the Fund's administrator: [.eJhb@momentum.co.za](mailto:.eJhb@momentum.co.za)