

NEWSLETTER 1 OF 2022

MARCH 2022

HEADLINE NEWS

- The death and disability benefit multiples and the funeral benefit amounts remain unchanged for the year commencing 1 April 2022.
- The premiums for these benefits are lower than the current premiums and the difference will be allocated to members' retirement savings in the Fund.
- Market linked investment returns have been good over the last 3 months.

DITABAKGOLO

- Kholego ya lehu le bogole tše di hlakantšwego le tšhelete ya kholego ya poloko ga di fetoge mo ngwageng wo o thomago ka 1 Moranang 2022.
- Diphremiamo tša dikholego tše di ka fasana ga diphremiamo tša gabjale le gore phapano e tla abelwa go Sekhwama sa go boloka tšhelete ya tholamodiro ya maloko.
- Dipolelo tša dipeeletšo tšeo di amanago le mmaraka di bile tše di botse mo dikgweding tše 3 tša go feta.

IZINDABA EZINOHLOLONZE

- Ukuphindwaphindwa kwenzuzo yokufa nokukhubazeka kanye namanani enzuzo yomgcwabo ahlala engashintshile onyakeni owala ngomhlaka 1 kuMbaswa wezi 2022.
- Amaphrimiyamu alezi zinzuzo angaphansi kwamaphrimiyamu amanje futhi umehluko uzokwabelwa emalini eyongiwe yomhlalaphansi yamalungu esiKhwameni.
- Izinzuzo zokutshala izimali ezixhumene nezimakethe zibe zinhle kulezi zinyanga eziyi-3 ezidlule

MAHUNGUKULU

- Andziso wa mpfuno wa swa rifo na vulamari na mitsengo ya swa nkosi a swi cincangi eka lembe leri sungulaka hi 1 Dzivamisoko 2022.
- Mali leyi munhu a yi hakelelaka mipfuno leyi yi le hansi loko hi pimanisa na leyi yi hakeriwaka sweswi, hikokwalaho mali leyi munhu a nga ta va a hundzise hi yona yi ta averiwa eka mali ya yena ya vuvekisi eNkwameni.
- Vuvekisi lebyi tirhisana na mitlheriso ya timakete a yi ri karhi yi famba kahle eka tin'hweti ti3 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 2022 to 31 March 2023:

- The death and disability multiples and the funeral benefit amounts will remain unchanged.
- The total death, disability and funeral benefit premiums paid to the insurance company insuring the benefits (Old Mutual) will reduce by 0.135% of pensionable salaries. This amount will be allocated to each member's Fund Credit in the Fund from 1 April 2022.
- The maximum disability benefit limit has been increased from R12.0 million to R12.5 million.

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 and obtained from the Fund's administrator.



INVESTMENT PERFORMANCE



Fund investment returns over the last 12 months

Market linked investment returns in the Inflation Target Portfolio have been good over the last 3 months, despite the concern in world investment markets caused by the crisis in the Ukraine.

The Stable Portfolio has not performed as well over the last 3 months, but its longer term returns remain good.

The returns on the Capital Protection Portfolio over the last 12 months have been consistent from month-to-month.

Period	Inflation Target Portfolio	Stable Portfolio	Capital Protection Portfolio
March 2021	1.02%	-0.17%	0.41%
April 2021	1.24%	1.79%	0.32%
May 2021	0.57%	0.16%	0.42%
June 2021	-0.12%	1.30%	0.39%
July 2021	1.75%	1.56%	0.46%
August 2021	1.38%	0.70%	0.46%
September 2021	-0.34%	-0.65%	0.42%
October 2021	2.82%	1.88%	0.43%
November 2021	0.79%	0.78%	0.39%
December 2021	3.27%	2.43%	0.43%
January 2022	-0.73%	-2.10%	0.44%
February 2022	1.14%	0.24%	0.40%
1 March 2021 to 28 February 2022	13.48%	8.21%	5.08%

Fund long-term investment returns

The investment returns earned on each of the portfolios for longer periods to 28 February 2022 are as follows:

Period to 28.2.2022	Inflation Target Portfolio (inception 1.9.2005)		Stable Portfolio (inception 1.5.2014)		Capital Protection 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	13.48%	10.49%	8.21%	8.49%	5.08%	6.49%
Last 3 years	11.15%	9.32%	9.11%	7.32%	6.48%	5.32%
Last 8 years	8.83%	9.78%	N/A	N/A	7.58%	5.78%
Since inception	12.33%	10.55%	7.91%	7.65%	7.87%	6.55%

Given the nature of each of the three Portfolios, performance is assessed by the Trustees over different periods (eight years for the Inflation Target Portfolio, three years for the Stable Portfolio and one year for the Capital Protection Portfolio) as highlighted in green.

The Stable 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.

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.

INSURED DEATH, DISABILITY AND FUNERAL BENEFITS FROM 1 APRIL 2022

The benefits paid by the Fund on the death or disability of a member are the member's Fund Credit and an insured 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 insured benefits, which are reviewed each year, have been reviewed effective 1 April 2022. Whilst the death and disability benefit multiples and the funeral benefit amounts will remain unchanged for the period from 1 April 2022 to 31 March 2023, the required premium rates have decreased slightly from the rates that applied for the 12-month period to 31 March 2022.

The death and 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 insured 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 a member in either of the following categories provides satisfactory evidence of good health to Old Mutual, 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 R16 800 000 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 R12 500 000.

Disability benefit: Waiting period

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

Member remains covered for the insured 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	R40 000
Spouse	R33 000
Child aged 6 to 21	R17 000
Child under age 6 or a stillborn child	R11 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 death 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 Old Mutual insurance policies. The main conditions include:

- No insured death and disability benefit will be payable, unless the claim is accepted and paid by Old Mutual.
- 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 during the disability benefit waiting period, only the death 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 Old Mutual; 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 Old Mutual within 12 months of the date of death or disability, as appropriate.

IMPORTANT ISSUES

- a) This document contains a summary of the insured death, 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 Rules of the Fund, the insurance policies and the 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 death, disability or funeral claim, they may contact Old Mutual directly on:
 - Death and funeral claims: gapdeathclaims@oldmutual.com
 - Disability claims: gapdisabilityassessments@oldmutual.com
- f) Members are strongly encouraged to get vaccinated against Covid-19. This will help reduce the number of death and disability claims and in turn reduce the required premiums for these benefits in the best interests of all the members. Lower required premium rates will result in a higher allocation of the employer contribution rate to member Fund Credits.

TAXATION OF CONTRIBUTIONS AND BENEFITS

The employer contributions paid to the Fund on behalf of members in respect of the insured 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.

INSURANCE PREMIUMS AND CONTRIBUTION ALLOCATIONS FROM 1 APRIL 2022

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

	Up to 31.3.2022	From 1.4.2022
Death benefits	3.696%	3.622%
Disability benefits	0.959%	0.898%
Funeral benefits	0.182%	0.182%
Total	4.837%	4.702%

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

	Up to 31.3.2022	From 1.4.2022
Member contributions:		
Retirement savings ¹	7.500%	7.500%
Employer contributions:		
Retirement savings ²	12.763%	12.898%
Death benefits	3.696%	3.622%
Disability benefits ³	0.959%	0.898%
Funeral benefits	0.182%	0.182%
Fund expenses	0.400%	0.400%
Total	18.000%	18.000%

Note:

- 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.
- 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.
- 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 will be 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 or to the Fund's administrator: .eJhb@momentum.co.za