



HEADLINE NEWS

- 📌 From 1 March 2025 members will have emergency access to part of their retirement benefits – this date (delayed from 1 March 2024) is set out in draft legislation released by National Treasury
- 📌 The Fund has set up its own website which provides useful information for members
- 📌 Members are encouraged to attend the Fund information sessions currently taking place
- 📌 Investment returns have been poor over the last 3 months

DITABAKGOLO

- 📌 Go tloga ka 1 Mopitlo 2025 maloko a tla ba le phihlelelo ya tšhoganyetšo go karolo ya kholego ya tholomodi/phenšene – letšatšikgwedi le (diegišitšwego go tloga go la 1 Mopitlo 2024) se se beilwe ka go molaakanywa wo o lokološwego ke Kgoro ya Bosešhaba ya tša Matlotlo
- 📌 Sekhwama se hlomile weposaete ya sona yeo e fago maloko tshedimošo ye bohlokwa
- 📌 Maloko a hlohleletšwa go tsenela dikopano tša tshedimošo tša Sekhwama tšeo gabjale di dirwago
- 📌 Dipoele tša dipheetšo e bile tše fokolago mo dikgweding tše 3 tša go feta

IZINDABA EZINOHLOLONZE

- 📌 Kusakela ngomhlaka-1 Mashi 2025 amalungu azothola usizo oluphuthumayo engxenyeni yezinzuzo zawo zomhlalaphansi - lolu suku (lubambezeleke kusakela ngomhlaka-1 Mashi 2024) lubekwe kuhlaka lomthetho okhishwe nguMnyango Wezezimali Kazwelonke
- 📌 ISikhwama sisungule iwebhusayithi yaso ehlinzeka ngolwazi oluwusizo kumalungu
- 📌 Amalungu akhuthazwa ukuba athamele amaseshini olwazi lwesiKhwama aqhubekayo njengamanje
- 📌 Izinzuzo zokutshalwa kwezimali zibe zimbi kakhulu ezinyangeni ezintathu ezedlule

MAHUNGUKULU

- 📌 Kusakela hi siku ra 1 Nyenyakulu 2025 swirhi swi ta koata ku fikelela hi xihatla xiphemu xa mpfuno wa vona wa mudende – siku leri (ri hlwerisiweke kusakela hi 1 Nyenyakulu 2024) ri vekiwile eka mpapfarhuto wa milawu lowu hunesiweke hi Nkwama wa Timali ta Rixaka
- 📌 Nkwama wu tumbuluxile webusayithi ya wona n’wini leyi nyikaka vuxokoxoko lebyi pfunaka eka Swirho
- 📌 Swirho swi hlohleteriwa ku ngenela tidyondzo ta ku lemukisa hi mahungu ya Nkwama leti karhiki ku nyikiwa sweswi
- 📌 Ntlheriso wa vuvukisi wu vile wa le hansi eka tin’hwetini finharhu leti nga hundza

EMERGENCY ACCESS TO RETIREMENT BENEFITS FROM 1 MARCH 2025

National Treasury has released revised draft legislation for the so-called “Two Pot” system that will allow members to have emergency access to part of their retirement benefits before retirement.

The main features of the Two Pot system (and the changes to the previous proposals which were outlined in the previous Fund Newsletter) are:

- Access to part of each member’s benefit will only be allowed from 1 March 2025 (previously proposed to be allowed from 1 March 2024).
- Each member’s benefit in the Fund will be split into three components, namely a **Savings Component**, a **Retirement Component** and a **Vested Component**.

IMPORTANT
The proposals are still only draft and may change in the final law

Savings Component

- Members will be allowed to withdraw part or the full amount of their **Savings Component** in the Fund while they are still employed.
- 10% of each member's Fund Credit as at 28 February 2025, subject to a maximum amount of R30 000 (the previous proposals limited this amount to R25 000), will be transferred to their **Savings Component** (or Pot).
- One-third of the total of each member's contributions and the employer retirement funding contributions each month after 1 March 2025 will be allocated to their **Savings Component**.
- Any amount withdrawn from a member's **Savings Component** will be subject to the following conditions:
 - The Savings Component balance must be at least R2 000.
 - The member 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.

EXAMPLES – INITIAL WITHDRAWALS

If a member's Fund Credit is less than R20 000 as at 28 February 2025, 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 a member's Fund Credit is between R20 000 and R300 000 as at 28 February 2025, 10% will be transferred to the Savings Component and the member can withdraw part or all of it at any time.

If a member's Fund Credit is more than R300 000 as at 28 February 2025, then R30 000 will be transferred to the Savings Component and the member can withdraw part or all of it at any time.

Retirement Component

- Two-thirds of the total of each member's contributions and the employer retirement funding contributions each month after 1 March 2025 will be allocated to their **Retirement Component**.
- The member's full **Retirement Component** must be preserved until retirement, i.e. the member cannot take this amount in cash 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.

Vested Component

- The balance of the member's Fund Credit as at 28 February 2025, after the transfer to the Savings Component discussed above, is the member's **Vested Component**. The Vested Component will retain all the "rights" that applied as at 28 February 2025, i.e. the member may still take this portion of the benefit in cash 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 required 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.

FUND WEBSITE

The Fund has set up its own website from 1 November 2023. The website provides a lot of useful information, including:

- A summary of the benefits provided by the Fund.
- Details of the benefits provided by the Fund, including a counselling document in respect of each benefit and a document setting out the process to claim the benefit.
- A summary of the Fund's Investment Policy Statement, a counselling document on the member investment options offered by the Fund and the latest and history of the Fund's Investment Performance Fact Sheets.
- The latest and history of the Fund's Newsletters.
- The Fund's rules and a summary of the Fund's financial statements for the last 3 years.
- A link to the website of the Fund's Administrator (Momentum) where members can view their current benefit values.

Members are encouraged to visit the Fund's new website and to register on the link to access their benefit values



The Fund's website can be found at ejoburgretirementfund.co.za or by scanning the QR code.

LATE PROVISION OF A CONTRIBUTION SCHEDULE TO THE FUND

The Pension Funds Act requires that:

- The member and employer contributions each month must be paid to the Fund before the 7th of the month following the month to which the contributions relate.
- The contribution schedule detailing the amount of the contribution for each member must be received by the Fund before the 15th of the month following the month to which the contributions relate.
- Members must be notified if an employer fails to meet these requirements.

Members are hereby notified that the contribution schedule for the Joburg Development Agency for September 2023 was only received by the Fund on 16 October 2023, i.e. after the statutory deadline of 15 October 2023. The contributions were, however, paid within the required time period.

MEMBER INFORMATION SESSIONS

During October and November 2023, the Fund is holding member information sessions which all members are invited to attend. The sessions include information on the Fund's benefits and on other issues, such as a detailed explanation of the proposed Two Pot system.

Please contact your HR Department if you have not yet been told when the information sessions for your area have been scheduled.

30 JUNE 2023 BENEFIT STATEMENTS

Member benefit statements as at 30 June 2023 for all members were sent to the HR Departments in September 2023 for distribution to members. If you have not received your benefit statement, please contact your HR Department.

AMENDMENTS TO THE RULES OF THE FUND

Minor amendments effective 1 October 2023 have been made to the Fund's rules and approved by the Financial Sector Conduct Authority to:

- Remove the death and disability benefit multiples from the Rules as they are set out in the Fund's self-insurance policy for the death benefits and the insurance contract with Old Mutual for the disability benefits. The multiples and any benefits payable remain unchanged.
- Permit members who are promoted to Section 54A or Section 56 positions (and who meet specific requirements set out in the Rules) to cease contributions and to become paid-up members.

NEW EMPLOYER APPOINTED TRUSTEE

The City of Johannesburg has replaced Ms Nicole das Neves with Ms Candy Jaftha as an employer-appointed trustee on the Fund effective 31 October 2023. Ms Jaftha will complete Ms das Neves' trustee term of office to 30 September 2024.

The Board of Trustees from 31 October 2023 is as follows:

Member elected trustees	Employer-appointed trustees
Mr Mlawuli Dlamini	Ms Reginah Malatji (Chairperson)
Mr Thabo Langa	Ms Candy Jaftha
Mr Siphon Mabunda	Ms Anele Kwabana
Mr Ntsieni Sadiki	Mr Elrich Oliphant
Mr Samuel Suttner	Mr Mabandla Sibisi

FUND INVESTMENTS

Fund investment returns over the last 12 months

South African and international investment markets performed poorly over the last 3 months, primarily due to the risk of rising inflation following sharp interest rate hikes in the United States of America, which is reflected in the market linked investment returns earned by the Fund over the period. South African inflation has also increased, with the latest available annual inflation (CPI) to the end of September 2023 being 5.37%.

Short periods of poor, and even negative, market linked investment performance are to be expected and members are reminded that it is more important to consider the return over longer periods in respect of these investments – the benchmark periods for reviewing performance are 8 years for the High Growth Portfolio and 3 years for the Medium Growth Portfolio.

The returns over the 12-month period to 31 October 2023 for the three portfolios are set out in the following table.

Period	High Growth (Inflation Target) Portfolio	Medium Growth (Stable) Portfolio	Money Market (Capital Protection) Portfolio
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%
August 2023	-0.08%	1.46%	0.78%
September 2023	-2.76%	-2.22%	0.73%
October 2023	-2.66%	-0.90%	0.82%
1 November 2022 to 31 October 2023	5.89%	9.11%	9.14%

The returns have, however, recovered quite strongly (the High Growth Portfolio by 3.11% and the Medium Growth Portfolio by 2.12%) in the early part of November 2023.

Fund long-term investment returns

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

The High Growth Portfolio has underperformed its benchmark of inflation plus 5% per annum over the 8 year review period, although it has outperformed its benchmark over the period since the inception of the portfolio.

The Medium Growth Portfolio has slightly underperformed its benchmark of inflation plus 3% per annum over the 3 year review period and the period since the inception of the portfolio.

The Money Market Portfolio has outperformed its benchmark of inflation plus 1% per annum over the 1 year review period and the period since the inception of the portfolio.

Period to 31.10.2023	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	5.89%	10.37%	9.11%	8.37%	9.14%	6.37%
Last 3 years	11.85%	10.98%	8.49%	8.98%	6.72%	6.98%
Last 8 years	6.90%	10.14%	7.05%	8.14%	7.84%	6.14%
Since inception	11.40%	10.66%	7.47%	8.01%	7.89%	6.66%

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 October 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.