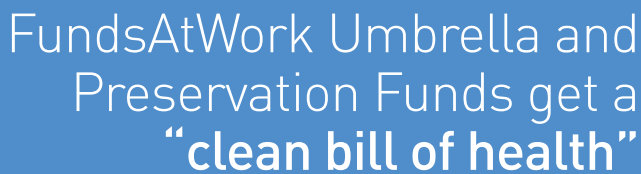




Trustee Employer
Newsletter

Issue 1: June 2012



FundsAtWork Umbrella and
Preservation Funds get a
“clean bill of health”

The Funds have been audited up to 30 June 2011 and received unqualified financials. The next audit is due for the period 1 July 2011 to 30 June 2012.



Who won the
Apple iPad2
competition?



IN THIS ISSUE



Know your
rules



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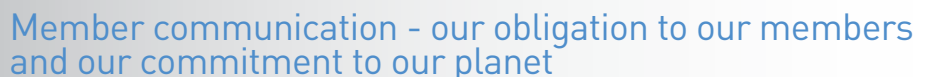


Know your rules: temporary absence

‘Know your rules’ will be a regular trustee column to help you understand the Rules of the Funds, including, but not limited to the benefit and investment options available. Changes to the Rules of the Funds are registered by the Financial Services Board (FSB) and approved for tax purposes by the South African Revenue Service (SARS). The rules of a fund are changed to accommodate changes to legislation, products and processes.



Read more >>

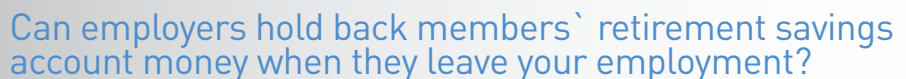


Member communication - our obligation to our members
and our commitment to our planet

The trustees of the Funds have an obligation to communicate to the members of the Funds on a regular basis. The purpose of the trustee communication is to keep the members informed and to educate them on their benefits and membership of the Funds. The 2011 annual trustee member communication project was completed successfully.



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Can employers hold back members' retirement savings
account money when they leave your employment?

In terms of Section 37D of the Pension Funds Act, the only deductions a fund may make from a member in favour of the employer are for the recovery of damages caused to the employer as a result of fraud, theft, dishonesty or misconduct. This can only be recovered if the member admits to it in writing, or if the employer gets a compensatory court order is obtained (ordering the member to pay the damages).



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Appointment of an Investment Adviser by an Advisory Body

The Funds allow for the selection of an Advisory Body portfolio by the Advisory Body. In this case, the members' assets will be invested in the Advisory Body portfolio in the proportions determined by the Advisory Body.



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Level 3 B-BBEE contributory status for MMI Holdings Limited

In December 2010 MMI Holdings Limited (MMI) was listed on the Johannesburg Stock Exchange following the merger of Momentum and Metropolitan. MMI is now the third largest insurer in South Africa. MMI is our investor and holding company brand while Momentum and Metropolitan remain the customer facing brands.



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Momentum FundsAtWork receives the top accolade at
the 2012 PMR Awards

The PMR Awards do not only enhance excellence, but set the industry bench mark and are an indicator of an organisation's competencies.



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Reviewed scheme rates and
fees effective 1 July 2012

The rates of the Funds are reviewed annually to ensure that your scheme's rates and fees are always correct. The changes are approved by the trustees. Each scheme is unique and the rates and fees are specific to a particular scheme.

The rate review letters have been distributed on 1 June 2012.



Know your rules: temporary absence



'Know your rules' will be a regular trustee column to help you understand the Rules of the Funds including the benefit and investment options available. Changes to the Rules of the Funds are registered by the Financial Services Board (FSB) and approved for tax purposes by the South African Revenue Service (SARS). The rules of a fund are changed to accommodate changes to legislation, products and processes.

The Funds allow for when a member is on leave with or without pay. This article on temporary absence describes the rules that will apply.

If a member is on leave with pay (whether it is full pay or less than full pay), the employer must continue paying the full contributions to the Fund.

If a member is on leave without pay, the employer has various options to choose from.

Insurance benefits	Employer chooses	Employer to pay
Insurance benefits	Option A: Insurance benefits to continue	Option A¹: Contributions for retirement, fees, expenses and insurance benefits; or Option A²: Fees, expenses and insurance benefits
	Option B: Insurance benefits to end	Option B¹: Contributions for retirement, fees and expenses; or Option B²: Fees and expenses only
No insurance benefits	Not applicable	Contributions for retirement, fees and expenses; or Fees and expenses only

The employer must inform the Fund which option it chooses before the member goes on leave without pay. If the employer does not do so, the following provisions will apply:

Insurance benefits	Assumed that the employer chooses	Employer to pay
Insurance benefits	Insurance benefits to end	Fees and expenses
No insurance benefits	Not applicable	Fees and expenses

Temporary absence from employment: Insurance policies

Momentum's group insurance policies allow for cover in respect of a member who is temporarily absent from employment to continue at the same level at which the member was covered immediately before his absence. Cover for a temporarily absent member may continue for 12 months provided that premiums in respect of the member continue to be paid.

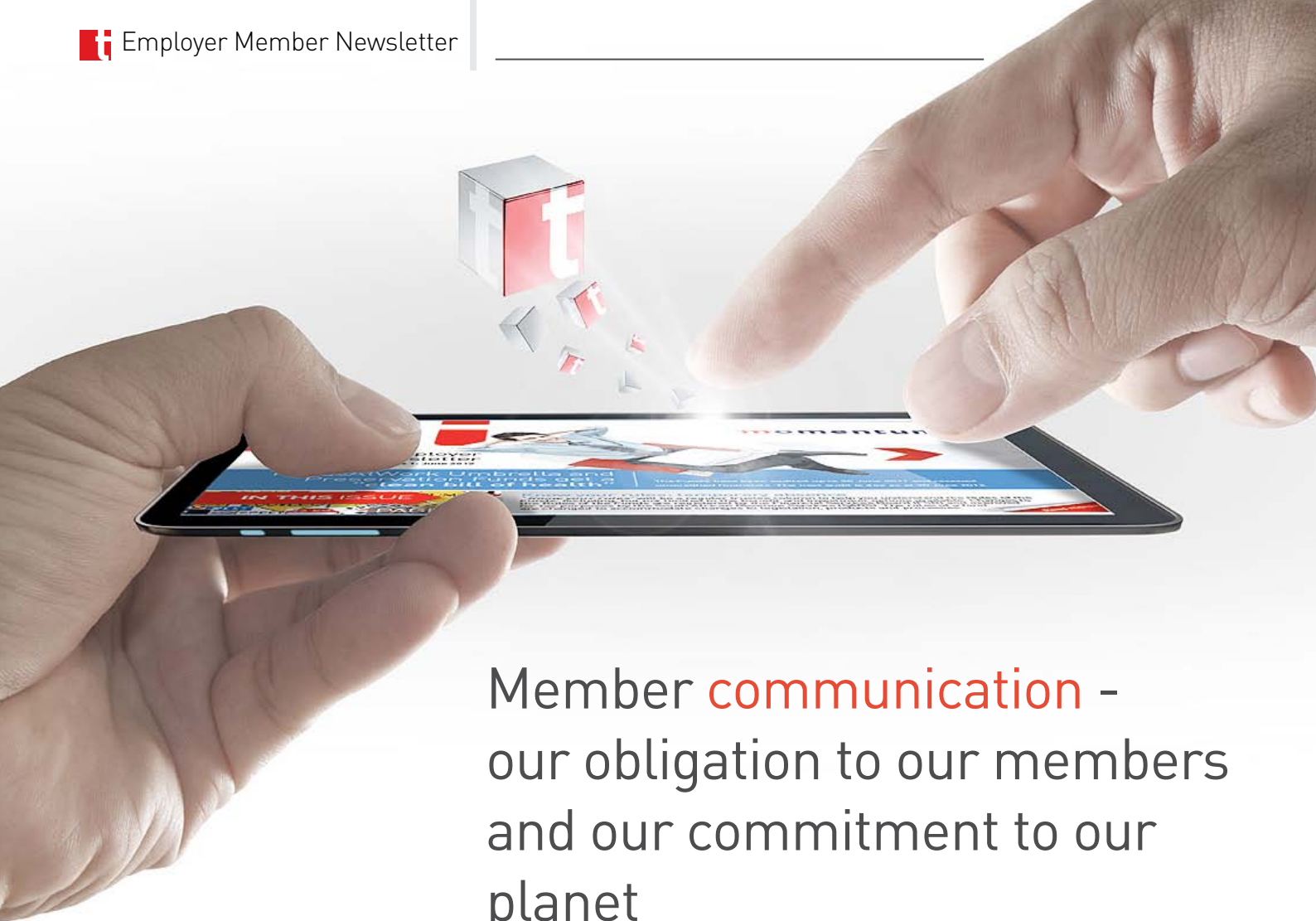
After 12 consecutive months of absence, the member's cover will automatically terminate. If the member starts working again after his cover has terminated, cover for this member will start as though he were a new member.

The employer may request Momentum to extend the 12 month period. If Momentum agrees, the member's cover will continue subject to any conditions that Momentum will require.

In all instances, the employer must inform Momentum of members who are going to be temporarily absent from employment before the employee goes on leave. Based on the various options available, employers must also ensure that correct contributions and premiums are paid.



The employer may request Momentum to extend the 12 month period. If Momentum agrees, the **member's cover will continue** subject to any conditions that Momentum will require.



Member **communication** - our obligation to our members and our commitment to our planet

The trustees of the Funds have an obligation to communicate to the members of the Funds on a regular basis. The purpose of the trustee communication is to keep the members informed and to educate them on their benefits and membership of the Funds. The 2011 annual trustee member communication project was completed successfully.

Members	Percent
Member packs delivered	80%
Members emailed	11%
Members not reached	9%
Total	100%

We have distributed packs via email and in print to 91% of our members at 84% of the pay points. Approximately 2600 members entered their updated personal information as part of our iPad2 competition. The winners is announced in the member newsletter.

However, updated member and pay point data remains our biggest challenge. When we have updated member contact information, the burden on you as the employer to distribute communication will be significantly less and the Trustees will be able to fulfill their regulatory obligation. Please contact your portfolio head to submit



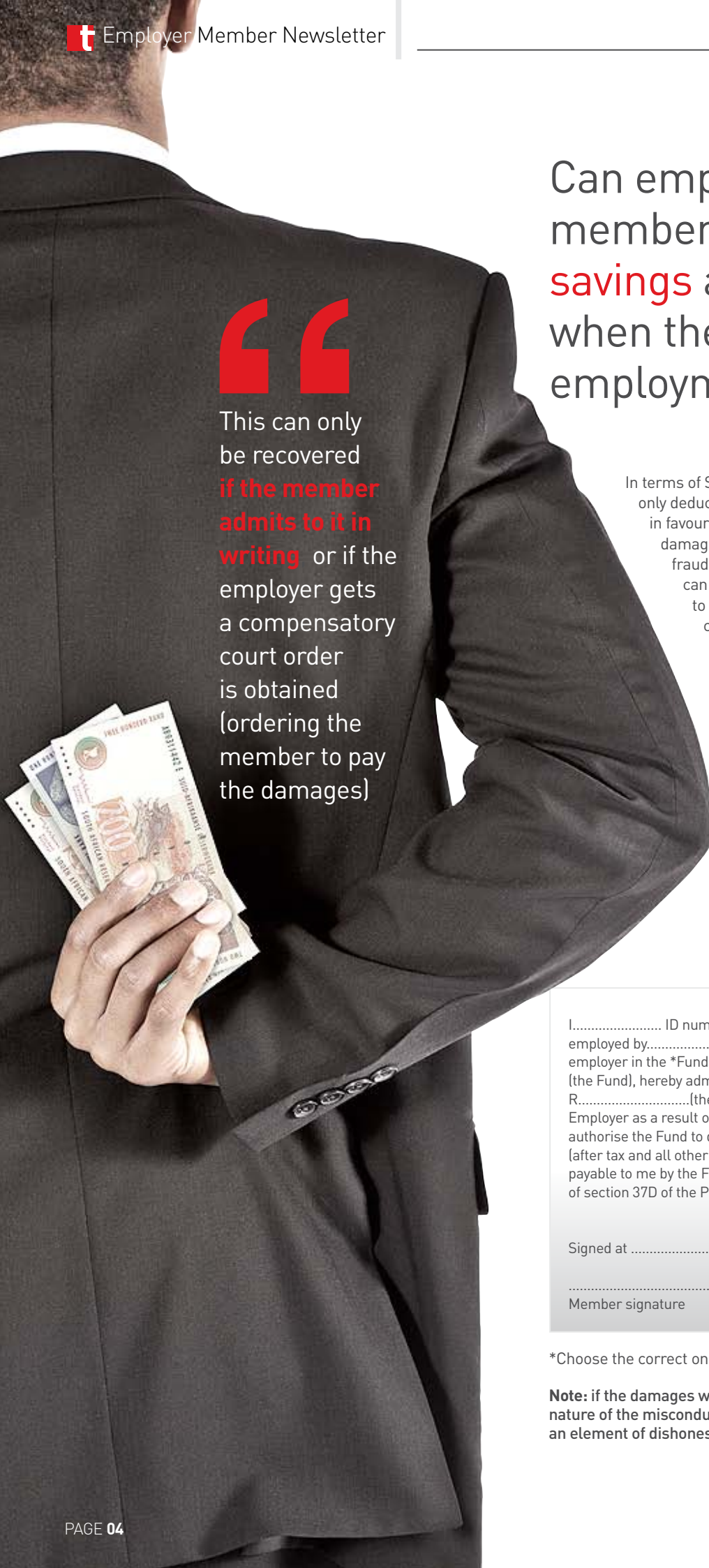
The purpose of the trustee communication is to **keep the members informed and to educate them** on their benefits and membership of the Funds.

your updated member contact details or go to www.momentum.co.za/fundsatwork to update their contact details online.

A few of the larger participating employers gave us feedback that they do not have the capacity to distribute the printed packs. Considering the Trustees' space obligation to communicate to the members, but at the same time trying to assist employers with the distribution of the packs, we have circulated a survey on the distribution method most suitable to your business, keeping our commitment to our planet in mind. In our annual trustee communication exercise at the end of last year, 80% of the member packs were printed and only 11% distributed electronically. By reducing the amount of paper we use, we can contribute to the overall decrease of waste in our environment.

In future, Momentum FundsAtWork will be focusing on electronic methods for the distribution of all our employer and member communication. Our main distribution platforms include email and employer intranet sites. We recognise that not everyone has access to these electronic distribution mechanisms and therefore offer print as an alternative.

If you have not completed the survey please send an email to fundsatworkcommunication@momentum.co.za and we will forward the survey to you.



This can only be recovered **if the member admits to it in writing** or if the employer gets a compensatory court order (ordering the member to pay the damages)

Can employers hold back members' **retirement savings** account money when they leave your employment?

In terms of Section 37D of the Pension Funds Act, the only deductions a fund may make from a member in favour of the employer are for the recovery of damages caused to the employer as a result of fraud, theft, dishonesty or misconduct. This can only be recovered if the member admits to it in writing, or if the employer gets a compensatory court order (ordering the member to pay the damages).

The recovery of personal indebtedness to the employer (such as personal loans, cell phone costs, etc) is not permitted.

For your convenience, we designed the following template that can be used for an acknowledgement of debt:

I..... ID number....., employed by.....(the Employer) who is a participating employer in the *FundsAtWork Umbrella Pension / Provident Fund (the Fund), hereby admit that I owe the Employer an amount of R.....(the amount due) for damages that I caused to the Employer as a result of *theft/dishonesty/fraud/misconduct. I hereby authorise the Fund to deduct the amount due from any net benefits (after tax and all other deductions allowed for in the Pension Funds Act) payable to me by the Fund and pay this amount to the Employer in terms of section 37D of the Pension Funds Act.

Signed at on.....

.....
Member signature

*Choose the correct one and delete the others.

Note: if the damages were caused as a result of misconduct, the nature of the misconduct must be stated. Only misconduct containing an element of dishonesty will qualify for a deduction.

Appointment of an Investment Adviser by an Advisory Body



The Advisory Body may nominate an Investment Adviser to assist the Advisory Body in selecting the investment portfolios available within these product options.



The Funds allow for the selection of an Advisory Body investment portfolio by the Advisory Body. In this case, the members' assets will be invested in the Advisory Body portfolio in the proportions determined by the Advisory Body.

Where the Advisory Body has selected the Provider or the Entrepreneur option, the Advisory Body may nominate an Investment Adviser to assist the Advisory Body in selecting the investment portfolios available within these product options. The Advisory Body may also nominate the investment adviser to make an investment choice on their behalf. This nomination is done by completing the Investment Adviser Appointment form, which is available on our website.

The Trustees will consider the nomination

and if they in their sole discretion consider that the Investment Adviser is suitably qualified and meets the criteria as set by them, appoint the Investment Adviser. Once appointed, the Funds will pay the Investment Adviser the fee as agreed between the Advisory Body and the Investment Adviser. This fee is set out in the Investment Adviser Appointment form. The Advisory Body may at any time request the Trustees to terminate the Investment Adviser's appointment.

The Funds also provide for member level investment choice.

Members belonging to the Provider and Entrepreneur product options may choose to opt out of the Trustee Choice Portfolio or the Advisory Body portfolio. These members also have the right to

nominate a suitably qualified Investment Adviser and the same rules that apply to the Investment Adviser nominated by the Advisory Body will apply. This appointment by the member will supersede the Advisory Body's appointment of an Investment Adviser. Where a member chooses to opt out of the Trustee Choice Portfolio or the Advisory Body portfolio, the instructions of the Advisory Body or the Investment Adviser appointed by the Advisory Body will not apply to that member. If that member at a later stage decides to opt back in and return to the investment portfolio selected by the Advisory Body or Investment Adviser appointed by the Advisory Body, all future instructions of the Advisory Body or the Investment Adviser appointed by the Advisory Body will then apply to that member.



Level **3 B-BBEE** contributory status for MMI Holdings Limited



We are pleased to inform you that MMI has achieved a **level 3 B-BBEE contributory status** in terms of the gazetted Codes of Good Practice on Broad-Based Black Economic Empowerment.

In December 2010 MMI Holdings Limited (MMI) was listed on the Johannesburg Stock Exchange following the merger of Momentum and Metropolitan. MMI is now the third largest insurer in South Africa. MMI is our investor and holding company brand while Momentum and Metropolitan remain the customer facing brands.

MMI believes that transformation should be aligned to business practices and is committed to the spirit of transformation and ultimately the empowerment of all our stakeholders. Our B-BBEE scorecard is reflective of our efforts to contribute to direct and indirect empowerment.

We are pleased to inform you that MMI has achieved a **level 3 B-BBEE contributory status** in terms of the gazetted Codes of Good Practice on Broad-Based Black Economic Empowerment. This follows a comprehensive audit process performed by independent ratings agency, NERA (National Empowerment Ratings Agency). MMI's B-BBEE certificate is available on www.mmiholdings.com

Momentum FundsAtWork receives the top accolade at the 2012 PMR Awards



The PMR Awards do **not only enhance excellence, but sets the industry benchmark** and is an indicator of an organisation's competencies.

The PMR awards are the end result of a research process whereby companies, departments, institutions and individuals are nominated and rated by respondents against specific attributes or criteria. Customer service and customer satisfaction are strong focus points when nominees are evaluated and measured.

Momentum FundsAtWork has received PMR awards consistently since 2005 and has again received top awards in 2012 in the following categories:

silver arrow for group life / risk products
diamond arrow for group pension and provident fund
bronze arrow for investment products

Momentum FundsAtWork also won the Diamond Arrow Award for the highest score across all three categories.



Thank you to those employers who have sent us their SARS data.



Who won the Apple iPad2 competition?

24 employers entered the trustees' 'Win an iPad2' competition by submitting their employees' SARS data. The competition was announced in our previous newsletter as part of the annual trustee communication. The rules of the competition allow Momentum to reduce the number of prizes if the minimum of 10% required entries not be achieved. As a result of the low participation rate, we have decided to reduce the number of iPads to one.

Congratulations to:



Shannon Cooper
from Bearing Agent