



# Trustee Member Newsletter

FundsAtWork

Umbrella Pension and Provident Funds

momentum  
employee benefits

November 2013

## From the desk of the chairperson

At the end of every year the media dedicates much time to **the best of everything**. The best dressed celebrity, the best new song, the best movie .... and so the list can go on and on.

What are the good things that had a significant impact on your world this year? What are those things that you would classify as 'the best'? Is it that long awaited promotion that you've been working so hard for that finally came through? Your dream car? Your dream holiday? Perhaps you got married or you've started a family. But then there are also the "not so good things" that we face and have to deal with; the passing of a loved one or maybe a severe illness.

Every year presents its own fair share of 'the best' and 'the worst'. That's life. And life may have a serious impact on our ability to take care of ourselves and our loved ones when we are no longer able to earn an income. At FundsAtWork we take the responsibility of supporting you on your financial wellness journey seriously.

We have dedicated this last edition of the member newsletter for 2013 to help you

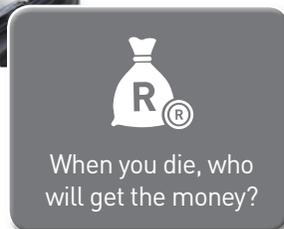
understand your insurance gap and how you can close it. Although we all have the same goal – to take care of our loved ones – we are all unique individuals with different financial needs.

FundsAtWork's income continuation solutions have been designed to suit your individual financial needs, helping you to make your world more secure and enhancing your financial wellness.

I want to encourage you to evaluate the insurance cover that you currently have and to make sure that it is sufficient to conquer life's eventualities. Don't make it a new year's resolution; make it part of 'your best' for 2013.

Enjoy a blessed festive season, knowing that you and your family are well taken care of.

*H. A. Lambrechts*  
Professor Hugo Lambrechts



# How much insurance cover do you need?



The insurance cover people have through their employers is often the only cover they have apart from the odd funeral policy bought through a call centre. **Most people do not compare the cover that they have with what they actually need.** How much cover should you have to secure your world?



Studies have repeatedly shown that South Africans are under-insured. The question is: how much insurance do you need and how big is your insurance gap? What steps should you take to close this gap? Put differently - what is your insurance replacement ratio?

The retirement replacement ratio is an estimated indication of what income you can expect to receive from your fund each month when you retire. For example, if you have saved enough to receive a pension of R4 000 per month at

retirement and your last salary before retirement was R10 000 per month, your retirement replacement ratio is 40% (your pension of R4 000 being 40% of your final salary of R10 000). This is fairly easy to understand. But, can we use a similar measurement for insurance benefits?

*\* Retirement replacement ratios and the factors influencing your retirement goals have been explained in the [June 2013 trustee newsletter](#).*

Continues on page 3 



### Insurance needs

To answer this question, we need to understand what drives our insurance needs. Insurance needs can either be short term or long term needs. Short term insurance includes insurance on your car and household goods whereas long term insurance is insurance on your life in case of your disability or death. It is usually long term insurance that is offered to employees through employee benefits programmes.

You can determine your need for death and disability cover by considering how much cover you need to ensure that your loved ones are taken care of and that your standard of living is maintained after a life changing event such as disability or death. For example, when you become disabled and you can no longer work, you probably need at least the same income as or as close as possible to your last salary, if not more to cover extra expenses. To select the right income disability benefit is therefore very important and relatively easy: you simply pick an income disability benefit equal to for example 100% of your salary. For lump sum disability benefits, the question is: how much of a lump sum do you need so that when you invest the money, you will have enough money every month to replace 100% of your income. That is why it is important to calculate your insurance replacement ratio.

### The insurance replacement ratio

Let's define the insurance replacement ratio as the income that will be received or purchased with a lump sum, after your disability or death, as a percentage of the income you've received just before your disability or death. For example, if your income after your disability or death is R3 500 per month and your salary before your disability or death was R10 000, your insurance replacement ratio is 35% (R3 500 being 35% of R10 000).

Sadly, one's income need after disability is usually more than their pre-disability salary. A shortfall will cause financial stress and anxiety. In the case of your death where you have to provide for your dependants, the number of dependants and their age will determine your insurance need.

When it comes to group insurance benefits, which you may have through your employer with FundsAtWork or through a different insurer, we can assume that the average employee gets married at age 24 and has 2.5 children who are dependent on you until they turn 25. With these and a few extra assumptions about investment returns earned on lump sums etc., the following graph shows the multiple of salary that you as an individual might need at different stages in your life. The graph shows

that the disability lump sum you might need at age 30 is around 16 times your annual salary at that age and the group life cover needed is around 12 times your annual salary. The group life cover need increases dramatically from age 20 to age 35 because the number of dependants increases at these ages and thereafter it decreases as one approaches retirement. We have found that the average insurance replacement ratio of members belonging to FundsAtWork is currently around 35%. This leaves a huge insurance gap that needs urgent attention.

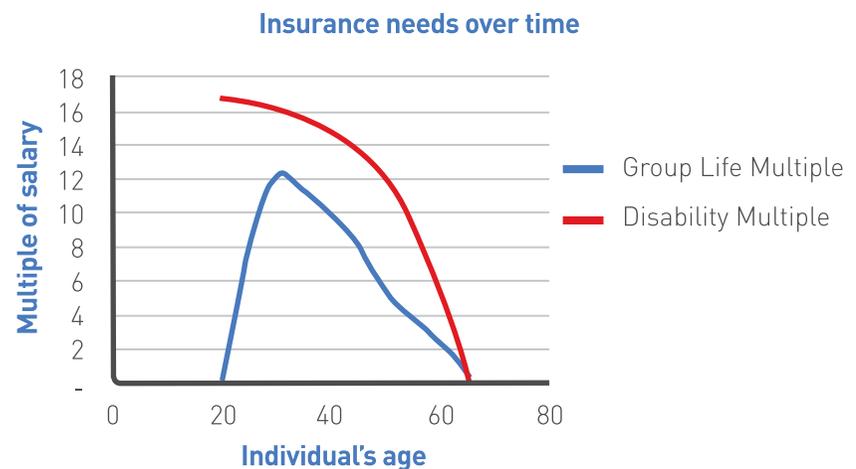
### Taking on the challenge

The first step in taking on the challenge to close your insurance gap is to be aware of and understand your gap. For South Africans it is a social challenge that we need to take on since spouses, partners or children are significantly exposed and left vulnerable when the breadwinner becomes disabled or dies.

The second step is to get financial advice. Contact your human resources office for the contact details of the financial adviser on your scheme.

Finally, once you and your financial adviser have decided to increase your insurance cover, you have to complete form **MEB 026** for changes to investment choice, product option and insurance benefits. The underwriting process will apply as described on p8 of this newsletter.

### Take action now. Take these two steps now.



Continues on page 02





# When you die, who will get the money?

The insurance benefits that you have with FundsAtWork are either self-standing and not provided by the **Funds (unapproved)** or provided by the **Fund (approved)**, depending on the choice your employer made for your particular scheme.

## Self-standing insurance benefits

Your employer may have decided to take out group life cover for you and your colleagues with an insurance company. The insurance policy is then issued in the name of the employer, for the benefit of its employees or their beneficiaries.

The payment and distribution of the death benefits under such a self-standing group life policy is determined by the policy conditions, the trustees of the FundsAtWork Umbrella Funds have no say on the distribution of the self-standing benefits. This means that the beneficiaries you nominate to receive the death benefit payable from the self-standing policy will receive the benefit.

If your employer has chosen an insurer other than Momentum (now called MMI Group Limited), the insurance benefits will not reflect on your FundsAtWork benefit statement. You need to get a copy of these benefits directly from your employer.

## Insurance benefits provided by the Funds

Your employer may have decided to take out group life cover with the FundsAtWork Umbrella Funds. This benefit will then be provided by the Funds. This means that the Special Rules of your scheme will reflect your insurance benefits. This will be stated as, for example, 2 times annual insurance salary\* GLA (group life cover) in the event of your death.

The contributions for the insurance benefits are paid to the Fund and the Fund reinsures the benefit with an insurer of their choice. When you die, the reinsurer pays the 2 times annual insurance salary GLA benefit to the Fund. This death benefit plus the money in your retirement savings account will then be divided and paid to your dependants and nominated beneficiaries as the trustees of the Fund decide. Your beneficiary and dependant nomination is seen as an expression of wish and is only a guideline to the trustees.

**\*Your annual insurance salary is a percentage of your annual salary that your employer has specified to apply to your insurance benefits**



## Trustees' guidelines for distributing death benefits

The trustees of the FundsAtWork Umbrella Funds follow guidelines based on section 37C of the Pension Funds Act. The first step the trustees take in deciding who should receive your death benefit when you die, is to determine if the claimant is a dependant or not. The Pension Funds Act describes different categories of dependants which include legal dependants, factual dependants, spouse dependants, child dependants and future dependants.

### 1. Legal dependants

This is someone to whom you are legally liable for maintenance. It is not necessary to prove that the legal dependant was actually receiving financial support from you; all that needs to exist is the dependant's need and your ability to meet that need.

A legal dependant could be your minor child, your major child who is still in school or attending tertiary education, your parents, your grandparents or your grandchildren.

### 2. Factual dependants

This is someone, in the opinion of the trustees, for whom you are not legally liable for maintenance but who was in fact financially dependent on you and received some form of regular financial support from you at the time of your death.

A factual dependant could be someone who was living with you at the time of your death but who cannot be categorised as a permanent life partner. Your former spouse to whom you were paying maintenance in terms of a maintenance order or your poor relative (brother, sister, uncle, aunt and the children or grandchildren of such relatives) can be categorised as factual dependants.

### 3. Spouse dependant

Spouse is defined in the Pension Funds Act as your permanent life partner or spouse or civil union partner under the Marriage Act, the Recognition of Customary Marriages Act or the Civil Union Act, or the tenets of a religion.

### 4. Child dependant

A child dependant includes your biological children, whether born from outside your marriage or after your death, as well as adopted children.

A minor child usually falls into the category of 'legal dependant'. Once a child reaches the age of majority, there is no longer an automatic legal duty on you to support that child. Even if you have no legal duty to support your major children, this category includes all your children, even your major children, as potential beneficiaries.

### 5. Future dependant

This is someone for whom you would have become legally liable for maintenance in the future if you had not died. The person to whom you are engaged to be married to, your unborn child, your elderly and increasingly impoverished parents and someone who has applied for a maintenance order against you can qualify as a future dependant.

Once the trustees have determined who qualifies as a dependant, the second step is to determine the level of dependency. In doing that, they have to take the following factors into account:

- i) The ages of the beneficiaries to determine the likely periods during which they will need financial support before they become self-sufficient;
- ii) Their relationship with you;
- iii) The nature and extent of the material support that you had been providing to the beneficiary at the time of your death;
- iv) The financial affairs of the dependants, including other sources of income and other financial support they might already be receiving and their future earnings capacity;
- v) The amount available for distribution; and
- vi) Your wishes.

It is very important that you understand the difference between self-standing insurance benefits

and insurance benefits provided by the Fund and which is applicable to you. If you are unsure please ask your employer or contact the financial adviser on your scheme. You can also call our client contact centre on 0860 65 75 85. Making sure that your dependant and beneficiary nominations are up to date and that your will is revised regularly will give you peace of mind that all your affairs are in order as we don't know what tomorrow might hold.

If you need assistance with drafting or updating your will, you are welcome to contact Momentum's fiduciary services at [momentumtrust@momentum.co.za](mailto:momentumtrust@momentum.co.za).

Ways to update your beneficiary and dependant details:

- Download the **Beneficiary Nomination form** complete it and send it back to us together with all the relevant supporting documents.
- Call the Client Contact Centre on 0860 65 75 85 to assist you.
- Log onto [www.momentum.co.za](http://www.momentum.co.za) and make your changes online.

Even if your details have not changed since you joined the Fund, we suggest that you double check it anyway to make sure it is correct, and update your nominated beneficiaries at least once a year.

In the December 2012 trustee newsletter we reported that because of missing or inaccurate member and beneficiary details on our records, FundsAtWork had to transfer many members' benefits to an unclaimed benefits fund. During the past financial year the picture is much worse. This means that those members or beneficiaries did not receive their benefits because the members were either not aware that they are entitled to a benefit or they might have died and their family members were not aware of the benefits.

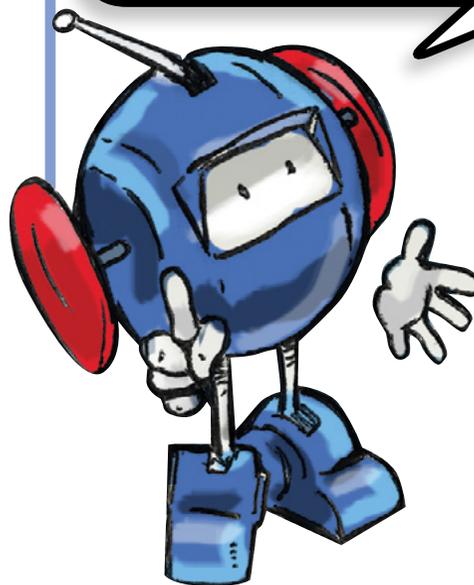
**Don't let this happen to your loved ones. Secure their world.**



# Will your death or disability put your family in financial danger - or will they be safe?

In this issue of the newsletter we continue our series of explaining your benefits to you. **We believe that sharing knowledge means sharing power**, and with the power in your hands, you can take action to ensure that your future and that of your family is financially secure. FundsAtWork offers many different insurance benefits and you may enjoy some of the benefits if your employer has chosen it for your scheme. Even if your employer has not chosen any death or disability benefits for your scheme, you are still covered by the Family Protector BASE benefit.

Take a look at your benefit statement and specifically the section showing your insurance benefits. We will explain each section to you. You can get a copy of your benefit statement by logging onto [www.momentum.co.za](http://www.momentum.co.za), click on the login tab in the top right corner. You can also call us on 0860 65 75 85 or email us at [clientcontactcentre@momentum.co.za](mailto:clientcontactcentre@momentum.co.za)



When I die my FlexiCovers group life benefit will pay out as a lump sum. I have cover equal to 2 times my annual insurance salary and I have the option to increase or decrease my cover.

**Death benefit: payable on the death of the member**

On your death, the death benefit payable equals the balance in your retirement savings account plus the insured death benefit as set out below.

The insured death benefit set out below will cease when you reach the age of 70

Insured benefit	Description	Amount
FlexiCovers group life	2 times annual insurance salary - Provided by the Fund.	R 300 000
	You are restricted. Please refer to the restriction section below.	

I don't have FlexiCovers but I have Life Eventing group life cover which automatically increases or decreases depending on my age. This benefit will also pay out as a lump sum when I die.

**Death benefit: payable on the death of the member**

On your death, the death benefit payable equals the balance in your retirement savings account plus the insured death benefit as set out below.

The insured death benefit set out below will cease when you reach the age of 65

Insured benefit	Description	Amount
Life Eventing group life cover	4 times annual insurance salary - Provided by the Fund.	R 400 000
	You are restricted. Please refer to the restriction section below.	

I have the standard group life cover and my employer chose 5 times my annual insurance salary as cover. I cannot increase or decrease my cover. It will only increase as my salary increases.

**Death benefit: payable on the death of the member**

On your death, the death benefit payable equals the balance in your retirement savings account plus the insured death benefit as set out below.

The insured death benefit set out below will cease when you reach the age of 70

Insured benefit	Description	Amount
Group life cover	5 times annual insurance salary - Provided by the Fund.	R500 000
	You are restricted. Please refer to the restriction section below.	

Jobz, did you know that your wife will receive this pension for the rest of her life? Your children will only receive the benefits up to a certain age, if they are full time students.

**Spouse's and children's pension: payable on the death of the member**

Insured benefit	Description	Amount
FlexiCovers spouse's and children's pension	Spouse's pension is 50% of salary - Provided by the Fund	R15 000
	Children's pension is 12.5% of salary - Provided by the Fund	R 5 000

Annual escalation to pensions paid, limited to the official Consumer Price Index (all items), capped between 1% and 10% per annum

Your spouse's pension will be reduced if your spouse is more than 10 years younger than you.

...and the percentages paid to your spouse and children can be structured differently.

**Spouse's insured death benefit: payable to the member on death of the spouse**

This benefit will cease when you reach the age of 65.

In the event of the death of your spouse, the insured spouse's life cover benefit as set out below will be paid to you

Benefit	Description	Amount
Spouse's life cover	1.00 times annual insurance salary to the maximum of R1 000 000 - Self standing.	R 149 652

You are restricted. Please refer to the restriction section below.

No. Only a spouse is covered, and spouse means a person you are legally married to, by custom or by Asiatic religion, or a permanent life partner. A girlfriend will not be covered. Also, only the wife that I married first will be covered.

A monthly benefit of R15 000 will be paid to my wife and R5 000 to my children if I die while I am still employed by my current employer. When I leave my employer I will no longer have any of my insurance benefits with FundsAtWork.

I have also taken out insurance cover that will pay out when my wife dies.

But don't you have more than one wife?

Yes. I have a lobola wife, a legal wife and a permanent life partner. And I have a girlfriend too.

So will they all be covered?

**Family Protector**

Benefit	Description	Amount
BeFuneral benefit - BASE	Death of member	R10 000
	Death of spouse	R10 000
	Death of children (up to the age of 21)	R5 000

Note: The funeral benefit covers 8 people, you the member, up to 2 spouses and up to 5 children.

This benefit will cease when you reach the age of 70.

Benefit	Description
Education benefit - BASE	R 10 000 per child, a maximum of 5 children are covered (up to the age of 21).
Health premium waiver - BASE	If you die, the health premium waiver will pay the Momentum Health contributions for your family for 12 months. The payment will be for the medical scheme option and number of dependants you had just before your death.

This benefit is available to you as long as you are a member of Momentum Health. If you are a Momentum Health member, please inform FundsAtWork by going onto the website [www.fundsatwork.co.za](http://www.fundsatwork.co.za). If you are a member of another medical scheme, you can flex to the health premium waiver PLUS option. For further details please read your member guide.

I have flexed up to the Family Protector PLUS option and increased our cover and have also added my parents and my in-laws

I have to find out more about the PLUS option. I need more funeral and education cover for my children.

Because I am a member of FundsAtWork I automatically get the Family Protector funeral, education and health premium waiver BASE benefits at a minimal fee.

I will receive a monthly income until I recover, retire, live outside of South Africa for more than 12 months, or die.

**Disability income benefit: payable on the disability of the member**

This benefit will cease when you reach the age of 65.

In the event of your disability, the monthly benefit as set out below will be paid to you.

Benefit	Description	Amount
FlexiCovers permanent health insurance	Monthly benefit during the initial period is equal to 75% of monthly salary subject to the current maximum - Self standing.	R 10 848.00 pm
	This amount includes the *employer waiver of You are restricted. Please refer to the restriction section below.	R 1 496.28 pm
	Monthly benefit after the initial period is equal to 75% of monthly salary subject to the current maximum - Self standing.	

\* The employer waiver: in addition to the monthly disability income benefit, the insurer also pays the employer waiver amount to the employer

If your employer chose this benefit for your scheme, they also had to choose a benefit level of up to 100% of your annual insurance salary for the initial period and the period after the initial period.

Your employer also had to choose the waiting period before the benefit will start paying out. It could be 3, 6 or 12 months.

FundsAtWork offers many different disability benefits, for example benefits that will pay out as a lump sum or that will give you a monthly income. They even offer a combination. Ask your financial adviser on your scheme to explain your benefit to you.

I am even covered for when I get a dread disease.

**Dread disease benefit: payable when the member contracts a dread disease**

This benefit will cease when you reach the age of 65.

In the event of you suffering from one of the diseases/traumas specified in the Dread Disease policy, the lump sum benefit as set out below will be paid to you. For the Essential and Inclusive option, group life cover will be reinstated if the member survives for 90 days after the date the dread disease was first diagnosed.

Benefit	Description	Amount
Dread disease - Essential	2.00 times annual insurance salary - Self standing.	R 299 304
	You are restricted. Please refer to the restriction	

Remember that your benefit depends on whether your employer chose the essential option or the inclusive stand alone option.

Call the financial adviser on your scheme to find out if your group life cover will be affected by the payout of your dread disease benefit.

I had a look at my benefit statement and noticed that there are notes about restrictions on my insurance benefits. What does this mean?

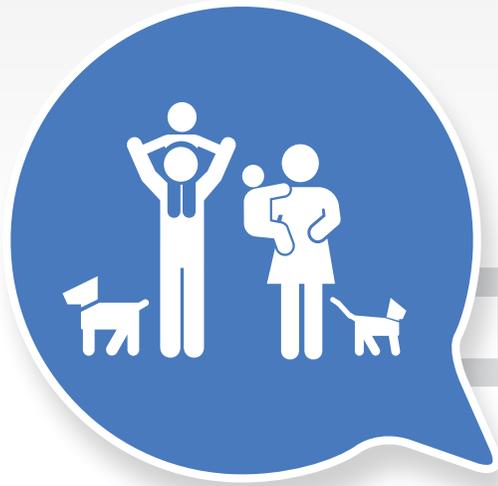
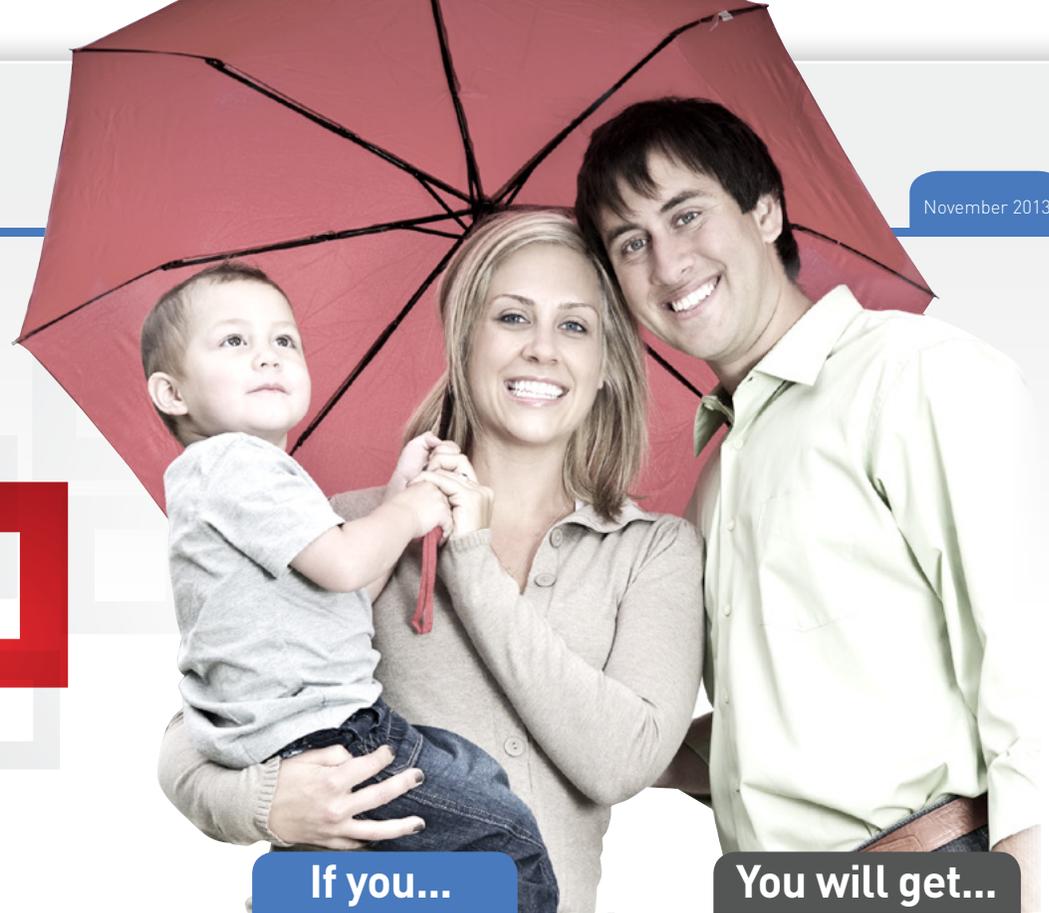
The restrictions depend on different things, for example that medical evidence is outstanding. I suggest that you call the financial adviser on your scheme to find out exactly what it means or you can call the client contact centre on 086 65 75 85.

It is very important that you keep your beneficiary and dependant details updated at all times. If you die, FundsAtWork must be able to get hold of your beneficiaries to pay out your benefit to them. If they cannot find your beneficiaries, your benefits may transferred to an unclaimed benefits fund.

**Beneficiaries**

Title	Initials	First Name	Surname	Relationship	Identity / passport number	% Share
Mrs	M	MomS	JobZ	Wife	123456789	100%

In December 2012 we started the series on how to enhance your financial wellness by showing you how much you have already saved towards your retirement with FundsAtWork. In June 2013 we took it a step further and now you should know exactly in which investment portfolios your retirement savings are invested in. If you need to refresh your memory on the first two editions, please visit [www.momentum.co.za/fundsatwork](http://www.momentum.co.za/fundsatwork).



# Your **family** will be **protected** for **free**

You and your family will be enjoying the FundsAtWork Family Protector BASE benefits free of charge when you leave your current employer and transfer your retirement savings to the FundsAtWork Preservation Funds.

## If you...

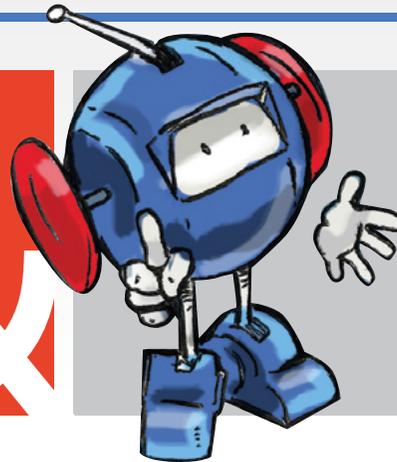
## You will get...

...joined the FundsAtWork Preservation Fund from the FundsAtWork Umbrella Fund or any other Momentum Fund.	...the Family Protector funeral benefit BASE.
...joined the FundsAtWork Preservation Fund from the FundsAtWork Umbrella Fund or any other Momentum Fund AND have also taken out a life policy with Momentum.	...the Family Protector funeral benefit BASE and the Family Protector education benefit BASE and the Family Protector health premium waiver BASE on death as long as you are a member of Momentum Health.
...joined the FundsAtWork Preservation Fund from the FundsAtWork Umbrella Fund or any other Momentum Fund and you took out a disability policy with Momentum.	...the Family Protector funeral benefit BASE and the Family Protector health premium waiver BASE on disability as long as you are a member of Momentum Health.

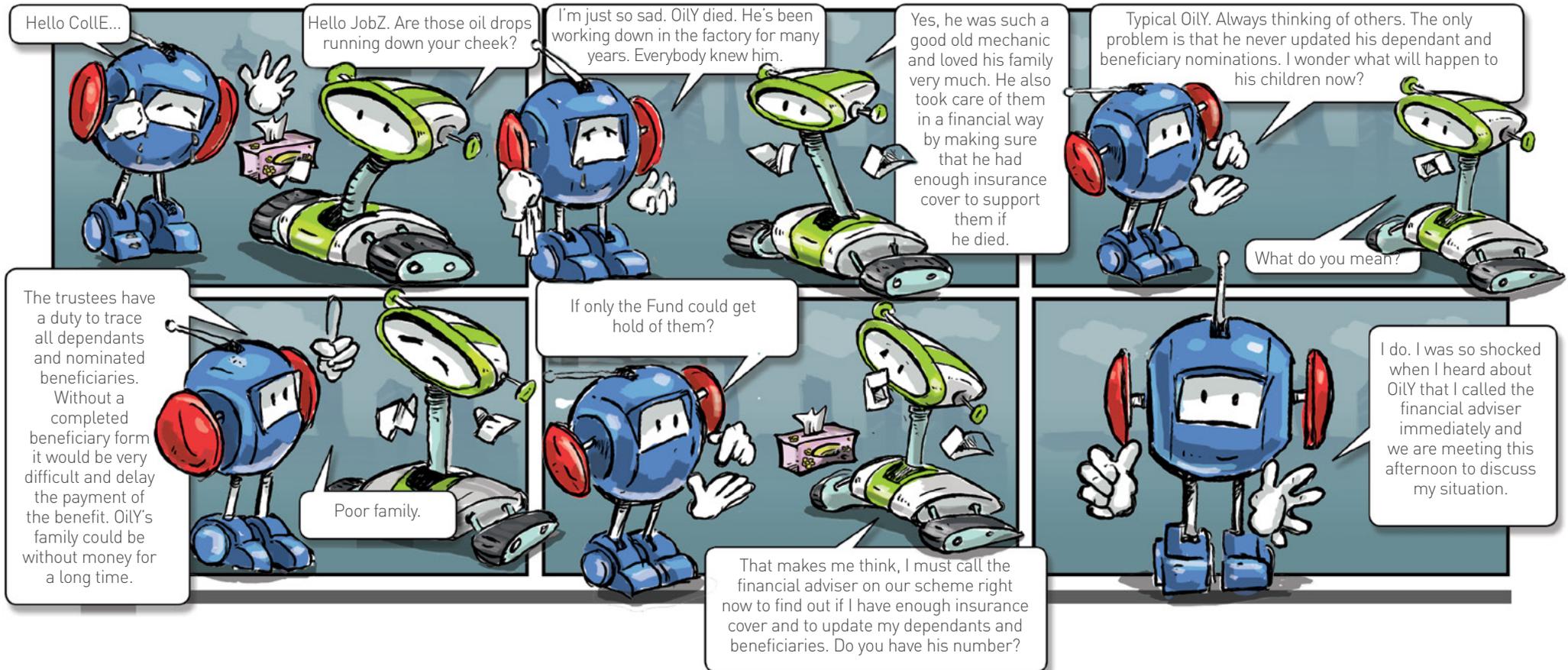
For more information, contact our client contact centre on **0860 65 75 85** or via email at [clientcontactcentre@momentum.co.za](mailto:clientcontactcentre@momentum.co.za)



# JobZ & CollE



The importance of keeping your dependant and beneficiary nominations updated



Panel 1: JobZ: Hello CollE... CollE: Hello JobZ. Are those oil drops running down your cheek?

Panel 2: JobZ: I'm just so sad. OilY died. He's been working down in the factory for many years. Everybody knew him. CollE: Yes, he was such a good old mechanic and loved his family very much. He also took care of them in a financial way by making sure that he had enough insurance cover to support them if he died.

Panel 3: JobZ: Typical OilY. Always thinking of others. The only problem is that he never updated his dependant and beneficiary nominations. I wonder what will happen to his children now? CollE: What do you mean?

Panel 4: JobZ: The trustees have a duty to trace all dependants and nominated beneficiaries. Without a completed beneficiary form it would be very difficult and delay the payment of the benefit. OilY's family could be without money for a long time. CollE: Poor family.

Panel 5: JobZ: If only the Fund could get hold of them? CollE: That makes me think, I must call the financial adviser on our scheme right now to find out if I have enough insurance cover and to update my dependants and beneficiaries. Do you have his number?

Panel 6: JobZ: I do. I was so shocked when I heard about OilY that I called the financial adviser immediately and we are meeting this afternoon to discuss my situation.



## Pin board



Pin Board



How much insurance cover do you need?



When you die, who will get the money?



Will your death or disability put your family in financial danger?



Your family will be protected for free



JobZ and ColIE

## Reduced fees on Momentum Enhanced Factor 3

The investment management fee on Momentum Enhanced Factor 3 has been reduced from 1.5% to 1.3% for all members who have selected this portfolio. This also applies to members with home loan guarantees as these members are also invested in the Trustee Choice Portfolio. The reduction in fee for these members is effective from November 2013.

The investment management fee for members who have selected the Trustee Choice Portfolio that currently invests in Momentum Enhanced Factor 3, has also been reduced from 1.5% to 1.3% effective from October 2013.

The reduction in the investment management fee does not apply to members who invest in lifestage portfolios where Momentum Enhanced Factor 3 is being used as one of the underlying lifestage portfolios.

## Summary of investment portfolio changes for 2013

The trustees of the Funds have to ensure that the investment portfolios are relevant to members and have decided to implement some portfolio changes to enhance your retirement benefits over the long term to ensure a comfortable retirement and sustainable financial wellness. Some portfolios have been discontinued, some were merged and a new portfolio was added.

The Trustee Choice Portfolio has also been changed. Previously there were three Trustee Choice Portfolios, i.e. Momentum Secure Bonus (MSB) for members who joined the Fund before 1 March 2012, Momentum Multi-Manager Smooth Growth Fund

Global (MMSGFG) for members who joined after 1 March 2012 and Momentum Enhanced Factor 3, for housing loans offered under the Funds.

The trustees have made a decision to only have one Trustee Choice Portfolio from 1 October 2013 that invests in Momentum Enhanced Factor 3, which became available on the Founder, Provider and Entrepreneur product options from 1 October 2013.

Communication was sent to all affected members. However, please call our Client Contact Centre on 0860 65 75 85 or the financial adviser on your scheme for more information.

	Founder	Narrator	Provider	Entrepreneur
<p><b>Portfolios closed.</b> The investments of all affected members were moved to Momentum Enhanced Factor 3 except for those members who have opted to change to a different portfolio of their choice.</p>			<ul style="list-style-type: none"> <li>Momentum InflationGro (June 2013)</li> <li>Momentum Secure Bonus (Sept 2013)</li> </ul>	<ul style="list-style-type: none"> <li>Momentum Secure Bonus (Sept 2013)</li> <li>Momentum Inflation Guaranteed (June 2013)</li> <li>FundsAtWork Guaranteed and FundsAtWork Multi-Manager Guaranteed (Sept 2013)</li> </ul>
<p><b>Portfolios merged.</b> Members remain invested in the merged portfolios.</p>				<ul style="list-style-type: none"> <li>Momentum Smooth Growth Fund Local (June 2013) and Momentum Multi-Manager Smooth Growth Fund Local were merged (June 2013)</li> <li>Momentum Secure Growth Fund and Momentum Multi-Manager Secure Growth Fund were merged (June 2013)</li> </ul>
<p><b>New portfolios added.</b></p>	<ul style="list-style-type: none"> <li>Trustee Choice Portfolio that currently invests in Momentum Enhanced Factor 3 (Oct 2013)</li> </ul>		<ul style="list-style-type: none"> <li>Momentum Smart Guaranteed +3 (Sept 2013)</li> <li>Trustee Choice Portfolio that currently invests in Momentum Enhanced Factor 3 (Oct 2013)</li> </ul>	<ul style="list-style-type: none"> <li>Momentum Smart Passive +4 (Sept 2013)</li> <li>Momentum Smart Guaranteed +3 (Sept 2013)</li> <li>Trustee Choice Portfolio that currently invests in Momentum Enhanced Factor 3 (Oct 2013)</li> </ul>
<p><b>Change to Trustee Choice Portfolio.</b> All members who defaulted into MMSGFG since it became the Trustee Choice Portfolio in March 2012 were switched to the new Trustee Choice Portfolio.</p>	<ul style="list-style-type: none"> <li>Momentum Multi-Manager Smooth Growth Fund Global was replaced with the Trustee Choice Portfolio that currently invests in Momentum Enhanced Factor 3 (Oct 2013)</li> </ul>			



# Payment of **withdrawal** benefits

Life changes constantly and you may not always work for the same employer. When you leave your current employer and withdraw from the Funds, you must decide what to do with the money in your retirement savings account. You have a wide variety of choices but take note that not all the options may be to your benefit. Avoid taking your withdrawal benefit in cash as it will negatively influence your retirement savings and you will have to start saving again from scratch.

## FundsAtWork Umbrella Pension Fund member

- take your whole withdrawal benefit in cash. This is not recommended.
- transfer your whole withdrawal benefit to an Approved Pension Fund, Approved Provident Fund, Approved Pension Preservation Fund or an Approved Retirement Annuity Fund;
- take a portion of your withdrawal benefit in cash and transfer the balance to an Approved Pension Fund, Approved Provident Fund, Approved Pension Preservation Fund or an Approved Retirement Annuity Fund,
- transfer a portion of your withdrawal benefit to an Approved Retirement Annuity Fund and the balance to an Approved Pension Preservation Fund.

## FundsAtWork Umbrella Provident Fund member

- take your whole withdrawal benefit in cash. This is not recommended.
- transfer your whole withdrawal benefit to an Approved Pension Fund, Approved Provident Fund, Approved Pension Preservation Fund, Approved Provident Preservation Fund or an Approved Retirement Annuity Fund;
- take a portion of your withdrawal benefit in cash and transfer the balance to an Approved Pension Fund, Approved Provident Fund, Approved Pension Preservation Fund, Approved Provident Preservation Fund or an Approved Retirement Annuity Fund,
- split your withdrawal benefit between an Approved Pension Fund, Approved Provident Fund, Approved Pension Preservation Fund, Approved Provident Preservation Fund or an Approved Retirement Annuity Fund.

## Service providers of the Funds

The Pension Funds Act requires the official appointment of certain service providers of which the following are the service providers to the FundsAtWork Umbrella Funds.

Administrator	MMI Group Limited (formerly called Momentum Group Limited)
Auditors	PricewaterhouseCoopers
Asset managers	Momentum Managers of Managers Momentum Asset Management Various external managers
Independent Principal Officer	Tania Bakker
Tracing agent	The Data Factory
Housing guarantees	First National Bank and Standard Bank

BACK TO PIN BOARD



## FundsAtWork's new tele-underwriting process

One of the advantages of having group insurance benefits through your employer is that only a small number of members will need to go for underwriting. To improve your experience with FundsAtWork we have introduced our innovative new tele-underwriting process. This will result in about 70% of all our members not having to go for further medical underwriting even though they will still enjoy extra cover.

### When do you need to go for underwriting?

- At installation of a new scheme: if your insurance cover is above the free cover limit.
- Existing scheme: when new employees join the scheme and if their insurance cover is above the free cover limit.
- When you increase your insurance cover.
- When your salary increase causes your insurance cover to exceed the free cover limit.

### What is the free cover limit?

The free cover limit is the maximum amount of insurance cover that Momentum will give you without you having to provide medical evidence of good health and insurability. When medical evidence is requested and the process is not completed, your insurance cover will be capped at the free cover limit. The same free cover limit applies to all members on a scheme.

### The new tele-underwriting process:

1. You and the financial adviser on your scheme will be informed of the requirements on your medical underwriting.
2. Momentum will phone you to arrange a convenient time for you to do the tele-underwriting, between 7am and 5pm.
3. You will be asked a series of health-related questions which will determine the underwriting decision.
4. Your information is assessed immediately to give you an immediate answer.
5. You will be covered immediately for your full potential cover unless there are additional medical requirements.

The tele-underwriting process will not apply if the difference between your full potential cover and your current cover exceeds certain limits as decided by the reinsurers from time to time. In these cases the paper-based process will be followed.

## Rates and fees are reviewed annually and might change

The rates and fees of the Funds are reviewed annually. **The rate reviews are approved by the trustees.** Each scheme is unique and the rates and fees are specific to a particular scheme.

The table below illustrates the rate and fee reviews effective from 1 July 2013.

Rate / fee	Umbrella Funds
Administration fee	Administration fee reviews differ from employer to employer. Ask your employer if you need more information.
Asset-based administration fee (payable by members in the Entrepreneur product option invested in external investment portfolios)	Unchanged.
Fund expenses	<p><b>Pension Fund :</b> R2.05 (per member per month) (was R3.14 per member per month).</p> <p><b>Provident Fund :</b> R1.54 (per member per month) (was R2.50 per member per month).</p>
Insurance benefit rates	Rate reviews differ from employer to employer. Ask your employer if you need more information.

