



Responsible festive season spending can boost your retirement savings



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The year is coming to an end and we all look forward to a well deserved break. But before we give ourselves over to the holidays, think about your festive season spending patterns.

More and more South Africans are making use of credit, while fewer are saving. Every year we spend about 5% more on our year-end holiday, most of it on socialising, gifts and food. The good news is that most of us are buying cheaper gifts. But is buying cheaper gifts enough? Isn't there something more we can do to improve our financial wellness?

Keeping in mind that most South Africans cannot afford to retire, let alone retire comfortably, we could rather invest some of the money that we spend unnecessarily during the festive season to boost our retirement savings.

Amount that you invest every year	Term of investment	Amount that you would have saved at the end of the term		
		Aggressive portfolio (assumed 15% growth)	Moderate portfolio (assumed 10% growth)	Conservative portfolio (assumed 5% growth)
R3 000	5 years	R 26 261.22	R 23 146.83	R 20 405.74
R3 000	10 years	R 73 047.83	R 55 593.50	R 42 620.36
R3 000	15 years	R 167 152.42	R 107 849.19	R 70 972.48
R2 000	5 years	R 17 507.48	R 15 431.22	R 13 603.83
R2 000	10 years	R 48 698.55	R 37 062.33	R 28 413.57
R2 000	15 years	R 111 434.94	R 71 899.46	R 47 314.98
R1 000	5 years	R 8 753.74	R 7 715.61	R 6 801.91
R1 000	10 years	R 24 349.28	R 18 531.17	R 14 206.79
R1 000	15 years	R 55 717.47	R 35 949.73	R 23 657.49

So, how much of your future retirement savings will you be spending this holiday?

Speak to your employer to make an additional voluntary contribution into your retirement savings account.



USE MOMENTUM'S
BUDGETING TOOL TO
PLAN HOW MUCH YOU
WILL SAVE AND HOW
MUCH YOU WILL SPEND
THIS FESTIVE SEASON

When in debt don't resign



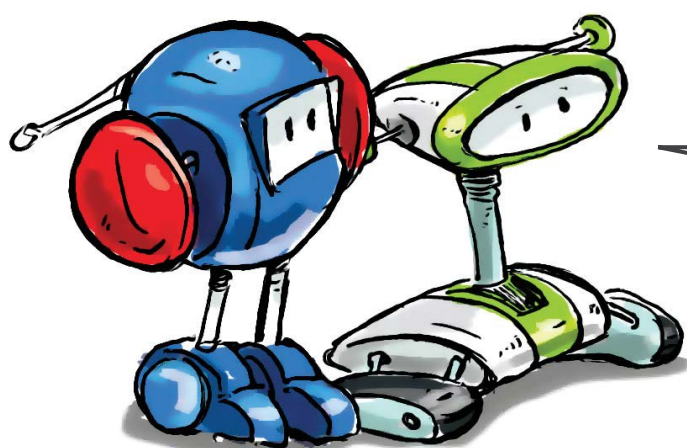
When money is tight, people will think of any reason to get their hands on their retirement savings. Many people see resigning from their employer as the solution to their financial problems. But this **short term focus will get you into more trouble in the future** and you won't be able to retire comfortably.

The average retirement age is 63. It sounds great to retire when one can still enjoy life. The reality is that most of us will not be able to do so because we won't have enough money saved to retire on. About 20% of pensioners work part-time to supplement their retirement income. More and more pensioners have to financially support their children and in some cases, even their grandchildren. Some pensioners are also taking care of their parents. We need to save as much as we can during our working life to prepare ourselves for retirement. Resigning to get your retirement fund benefits is strongly discouraged.

Most members think that when they resign and want to put their benefit in a preservation fund, it's all or nothing. That is not the case. You can take a portion of your resignation benefit in cash and preserve the rest in a preservation fund. Even though you have taken a part of your resignation benefit in cash, you will still be able to make one withdrawal from the preservation fund before retirement. Taking the whole resignation benefit and not preserving anything can have serious consequences.

Resigning from your job to get your hands on your retirement savings money is not a good idea. Take for example a member who resigns at age 45 and takes his withdrawal benefit in cash and starts saving all over again. If he contributes at the same rate as before, his retirement benefit will be less than one third of what it would have been had he not taken the benefit in cash. If he wants to make up for the money he took in cash, he would have to increase his contribution rate to 30%.

If you resign with the intention of getting your hands on the cash to settle your debts, you use the money that should have been saved towards your retirement, and you also leave the safety net of having a job and a steady income to join the ever-increasing unemployment line. Is it really worth giving all of that up just to sort out your current cash-flow problem?



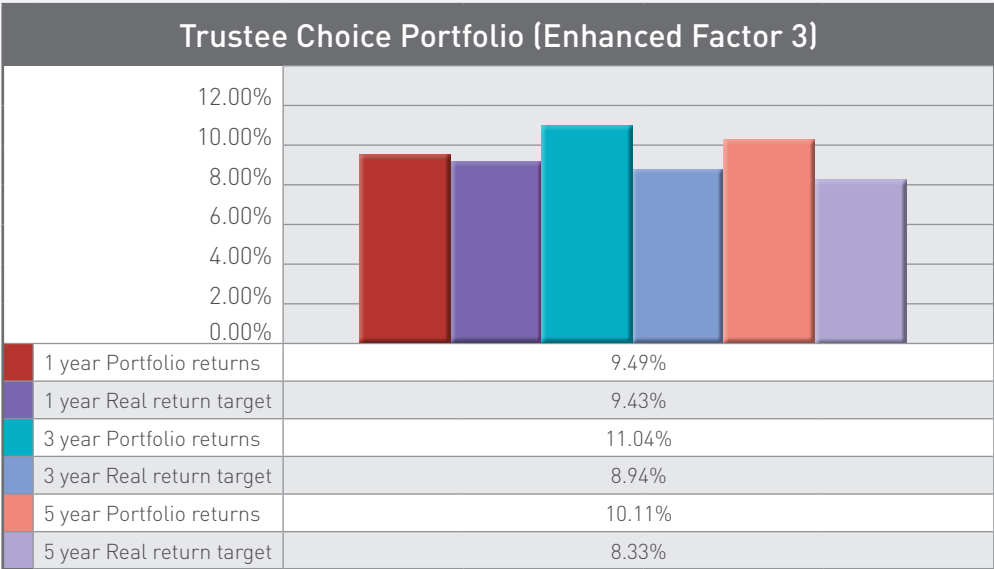
HI COLLE, DID YOU KNOW THAT WHEN YOU RESIGN FROM YOUR EMPLOYER, FOR ALL THE RIGHT REASONS, YOU CAN PRESERVE YOUR FULL RETIREMENT BENEFIT, OR JUST A PORTION, IN THE MOMENTUM CORPORATE PRESERVATION FUND WITHOUT PAYING INITIAL FEES?

Investment portfolio performance

Trustee Choice Portfolio

During October 2013 the Trustee Choice Portfolio (currently fully invested in Momentum Enhanced Factor 3) replaced Momentum Multi-Manager Secure Growth Fund Global as the preferred trustee choice default portfolio.

The table below shows the portfolio return relative to the real return (CPI +) target for the period ending September 2014.



Momentum Lifestages

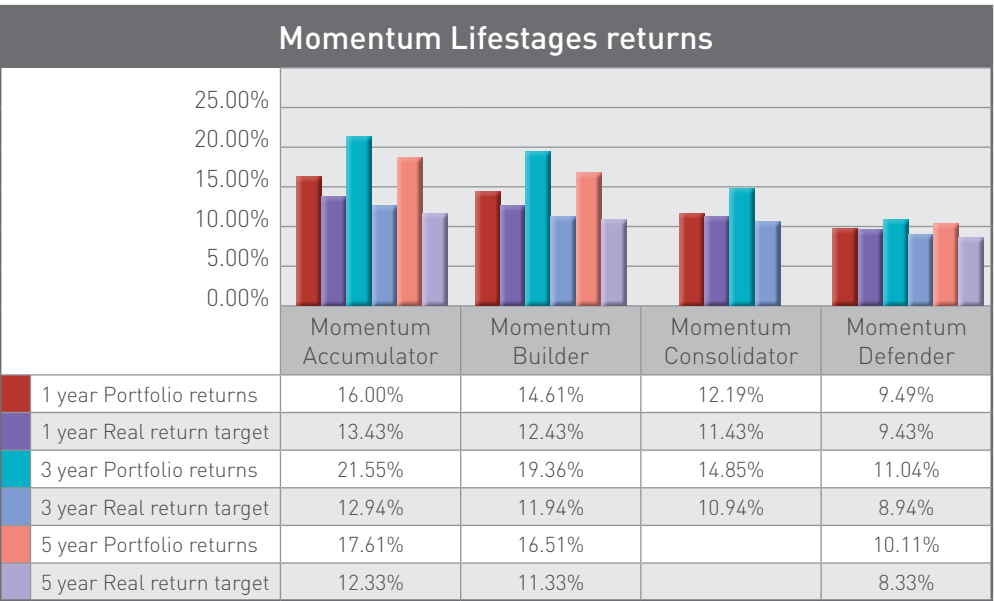
With the Momentum Lifestage arrangement, members move automatically from more aggressive portfolios to more conservative portfolios as they approach normal retirement age.

The portfolio building blocks used by Momentum Lifestages are well diversified from an asset allocation perspective. They invest in a number of local and global asset classes. The portfolios are also multi-managed and the underlying investment managers have been carefully selected in an attempt to ensure that the asset class building blocks achieve their objectives.

Portfolio building blocks and the progression

Momentum Lifestage range		
Portfolio	Building Block	Term to retirement
Momentum Accumulator	Momentum Enhanced Factor 7	More than 7 years to normal retirement
Momentum Builder	Momentum Enhanced Factor 6	5 to 7 years to normal retirement
Momentum Consolidator	Momentum Enhanced Factor 5	3 to 5 years to normal retirement
Momentum Defender	Momentum Enhanced Factor 3	Less than 3 years to normal retirement

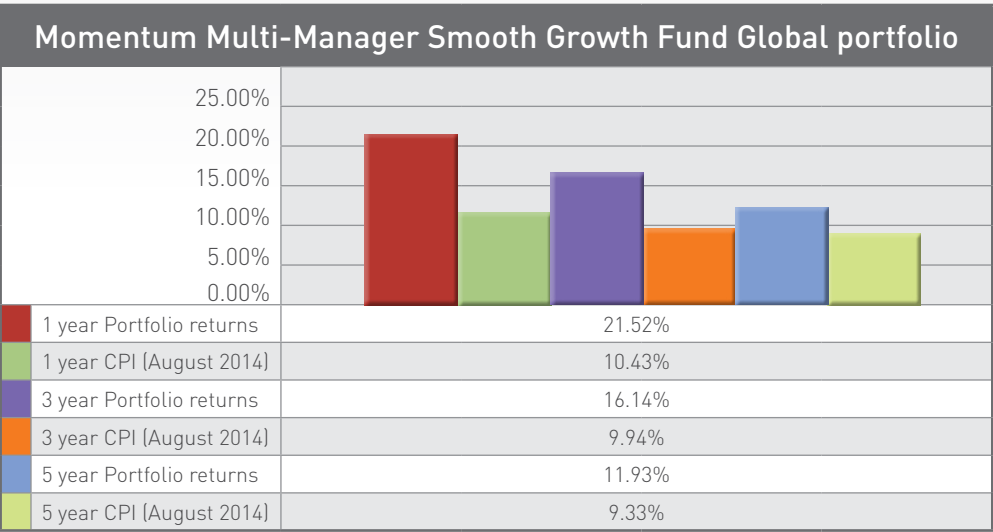
Performance figures for the period ending September 2014



Momentum Multi-Manager Smooth Growth Fund Global portfolio

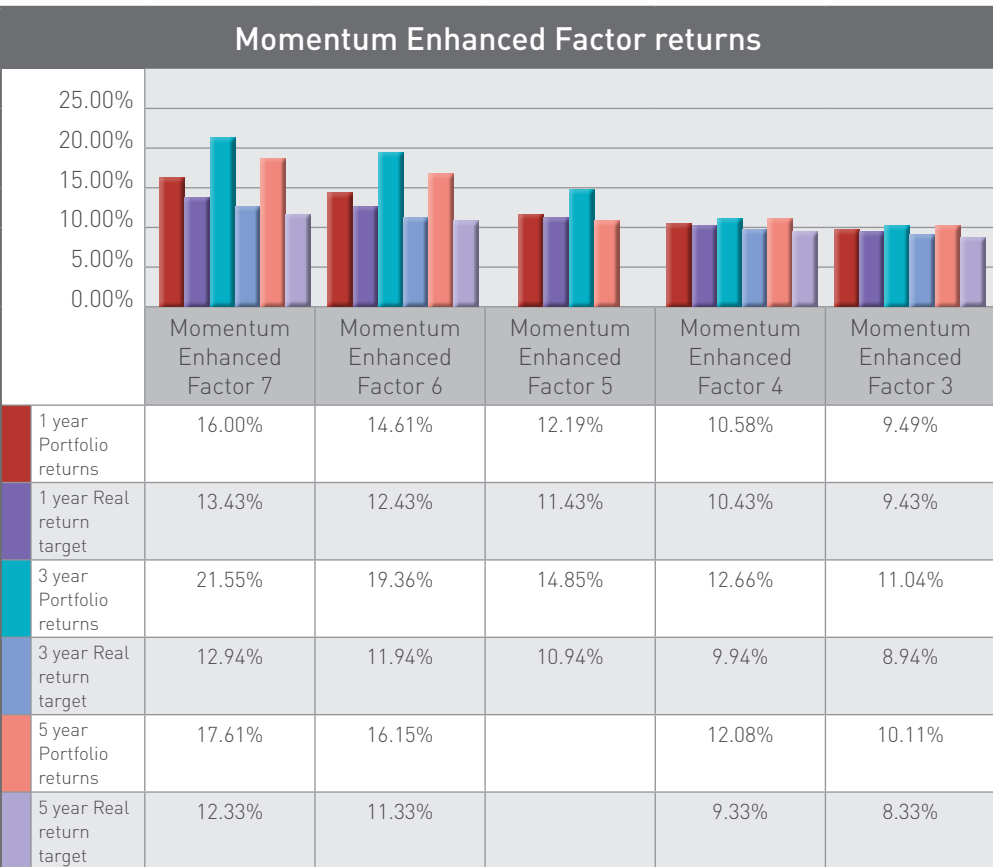
It is a smooth bonus portfolio and provides a full capital guarantee for benefit payments. It is important to note that the portfolio could attract a market value adjustment (MVA) when the market value of the portfolio declines to below the book value. The MVA will only apply to non-benefit payments such as scheme terminations or individual member switches.

The table below shows the portfolio returns relative to the real return (CPI +) target for the period ending September 2014.



Momentum Enhanced Factor portfolios

The table below shows the returns of the portfolios relative to their real return CPI targets for the period ending September 2014.



"Do not save what is left after spending, but spend what is left after saving."
- Warren Buffet
(Warren Edward Buffet, an American business magnate, was the most successful investor of the 20th century)

Improving your **financial wellness** as you look after your health



Looking after your finances and health are important parts of improving your wellness. Work, family and other responsibilities make it challenging to maintain your wellness.

For more information [click here](#)

To join Multiply, [click here](#)

People who adopt healthy behaviors will reduce their risk of developing disabling or life threatening diseases. It also improves their everyday quality of life. FundsAtWork and Multiply, Momentum's wellness & rewards programme, now give you an even better reason to look after your heart.

Based on your Healthy Heart Score category and Multiply status, you will receive a percentage of your lump sum death and dread disease insurance premiums as a reward.

Multiply Status	Healthy Heart Score: Green	Healthy Heart Score: Amber	Healthy Heart Score: Red
Bronze	5%	0%	0%
Silver	10%	5%	0%
Gold	15%	5%	0%
Platinum	20%	10%	0%
Private Club	25%	15%	0%

GREEN: low risk of heart disease compared to peers in the same age and gender group.

AMBER: moderate risk of heart disease compared to peers in the same age and gender group.

RED: high risk of heart disease compared to peers in the same age and gender group.

The rewards can be paid into your FundsAtWork retirement savings account or your Momentum Health HealthSaver account, or you can convert your rewards to Pick 'n Pay smart shopper points.

What to do

Step 1: Join Multiply if you are not already a member.

Step 2: Visit Clicks or Dis-Chem to complete your free Health Assessment (i.e. blood pressure, cholesterol, BMI and blood glucose) and your smoker's status to determine your Healthy Heart Score category.

Step 3: You must register for the benefit online at www.momentum.co.za, using your login details.

Divorce

the battle for pension benefits

Divorce is a painful process -
for everyone involved.
Battling to claim a portion
of your former spouse's
retirement savings
adds to the pain.

Most of the time the battle
is dragged out by badly
drafted divorce orders.

If you get divorced, you may be entitled to a portion of your spouse's pension interest. "Pension interest" is the amount of money that you would have received if you resigned on the date of your divorce.

This does not mean that you need to split your pension interest in half to pay your spouse. You can choose to pay your spouse the amount that he / she would have received from your pension fund, from the other assets in the estate.

If you do decide to split your pension interest and claim payment from the Fund, you must remember that there are certain legal requirements that must be met before the FundsAtWork Umbrella Funds can pay part of your benefit to your ex-spouse:

1. You **must still be a member** of the FundsAtWork Umbrella Fund on the date of the divorce order.
2. The **name of the Fund** must be in the divorce order.
3. The divorce order must **specify** the amount that your ex-spouse should get.
4. The divorce order **must specifically order** the Fund, and not for instance you as the member, to pay a part of the pension interest to your ex-spouse.

This does not apply if you got married out of community of property on or after 1 November 1984 without the accrual system.



What you should know

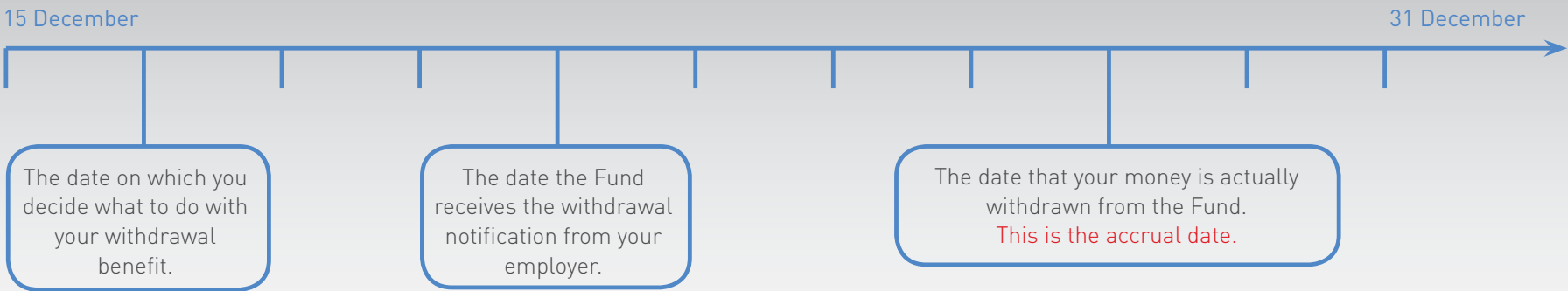
From time to time the Rules of the Funds change. These are the **most important changes** you need to know about.

If you have insurance benefits through the Fund, your employer must pay the insurance premium to the Fund so that the Fund can pay it over to the insurer. If your employer does not do so and the insurer does not want to pay the insurance benefit, you cannot hold the Fund responsible.

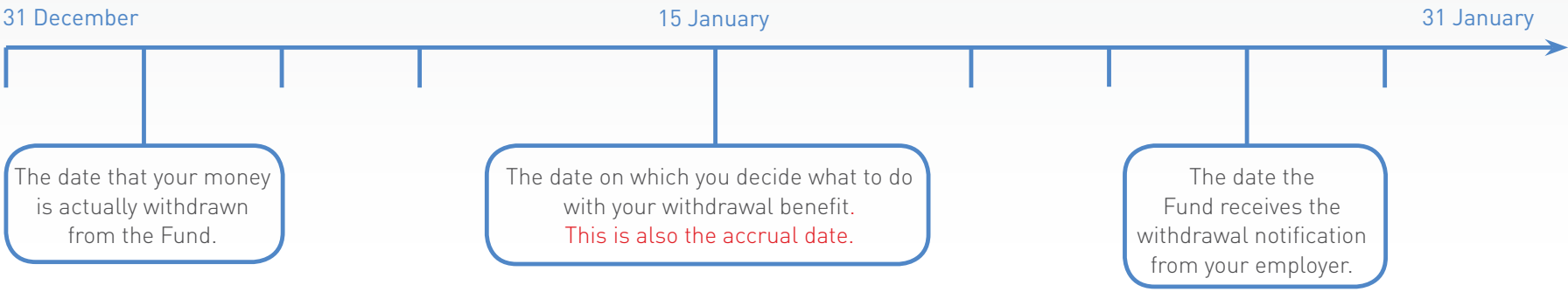
If the Fund must pay a benefit to you or your beneficiary, the payment can be made into the bank account of a third party, if you or your beneficiary can prove that you cannot open a bank account. The payment to the third party will be regarded as payment to you or your beneficiary.

If you withdraw from the Fund, your withdrawal benefit will be taxed. The tax will be calculated on the accrual date. There are three scenarios to explain the accrual date.

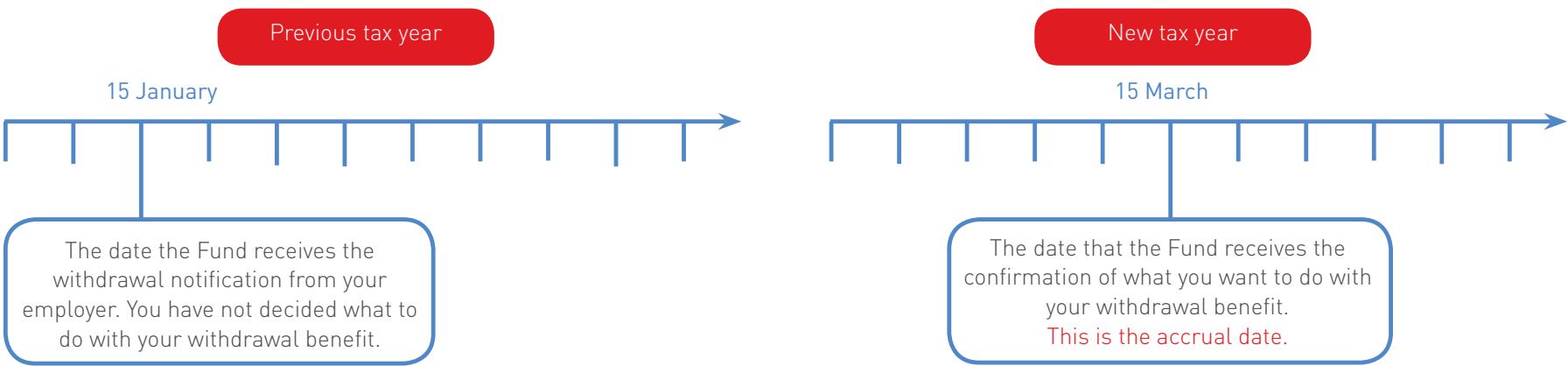
Scenario 1:



Scenario 2:



Scenario 3:



Your new **easy-to-understand** benefit statement

Understanding your insurance and retirement benefits can be difficult. That is why we have joined forces with InfoSlips to make it easier for you to know exactly what benefits you have with Momentum.

You can

- View your benefits.
- View your contributions and investment portfolio information.
- View your personal details and beneficiary nominations and understand why it's important to keep this information up to date at all times.
- Use our robot and calculators to see how you can improve your financial wellness. Then speak to the financial adviser of your scheme.
- Get quick access to important contact information for Momentum and your scheme's financial adviser.

What does the new statement look like?

[Click here](#) to view an example of the InfoSlips benefit statement. Use this dummy ID number exactly as is 8.40807E+12.

Is the InfoSlips statement safe and secure to use?

Yes, it is. No one can access your statement. Millions of people receive their statements via InfoSlips from some of South Africa's largest banks and cell phone operators.

When will I receive my first InfoSlips statement?

You will receive your first statement in December 2014, and then twice a year.

What is needed for me to receive my new InfoSlips statement?

We need your correct email address and cell phone number. If we have your correct details you will receive your electronic InfoSlips statements on an ongoing basis.

How can I update my personal information?

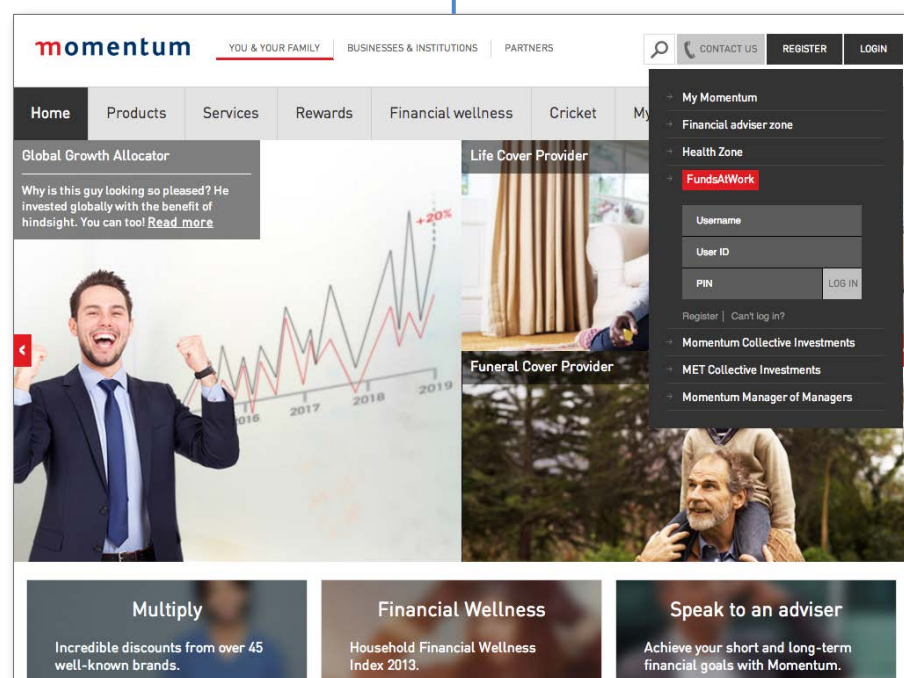
1. Go to www.momentum.co.za
Click on **Login**
Click on **FundsAtWork** in the drop-down list
Enter your login details (Username, User ID and Pin) which you have received with your welcome email and click on **Log In**.
2. Complete and submit the personal details form. [Click here](#) to download the form; or
3. Call us on **0860 65 75 85**.

How will I see my new InfoSlips statement

In December you will receive an email explaining how to download and install the InfoSlips viewer. Then open your InfoSlips statement attached to the email. You only need to download the viewer once. You can also view your statements online.

What if I don't want to or can't use InfoSlips?

You can still get your benefit statement by logging onto www.momentum.co.za or by calling the client contact centre on **0860 65 75 85**.



Notice board

If you become disabled you must inform the Fund within 3 months. If one of your family members dies or if you die, the Fund must be informed within 6 months.

Effective date of tax changes pushed out

In the July 2014 edition of the newsletter we told you about tax changes coming into effect on 1 March 2015 and how they will affect you. Since then Government has decided to change the effective date of some of the changes.

Tax changes that will not become effective on 1 March 2015

- 1. Retirement fund contributions: the effective date for the changes to the way in which your retirement fund contributions will be taxed has been delayed by a year.
- 2. Provident fund post-retirement alignment: the effective date for the changes to the taxation of provident fund benefits to be in line with pension funds and retirement annuity funds has also been delayed by a year.

Tax changes that will still become effective on 1 March 2015

- 1. Disability income benefits: the effective date for the changes to the taxation of employer-provided disability income benefits is still 1 March 2015. From 1 March 2015, if you have income disability benefits, you will no longer be able to claim a tax deduction on the premium and the benefit will be paid out tax-free.
- 2. Tax free savings: the effective date of the change in the amount of tax free investments, to an annual maximum of R30 000 and a lifetime maximum of R500 000, remains 1 March 2015.

What is new?

- 1. From 1 March 2015 you can choose when you want to start receiving your retirement benefit. Further details of this change will be communicated once the legislation has been finalised.

The definition of a child has changed in the Family Protector, funeral and spouses and children policies. A child adopted by custom is no longer included in the definition of a child.

Portfolio changes under Entrepreneur

Some Entrepreneur portfolios will be closed during the first quarter of 2015. Have a look at the list to see which ones will stay and which ones will be closed.

Asset class	Portfolios available before and after the review process
Local bonds	Coronation Bond Fund
Local bonds	Momentum Bond S/M
Local bonds	Momentum RMB Bond Fund (UT) Class A
Local bonds	Nedgroup Investments Bond Fund Class A (closed)
Local bonds	Nedgroup Investments Bond Fund Class R (closed)
Local bonds	Old Mutual Bond Fund (Prev Gilt) (closed)
Local bonds	Prudential High Yield Bond Fund (closed)
Local bonds	Santam Bond Plus Fund (closed)
Local bonds	Sasfin Conventional Bond Portfolio (closed)
Local bonds	Momentum Multi-Managed Bond
Fixed Income	Ashburton Stable Fund B1 (closed)
Fixed Income	Coronation Jibar Plus Fund (closed)
Fixed Income	Coronation Strategic Income Fund
Fixed Income	Investec High Income Fund (closed)
Fixed Income	Marriot Core Income Fund (closed)
Fixed Income	Marriot Income Fund (closed)
Fixed Income	Nedgroup Flexible Income Fund Class A (closed)
Fixed Income	Nedgroup Flexible Income Fund Class R (closed)
Fixed Income	Old Mutual Income (closed)
Fixed Income	RMB Private Bank Income (closed)
Fixed Income	SIM Active Income Fund A1 (closed)
Fixed Income	Verso Multi-manager Income Planner FOF (closed)
Fixed Income	Momentum Multi-Managed Fixed Income
Inflation-linked bonds	Momentum Multi-Managed ILB (new addition)
Local property	Marriot Property Equity Fund R (closed)
Local property	MET Property Fund (closed)
Local property	Momentum RMB Property Fund (UT) Class A
Local property	Nedgroup Investments Property Fund
Local property	Stanlib Property Income Fund A
Local property	Momentum Multi-Managed Property

We sent a communication to employers affected by this in October. Affected members will receive their communication in November 2014. If you are invested in any of the portfolios that will be closed and are comfortable that your assets are automatically moved to the default portfolios, indicated in blue in the table, during the first quarter of 2015, you don't have to do anything.

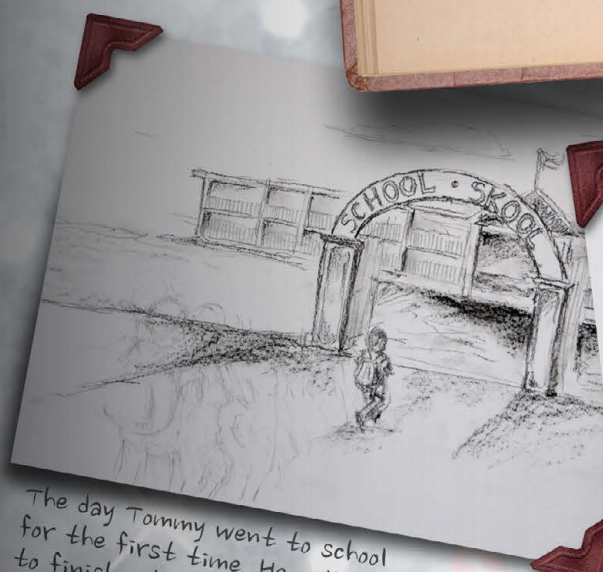
But if you want to move your assets to a different portfolio you must complete and submit the form for "Changes to investment choice, product option and insurance benefits" (MEB026). Click on the link to download the form. Email your form to clientcontactcentre@momentum.co.za or fax it to 012 675 3970 before **31 December 2014**. You can also call the client contact centre on 0860 65 75 85.

The name of the FundsAtWork Preservation Fund has changed to the Momentum Corporate Preservation Fund.



WHEN **Words**
NO LONGER KEEP THEIR
Worth
OUR **DEEDS**
MUST PROVE WE
CARE

THIS YEAR WE MADE SURE
TO BRING WHATEVER
YOU MAY
NEED...



The day Tommy went to school for the first time. He will still be able to finish school, even if we die.



Poor Uncle Roy - At least the funeral was covered.



Doc with Sally after her accident that left her paralysed. At least she has disability income benefits with Momentum.



Gran and Oupa retiring at the sea. Now that's worth saving for!



IT'S ALL ABOUT
YOU

May you and your loved ones
have a blessed festive season