



Trustee Member
Newsletter

FundsAtWork

Umbrella Pension and
Provident Funds

momentum

for your financial wellness

June 2017

Hello winter



Welcome to the **June 2017** **FundsAtWork** trustee newsletter.

With summer long forgotten, winter fortunately allows us to treat ourselves to hot chocolate and winter fires. With winter also comes the mid-year school holidays. You are probably already planning on how to keep your younger children occupied inside.

To help you out we offer a few tips and fun ideas on how to teach them about saving. None of us plan to become disabled or die, but we need to be prepared and understand how the early notification of a disability claim can change your life for the better, and how your death benefits will be distributed in the best interest of your loved ones.

This newsletter offers a lot more information, like your new higher cover under the Family Protector funeral benefits BASE, for only R1,50 more per month and how you can immediately start earning 10% in Employee-Returns on your lump sum death and critical illness benefit premiums.

Let me not keep you from reading these exciting articles.

Keep warm, stay healthy and keep exercising on your way to Financial Wellness.

Regards

Freck Kruger

Chairperson

*I am on
my way*



Teaching your children to become Financially Well

As parents, we teach our children many things, from how to tie their shoelaces to riding a bike. But how much do they know about money and saving? Introducing good financial habits from an early age will teach them valuable life skills and make their road to Financial Wellness come naturally.



On page 3 of the November 2016 trustee newsletter we gave you a few tips on 'How to get your family on the same page regarding money matters.' You can also watch this short clip on [Talking to your family about money.](#)

Here are some tips for putting your children on the road to Financial Wellness:

- Give them pocket money once a week after completing certain tasks or chores. If they don't complete the tasks you might consider not giving them their pocket money as they should learn that we have to work for our money; we don't just get it.
- Make money jars: use clear jars so that they can see the money. Create a jar for general savings and another for saving towards a specific goal, for example R200 for a new toy or game. They can alternate depositing their pocket money or any other money they receive into the jars. Making money jars can be a fun DIY project to do together. Use arts and crafts to decorate and label each jar making it exciting for them. [Click on this link](#) for creative ideas on Pinterest
- Let them learn by example: as parents, our children look up to us, learn from us and eventually imitate us. Speak to them about the importance of saving money and let them see you do it.
- Chat to them about our **needs** and **wants** and explain that our needs will always come first. We **need** food to survive but **want** chips and ice-cream as a treat. [Click here for a short clip on needs and wants.](#)
- Show them the value of money: when out shopping, give them R10 and let them pay for something small worth R10. Let them see that there is no change and the cost of living can be expensive.



Don't be afraid to start young and use creative ways to get the message across to them. The sooner you and your family are on the same page, the easier the road to Financial Wellness for everyone becomes.



According to research, children as young as three years old can grasp financial concepts like saving and spending, and their money habits are formed by the age of seven. [Click here](#) to watch a short You Tube video on what children around the world think about money and saving.

Get your EmployeeReturns

Don't miss out on your EmployeeReturns

If you have lump sum death, or critical illness benefits, or both, with FundsAtWork, you can earn as much as **60% of your premiums back** as EmployeeReturns. All you have to do is to upgrade to Multiply Premier and register for your EmployeeReturns.

Case studies:

Hermien, Camagu and Chrissie are all 3 members of FundsAtWork.

Your EmployeeReturns are based on:

1. **How active you are**, measured by the number of Active Dayz™ you have in a month, or your Fitness Assessment level; and
2. **How healthy your heart is**, recorded as your Healthy Heart Score, and
3. **Your Multiply Premier status level.**

Hermien
52 years

Healthy Heart Score

Activity level

16

16+ Active Dayz™ per month, she rather takes the stairs than the lift and goes to gym 3 times per week.

Multiply Premier status:
Private club

EmployeeReturns
40% of her premiums back

Camagu
29 years

Healthy Heart Score

Activity level

16

He has 16+ Active Dayz™ per month he runs 3x per week, but on the cold and rainy days he is a bit slack.

Multiply Premier status:
Silver status

EmployeeReturns
25% of his premiums back.

Chrissie
36 years

Healthy Heart Score

Activity level

7 16

She has 16+ Active Dayz™ per month, but because her HHS is red because she is a smoker, only 7 of her Active Dayz™ will count.

Multiply Premier status:
Silver status

EmployeeReturns
10% of her premiums back.



Get your!

EmployeeReturns

Continues

So, if you are not living a super healthy lifestyle yet, and still need to kick a few bad habits, you can already start earning EmployeeReturns. This will help you to start making healthier lifestyle choices. The healthier you are, the greater your EmployeeReturns.



How to start earning your Employee- Returns



Your physical wellness affects your Financial Wellness. Join Multiply Premier today and be rewarded for making healthy lifestyle choices.

Check your benefit statement to see if you have lump sum death or critical illness benefits with FundsAtWork.

1. You need to upgrade to Multiply Premier.

[Click here](#) for more information on the current special.

[Click here for Webchat](#) to speak to a service consultant.

SMS 'Join' to 41481 and we will call you back.

Email MyMultiply@momentum.co.za and we will call you back.

Call 0861 100 789.

2. You have to register to start earning your EmployeeReturns.

Logon at www.momentum.co.za and register for the benefit on the FundsAtWork page, or Call us on **0860 65 75 85** for help.

If you are already a Multiply Premier member, all you need is a few minutes to register for your EmployeeReturns.

3. Go for your free health assessment.

To determine your Healthy Heart Score you must do your health assessment. Otherwise you will miss out on this great benefit, regardless of your Active Dayz™ and fitness assessment.

Note: Your EmployeeReturns is not paid to you as cash, but is paid directly into your FundsAtWork retirement savings account, your HealthSaver account with Momentum Health, if you have one, or your Pick n Pay Smart Shopper card as points, depending on your insurance benefits.



Special OFFER

Upgrade to Multiply Premier before 1 August 2017 to get your automatic Multiply Premier silver status until 31 December 2017 and **start earning your 10% EmployeeReturns**

>>Click here<<



Click on the
EmployeeReturns
brochure for more

How to get your benefit statement

Log onto www.momentum.co.za

Email: clientcontactcenter@momentum.co.za

Call 086 65 75 85

Now what?



How the **late submission** of your income disability benefit claim impacts ... well, everything

In the workplace, disability is an injury or illness that interferes with your ability to perform your daily tasks. Often employers provide income disability cover for their employees through a group benefit policy, to protect employees against the loss of income due to disability.

Because your employer is the policyholder, they must submit the income disability benefit claim. The faster the claim is submitted, the greater the chances that you will receive the treatment needed to be able to return to work. When you assist in providing all the documentation needed for the claim, it speeds up the claims process.

The negative outcomes of the late submission of an income disability benefit claim

Imagine you become disabled and your claim is not submitted on time. What will happen to you?

You will lose your income

Once you have used up your sick leave and annual leave, you will receive no income until the claim is approved and paid.

You will be under financial pressure

No income means you cannot honour your financial commitments. If that is not enough pressure already, you may also have to carry the costs of all treatments related to your disability while you are unable to work and earn a living.

You may lose your ability to work

You will also miss out on the opportunity to receive the early care and rehabilitation which is needed to put you on the road to recovery. If you don't receive this early treatment, it can lead to lasting complications which may impact on your ability to return to work.

You may lose your sense of purpose and get even sicker

The pressure that goes along with being out of work and not being able to earn an income may make you lose your identity and purpose. Losing your sense of purpose can cause more stress and poor mental health.

Your family could also suffer

Your family members and the state will have to carry the burden of providing for you and your family.

When should you speak to your employer?

- 1 When you are off work for 10 or more consecutive days.
- 2 When you are taking sick leave more often.
- 3 When you notice that your productivity is dropping because of illness or injury.
- 4 If you feel that you can't cope with your work, even though your employer has made some changes to help you.



For more information, contact
Momentum's Wellness Care Centre.
Email: wcc@momentum.co.za
Call: 0860 000 021



How will your **death benefits be distributed** when you die?

You are a member of the FundsAtWork Umbrella Funds (the Funds) and based on that, you have a retirement savings account in the Funds. The amount in your retirement savings account will be paid out when you die.

You may also have the following lump sum death benefits:

1. An approved lump sum death benefit provided through an insurance policy owned by the FundsAtWork Umbrella Funds, and / or
2. An unapproved, or stand-alone, lump sum death benefit provided through a policy that your employer took out with Momentum FundsAtWork, or another insurer.

Different rules and regulations apply to the distribution and payment of the different benefits.

Please refer to the infographic on the next page.



Death benefit in the Fund

FundsAtWork retirement savings account balance

Your approved lump sum death benefit

(This is a death benefit provided through an insurance policy by the FundsAtWork Umbrella Funds).



Payment method



Majors
(18 years+)

The beneficiary decides how the benefit must be paid.



Minors
(under 18 years)

The trustees decide to whom and how the benefit will be paid in the best interest of the minor child.

The Fund is the policyholder.

The **trustees** decide **who** will receive the benefit, **what** portion of the benefit they will receive and how it should be paid.

Trustees of the FundsAtWork Umbrella Funds



Firstly your dependants will be considered.



Secondly your non-dependant nominees will be considered.

Pension Funds Act and your beneficiary nomination form are used as guidelines

To the child's legal guardian/s or caregiver/s.

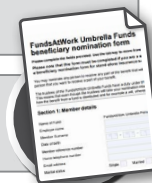
To a trust that has been set up specifically for the benefit of the child.

To the Momentum Umbrella Beneficiary Fund. Your approved benefit cannot be paid to any other beneficiary fund.

Your employer **has no say over the distribution and payment** of the benefit, but the trustees can ask them for information during the decision making process.

Your beneficiary nomination form **will be used as a guideline** to the trustees.

Your wishes as stipulated in your will and testament **cannot override the trustees' decision.**



Your beneficiary nomination form

Your will and testament



Death benefit outside of the Fund

Stand-alone (unapproved) lump sum death benefits

(This is a lump sum death benefit provided through an additional policy your employer took out with Momentum FundsAtWork, or another insurer).



The trustees have no say over the distribution and payment of this benefit.

Payment method



Majors
(18 years+)

The beneficiary decides how the benefit must be paid.



Minors
(under 18 years)

The policy rules and your employer's input will determine to whom and how the benefit is paid in the best interest of the minor child.

To your child's legal guardian/s or caregiver/s.

To a trust that has been set up specifically for the benefit of the child.

To the Momentum Umbrella Beneficiary Fund or any other beneficiary fund selected by your employer.



Your spouse



Your children



Your dependants



Your nominees

Your employer



Your **employer is the policyholder** and must make sure that your benefit is distributed according to the policy rules.



Your beneficiary nomination form **will be followed if it is in line** with the policy rules.



Your wishes as stipulated in your will and testament **cannot override the policy rules.**



Read the [November 2013 trustee newsletter](#) to find out more about who qualifies as dependants and nominees.

Check your benefit statement to see which benefits you have with Momentum FundsAtWork. If your employer has taken out stand-alone insurance benefits with another insurer, these benefits will not show on your FundsAtWork benefit statement. You need to get information about these benefits from your employer.

You will receive your annual benefit statement via InfoSlips in November. Please make sure that your email address and your mobile number is updated, otherwise you won't receive your benefit statement directly from us.

How to get your benefit statement and update your contact details:

Log onto www.momentum.co.za
Email: clientcontactcentre@momentum.co.za
Call: 0860 65 75 85



Tell your family about your benefits with FundsAtWork. If they don't know about it, they can't claim and will suffer financially when you die. It would also be wise for them to keep our number – **0860 65 75 85** – in a safe place.

The importance of updating your beneficiaries' information

Your circumstances may change from time to time. Therefore, it is very important to regularly update your beneficiaries' information so that your death benefits can be paid to the right people without any unnecessary delay. Avoid a situation where your beneficiaries cannot be contacted because we don't have their contact details.



MVA's 101

Have you ever heard the term MVA (market value adjustment) but don't fully understand it? You are not alone, so let us explain.

When you invest your fund benefit in a portfolio that **guarantees your capital invested as well as the monthly bonuses** (the sum of these is called your fund value), like the Momentum Multi-Manager Secure Growth Fund or the Momentum Multi-manager Smooth Growth Fund Local, your fund value will be guaranteed for all benefit payments. We explain benefit payments a little lower down in the article. With these types of portfolios, everyone's assets (this means your contribution minus all deductions for example, fees, insurance premium and commission) are pooled and you share the market risks with everyone else invested in the portfolio. The growth, or returns, and losses from these investments are smoothed over a number of years and passed on to members. This means that instead of earning a very high growth in one year and making a very big loss the next year, the profits and losses are averaged out and smoothed.

The main objective of smooth bonus or guaranteed portfolios is to make sure that your fund value is protected for when your benefit must pay out. You will receive the guaranteed fund value at the date of the benefit payment. Benefit payments are made when you die, become disabled, are retrenched, retire or when you resign from your employer and leave the FundsAtWork Umbrella Funds.

When markets are down, the market value of the portfolio might be lower than the fund value of the

pooled investment. If this is the case when you disinvest your money for any reason besides a benefit payment, or you move your investment to another portfolio (which is called a switch), your disinvestment may be subject to a market value adjustment (MVA). In this case, Momentum may reduce your fund value. This is where an MVA comes in to protect the other investors in the pool. The MVA can be seen as an exit penalty fee which may be deducted from your fund value. In this case you may receive less than the balance reflected on your benefit statement. It is important to remember that the MVA is only applied on payments which are not benefit payments as explained earlier in the article.

If Momentum does not reduce the fund values of investors by an MVA, you would have received more than the actual value of your investment in the pool, and this will negatively affect the remaining investors and they would receive lower bonuses in future, which is not fair to those members.



Investing in a portfolio with an MVA might not be ideal if you do not intend on staying in that portfolio until benefit payment stage. So, before you switch into or out of a smooth bonus or guaranteed portfolio, make sure that you know if an MVA is applicable. Speak to your financial adviser before investing in a portfolio with an MVA to make sure that this is the right portfolio for you.



In your best interest, the investment portfolios available on the FundsAtWork Umbrella Funds are reviewed and changes are made where necessary. These changes may affect you. Please check your benefit statement to see if you are invested in any of these portfolios. Members who were affected have been notified via email and SMS, but if we don't have your correct contact details, you might have missed out on this important information.

To get a copy of your benefit statement:
Log into www.momentum.co.za,
Email: clientcontactcentre@momentum.co.za
Call: 0860 65 75 85

Portfolio	Change	Effective date
Momentum Best Blend Flexible Income Fund	<p>The name was changed to the Momentum Diversified Income Fund.</p> <p>The benchmark was changed from STeFI a year net of fees to STeFI + 1% a year net of fees through the interest rate cycle.</p> <p>The provision for a performance fee from the supplemental deed was removed.</p>	13 March 2017
Momentum Enhanced Yield Fund	The benchmark changed from Top quartile money market fund return a year to STeFI plus 0,5% a year net of fees .	13 March 2017
Momentum Property Fund	<p>The name changed to the Momentum Real Growth Property Fund.</p> <p>The benchmark was changed from FTSE/JSE Listed property (J253T) a year net of fees over any two-year rolling period to the FTSE/JSE Listed property over time.</p> <p>The provision for a performance fee from the supplemental deed was removed.</p>	13 March 2017
Momentum Gold Bullion Fund	The portfolio was closed and the assets were moved to the Momentum Commodity fund.	13 March 2017
Naviga unit trust	The service charge was reduced to 1%, and no performance fees will be charged.	1 May 2017
Ampersand Momentum CPI Plus 2 Fund of Funds	Portfolio was amalgamated with the Ampersand Sanlam Collective Investments CPI Plus 2 Fund of Funds.	1 July 2017
Ampersand Momentum CPI Plus 4 Fund of Funds	Portfolio was amalgamated with the Ampersand Sanlam Collective Investments CPI Plus 4 Fund of Funds.	1 July 2017
Ampersand Momentum CPI Plus 6 Funds of Funds	Portfolio was amalgamated with the Ampersand Sanlam Collective Investments CPI Plus 6 Fund of Funds	1 July 2017



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 2017. For more detail please check your benefit statement.

Rate / Fee	Umbrella Funds
Administration fee	The administration fee differs from employer to employer. Ask your employer if you need more information.
Asset-based fee (payable by members in the Entrepreneur product option invested in external investment portfolios)	Unchanged.
Fund expenses	Pension Fund: R0.99 (per member per month) (was R1.50 per member per month). Provident Fund: R0.70 (per member per month) (was R0.90 per member per month).
Insurance benefit rates	Rates differ from employer to employer. Ask your employer if you need more information.



Notice board

Family Protector changes

From 1 July 2017 the Funeral benefit BASE maximums, have been increased.

- The maximum cover for members and spouses will increase from R12 500 to R15 000 per person.
- The maximum cover for children will increase from R6 000 to R7 000 per child.
- The new premium for this benefit will change from R8.25 to R9.75 per month.

If you have already flexed up to the funeral benefit PLUS, you will also benefit from the increase in the BASE benefit. Your total cover will remain unchanged, but the additional premium that you pay for your PLUS benefit will be reduced by a pro rata amount to take the additional BASE benefit into account.



Remember that when you flex up to the PLUS benefits, a six month waiting period will apply to the additional cover, unless in the case of the education benefit PLUS, the benefit is underwritten.

New Momentum Umbrella Beneficiary Fund for the education benefit.

From 1 July 2017, for paying and administering the education benefit provided under Family Protector, the beneficiary fund has changed to the Momentum Umbrella Beneficiary Fund, administered by Fairheads Benefit Services (Pty) Ltd.

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