Welcome to your **Momentum FundsAtWork** trustee newsletter

The Rio 2016 Olympic Games are taking place from 5 to 21 August, while the Paralympic Games follow from 7 to 18 September.

Starting years before the Games, athletes spend huge amounts of time on their physical and mental training to reach their peak performance just in time for the Olympics.

Your journey to financial wellness is similar to the intense preparation program of an Olympic athlete. To reach your financial wellness goals you must be disciplined and dedicated, even when it is hard to stay focussed. **The information in this newsletter will help put you on the road to reaching your financial wellness goals.**

**Watch** how understanding your payslip and a monthly budget put you in the driving seat towards better financial wellness. **Yes, watch.** You can now scan a QR code with your smart phone to watch the videos for more information. Did you know that you can keep your insurance benefits, even when you leave your employer? You will also find out about how you can boost your financial wellness with the Healthy Heart benefit.

These are just some of the exciting articles you will find in this newsletter.

**Enjoy the read....or watch!**
Understand your payslip

Each payday, you should receive a payslip. It shows how much you earned and various deductions. Understanding your payslip helps you to get on top of your money situation. This is an important first step towards improving your financial wellness and making your money work for you.

Everyone’s payslip looks a little different. Your payslip has two parts: your total earnings or pay, also known as gross salary, and your deductions.

You may find four types of deductions on your payslip:

- **Government deductions**, such as payments to the Unemployment Insurance Fund (UIF) and PAYE (Pay As You Earn) tax.
- **Compulsory deductions** that are part of your employment contract, like contributions to a retirement fund, group life assurance scheme, funeral plan or medical scheme.
- **Voluntary deductions** are deductions you have agreed to, such as union subscriptions, your bond repayment or your cellphone payment.
- **Involuntary deductions** are deductions you haven’t agreed to and include things like garnishee orders or maintenance orders.

Check your payslip carefully every month. Make sure you understand all the deductions.

**Click here to watch the video or scan the QR picture below to watch the video on how to understand your payslip.** This will help you to budget better.

If you don’t have a QR Code Readers app, enter one of the following web addresses in your phone’s browser to install one:

- **iOS (Apple)** https://goo.gl/iTqFgM
- **Android (Play Store)** https://goo.gl/TjiAXq
- **Blackberry** https://goo.gl/1Mz5mo
Get on top of your **money worries**

Money worries leave us feeling out of control and are bad for our health. The first step in solving money troubles is to keep track of your spending. To do this, you need a monthly budget.

Start by identifying the money that you receive each month, like salary or wages. Your payslip will help you pin down exactly how much this amount is after deductions. The next step is to identify where you are spending your money.

**Budget rule number 1: Do not spend more than you receive.**

Spending too much? Then you need to cut back. This means you need to prioritise spending, which means making certain budget items such as **NEEDS** more important than items which are **WANTS**.

**WANTS** are things that you would like to have, like the latest cellphone.

**NEEDS** are things that you **HAVE** to have, like healthy food.

[Click here](#) to watch the video or scan the QR picture below to watch the video on how to understand your payslip. This will help you to budget better.

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Benefits to meet changing needs

Your Momentum FundsAtWork benefits are carefully designed to always meet your financial wellness needs, even when circumstances change or costs rise.

Keep your insurance benefits when you leave your job

Having insurance through your employer’s group scheme would usually mean that if you leave that employer, you would no longer have these insurance benefits. But the Momentum FundsAtWork conversion option allows you to get individual insurance benefits, similar to the insurance benefits you have through your employer, when you leave your job.

Even better news is that with the Momentum FundsAtWork conversion option, you can automatically receive these individual insurance benefits, you only need to do a smoker’s test but will not have to undergo any other medical underwriting.

Medical underwriting is when the insurance company decides if they will give you the cover or not, based on your personal health information. You have 90 days after leaving the FundsAtWork Umbrella Fund to take up the conversion option. Taking up the option is an easy way to make sure your loved ones are still protected if you can no longer work.

Family Protector funeral benefits increased

Did you know that, as a member of the FundsAtWork Umbrella Funds, you have the Family Protector BASE benefit. This benefit pays:

- towards funeral expenses, for yourself or a family member,
- towards your children’s education if you die, and
- the Momentum Health medical scheme contribution if you are disabled or die.

Members on the Provider and Entrepreneur options can also choose to move to the Family Protector PLUS option for greater benefits.

Like all prices, funeral costs are rising. To make sure there is enough money to cover your needs, the Family Protector funeral benefits have been increased from 1 July 2016.

<table>
<thead>
<tr>
<th>Family Protector funeral BASE</th>
<th>Family Protector funeral PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The new maximum benefit for the main member and spouse increased from R10 000 to R12 500.</td>
<td>The new maximum benefit amount for the main member and spouse increased from R30 000 to R50 000.</td>
</tr>
</tbody>
</table>
| The new maximum benefit for children increased from R5 000 to R6 000. | The new maximum benefits for children are:  
- R50 000 for children over the age of 14 years;  
- R30 000 for children between ages 6 and 14 years; and  
- R10 000 for children under the age of 6 years. |

Critical illness benefit increased

If you have critical illness cover with Momentum FundsAtWork through your employer, rest easy knowing that your maximum critical illness benefit has been increased from 1 July 2016. Higher benefits mean that your financial wellness will be better.

<table>
<thead>
<tr>
<th>Before 1 July 2016</th>
<th>After 1 July 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous benefit was 2 times your annual salary or R1.5 million, whichever is the lower amount.</td>
<td>New benefit is 3 times your annual salary or R2 million, whichever is the lower amount.</td>
</tr>
</tbody>
</table>

DID YOU KNOW...

If you become disabled, your monthly income disability benefit payment cannot be more than your total cost-to-company salary less tax. Also, the monthly income disability benefit paid to you will be tax free. Your employer may have elected to make this benefit available to you.
Your preservation options

Two decades ago long service awards were the goal of any employee. Today’s workforce is not afraid to job-hop and some change jobs as often as every three years. With the excitement of a new job come some tough decisions, for example, what to do with your hard earned retirement savings money. One ‘rule’ applies: do not take your retirement savings as a lump sum - rather preserve it.

Click here to watch the video or scan the QR code to read the article in the July 2015 newsletter on what to do with your retirement savings money when you leave your employer and why you should preserve it.

If you don’t have a QR Code Readers app, enter one of the following web addresses in your phone’s browser to install one.

iOS (Apple) https://goo.gl/iTqFgM
Android (Play Store) https://goo.gl/TjiAXq
Blackberry https://goo.gl/1Mz5mo

You can preserve your money with the Momentum Corporate Preservation Fund or soon you will be able to preserve it in the FundsAtWork Umbrella Funds.

What is the difference?

<table>
<thead>
<tr>
<th>Preserving with the Momentum Corporate Preservation Fund</th>
<th>Preserving with the FundsAtWork Umbrella Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>You don’t pay any further contributions.</td>
<td>You don’t pay any further contributions.</td>
</tr>
<tr>
<td>The Fund will debit fund expenses, asset management and asset based fees for administering the Fund. You may also pay financial adviser commission if you have agreed to do so.</td>
<td>The Fund will still debit fund expenses, asset management fees and asset based administration fees for administering the Fund against your retirement savings account.</td>
</tr>
<tr>
<td>Advisory body decisions don’t apply to you because there is no advisory body on the Momentum Corporate Preservation Fund.</td>
<td>Advisory body decisions don’t apply to you because you are not part of your employer group anymore. Advisory bodies only apply to employer groups.</td>
</tr>
<tr>
<td>You can change your investment portfolio.</td>
<td>You can change your investment portfolio.</td>
</tr>
<tr>
<td>You can change your product option.</td>
<td></td>
</tr>
<tr>
<td>You will keep your Family Protector funeral BASE benefit.</td>
<td>You will lose your Family Protector funeral BASE benefit and all your other insurance benefits. Remember that you can use the conversion option to keep your insurance benefits on an individual basis through Momentum Myriad.</td>
</tr>
<tr>
<td>You can also keep your Family Protector education BASE and health premium waiver BASE benefits if you used the conversion option to change your group insurance benefits to individual life insurance policies with Momentum Myriad.</td>
<td></td>
</tr>
<tr>
<td>For any claim to be paid under these benefits the balance in your retirement savings account must be more than R5000.</td>
<td></td>
</tr>
<tr>
<td>You can make one withdrawal from your benefit before you reach retirement age. You can choose to only withdraw a portion of your benefit and leave the balance in the preservation fund until retirement.</td>
<td>You can make one withdrawal from your benefit before retirement. Unlike with the Momentum Corporate Preservation Fund you cannot only withdraw a portion of your benefit and leave the rest in the FundsAtWork Umbrella Fund until retirement. If you want to make a withdrawal you can take a portion as a lump sum and transfer the balance to a preservation fund or another fund.</td>
</tr>
</tbody>
</table>

Check your benefit statement for details on your benefits. Logon to www.momentum.co.za or call 0860 65 75 85 for a copy of your benefit statement. You can also speak to your scheme’s financial adviser. Your human resource officer will have their contact information.
Boost your financial wellness

Sometimes boosting your financial wellness is as easy as 1, 2, 3! Simply by registering for the Healthy Heart benefit, as a member of FundsAtWork you can be refunded a percentage of your lump sum death benefit and critical illness benefit premiums. This refund is not paid as cash but is paid directly into your retirement savings account with FundsAtWork, your Momentum HealthSaver account (if you have one) or your Pick n Pay smart shopper card as points.

To get the Healthy Heart benefit, you must:

- Be a member of FundsAtWork, which you already are because you’re a member of the FundsAtWork Umbrella Funds.
- Have lump sum death or critical illness cover with FundsAtWork. Check your benefit statement to see if you have these.
- Be a member of Multiply. The amount of money you get back depends on your Healthy Heart Score, your Multiply product option and your Multiply status.

As a FundsAtWork member, you can join Multiply by contacting your scheme’s financial adviser. Your human resource officer will have their contact information, or call 0861 886 600. If you are already a Multiply member, logon at www.momentum.co.za and register for the benefit on the FundsAtWork page, or call us on 0860 65 75 85.
Before 1 March 2016, contributions to the different retirement funds such as retirement annuity funds, pension funds and provident funds were treated differently for tax purposes. From 1 March 2016, contributions to all retirement funds are treated the same. This makes the retirement system in South Africa simpler to understand and encourages people to save more.

• Your tax deduction cannot be more than 27.5% of the higher of your salary or your taxable income and it cannot be more than R350 000 per year.

• But you can carry contributions that don’t qualify for a tax deduction in a specific tax year forward to the next tax year.

• If there are still contributions that didn’t qualify for a tax deduction when you retire, you can deduct it from the portion of your retirement benefit that you are allowed to take in a lump sum before applying the tax table. This increases the tax-free portion.

• If you are in the FundsAtWork Umbrella Pension Fund you have to take at least two-thirds of your retirement benefit as a pension, and there are then still contributions that couldn’t be deducted from your lump sum benefit, you can deduct those from your pension.

• Your investment growth is not affected by tax because there is no income tax, capital gains tax or dividend withholding tax payable on investment returns within a retirement fund.

• If you die, no estate duty will be charged on the tax-deductible retirement contributions and the growth on those contributions. Money in a retirement fund is generally protected against claims from creditors.

Look at the infographic on the following page for a simple explanation of how your retirement fund contributions are being taxed from 1 March 2016.
Before 1 March 2016, if you belong to a pension fund, you got a tax deduction from your contributions every month. If you belong to a provident fund, you paid tax on your contributions every month. If you belong to an RA fund, you got a tax deduction at the end of the tax year.

From 1 March 2016, you will be taxed every month on the contributions that your employer pays towards your retirement fund. At the same time you get a tax deduction on both your own and your employer’s contributions to a pension or provident fund. You get a tax deduction on your RA contribution at the end of the tax year. The overall, pension, provident and RA contribution deduction cannot be more than 27,5% of the higher of your salary or your taxable income and it cannot be more than R350 000 per year.
Portfolio changes

Now available on Provider - the Momentum Multi-Manager Shari’ah portfolio

A new investment portfolio called the Momentum Multi-Manager Shari’ah portfolio is now available under the Provider product option. What makes this portfolio different is that it is specifically constructed according to Shari’ah, the sacred law of the religion of Islam. Of course it also meets all the regulatory and investment-return requirements of South African retirement fund law. Each part of this portfolio has an appointed Shari’ah board to oversee its investments. The experts who manage this portfolio aim to make the money invested in it grow by inflation plus 5% each year over five year rolling time-periods.

Momentum Capital Plus will close

We always look for ways to protect our members from rising costs and make sure they get great value. Recent changes in banking regulations increased the risk management costs of certain investment portfolios. To protect members whose investments may be negatively affected by this, the Momentum Capital Plus portfolio was closed on 1 August 2016 and the assets moved into the Momentum Enhanced Yield portfolio.
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 August 2016. For more detail please check your benefit statement.

<table>
<thead>
<tr>
<th>Rates / Fees</th>
<th>Umbrella Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration fee</td>
<td>The administration fee differs from employer to employer. Ask your employer if you need more information.</td>
</tr>
<tr>
<td>Asset-based fee (payable by members in the Entrepreneur product option invested in external investment portfolios)</td>
<td>Unchanged.</td>
</tr>
<tr>
<td>Fund expenses</td>
<td>Pension Fund:</td>
</tr>
<tr>
<td></td>
<td>R1.50 (per member per month)</td>
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<tr>
<td></td>
<td>(was R1.90 per member per month).</td>
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<tr>
<td></td>
<td>Provident Fund:</td>
</tr>
<tr>
<td></td>
<td>R0.90 (per member per month)</td>
</tr>
<tr>
<td></td>
<td>(was R1.15 per member per month).</td>
</tr>
<tr>
<td>Insurance benefit rates</td>
<td>Rates differ from employer to employer. Ask your employer if you need more information.</td>
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</table>