



THE BETTER PREPARED, THE BETTER SECURED

Newsletter Contents

- In Memory of Brigitte Roos
- New Principal Officer appointed
- Festive Season Wishes
- Fund Centenary celebration 13 March 2024
- Two-Pot System 1 March 2024
- Options at Retirement
- What happens to your Retirement Annuity (RA) when you emigrate?
- Share your email address with the Fund
- Service Providers/Diensverskaffers
- How to cope during the holiday season



In Memory of Brigitte Roos

It is with great sadness that the Board of Trustees announces the passing of the Principal Officer, **Brigitte Roos** on 31 October 2023, at the age of 59.

Brigitte was appointed as a Pensioner Representative Trustee of the JMPF on 11 April 2017. She was subsequently appointed as the Principal Officer on 1 January 2022. Brigitte served the Fund, its members and pensioners with great care, distinction and empathy during her years of service.

Our thoughts and prayers go out to Brigitte's husband, family and friends in this time.

New Principal Officer appointed

The Trustees have decided to appoint Alderman **Peter Sutton** as the Principal Officer of the Fund. Peter has been an Employer Representative Trustee of the Fund since November 2014. He has also been a member of the Audit, Finance and Administration Committee of the Fund since March 2017. The Trustees look forward to working with Peter in his new capacity and wish him well.



Festive Season Wishes

As the end of the year draws near, we would like to take this opportunity to thank you for your continued support throughout 2023. The holiday season is the perfect time to acknowledge all that is good in your life and use this relaxing time to cherish and appreciate the people that are dear to you. **The Board of Trustees of the Joint Municipal Pension Fund wish you and your loved ones a peaceful and joyous festive season.** We hope that 2024 will be a year filled with love, prosperity, and good health.

Wessel Gouws, Chairman

Fund Centenary celebration 13 March 2024

The Fund is celebrating its centenary next year. As such, the Annual General Meeting, scheduled for 13 March 2024, will be a celebration for the Fund. You are all invited to join the Trustees at this event. Formal invitations will be emailed and posted closer to the time. The Trustees look forward to seeing you there.



Good news

You are all invited to the Fund's centenary celebrations at the AGM on 13 March 2024. *Invitations to follow.*



Goeie nuus

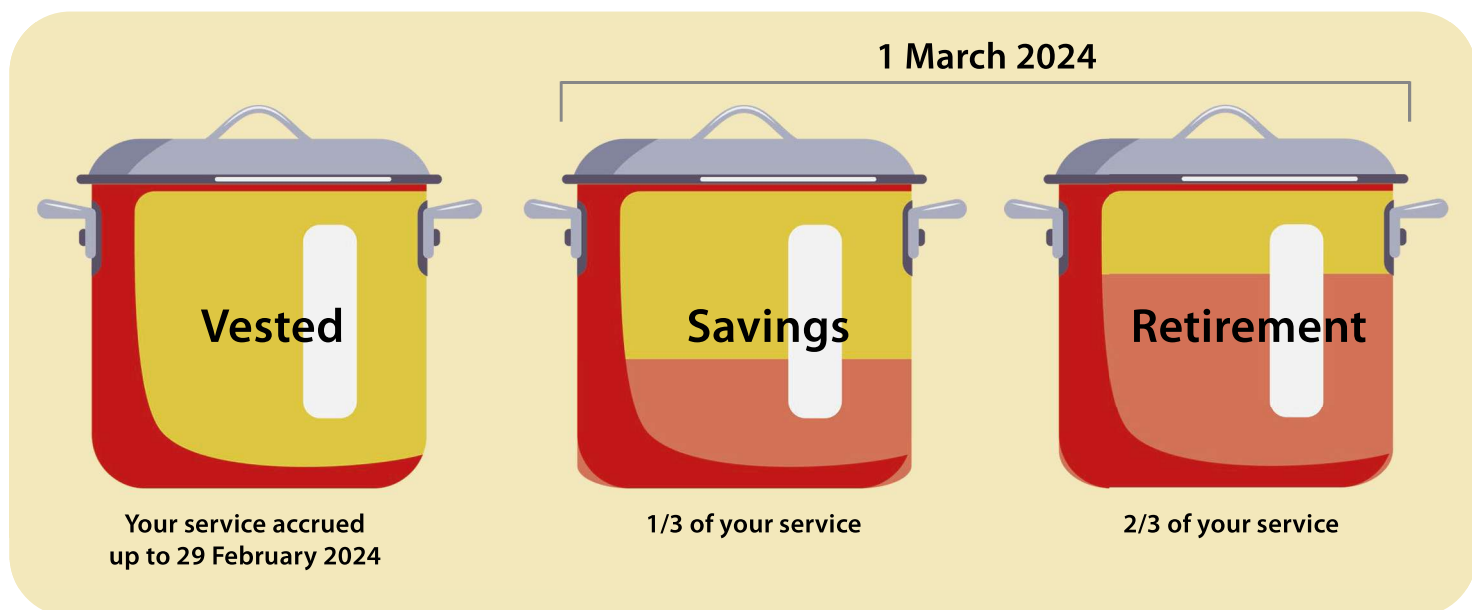
U word almal hartlik uitgenooi na die Fonds se eeufeesvieringe by die Jaarvergadering wat op 13 Maart 2024 gehou word. *Uitnodigings sal volg.*



Izindaba ezimnandi

Niyamenywa nonke emgubhweni weminyaka eyikhulu yesiKhwama ku-AGM mhla ziyi-13 kuNdaswa wezi-2024.

Izimemo zizolandela.



Two-Pot System implementation on 1 March 2024

Are you aware that the pension laws in South Africa are currently being amended to allow you to take a portion of your retirement benefit before you actually retire?

These changes are called the Two-Pot System will become effective from 1 March 2024.

The Two-Pot System applies to both defined contribution and defined benefit retirement funds. However, there are still numerous challenges that need to be addressed for defined benefit funds. For example, how early access will impact the benefits guaranteed in a defined benefit arrangement.

Funds will have to amend their Rules to make this possible and administration systems will have to be changed to manage the withdrawals and keep track of pensionable service forfeited as a result of all such withdrawals in a defined benefit fund.

Here is how it is proposed to work:

Your service from 1 March 2024 will be split where one-third will be allocated to a savings pot and the other two thirds to a retirement pot. The retirement pot will only be accessible at retirement, at which time you have to use it to secure a pension (such pension can either be provided by the Fund or you can purchase a pension from an insurer of your choice).

The proposed Two-Pot system will allow members to access a portion (minimum of R2 000), or all, of their savings pot without leaving employment. This access will be available to members once every tax year, i.e. from 1 March to 28 February. This access will further be subject to several more conditions.

This proposal seeks to assist members financially with emergencies and appreciates the enormous impact that Covid-19 had, and continues to have on members and their families.

All members of the Fund will have a **“Vested Pot”**, a **“Savings Pot”** and a **“Retirement Pot”** in the Fund from **1 March 2024**.

The Vested Pot Component

Your Vested Pot will be determined by the Fund actuary with reference to all pensionable service accrued up to 29 February 2024 (that is, inclusive of any normal bonus service, senior bonus service and special bonus service less service forfeited as a result of divorce or housing loan defaults or any other service deductions).

The Savings Pot Component

Your Savings Pot will be determined by the Fund actuary with reference to 1/3rd of your pensionable service accrued from 1 March 2024 onwards less service forfeited as a result of any voluntary withdrawals from the Savings Pot or any other allowable deductions in terms of section 37D of the Act (e.g. divorce orders).

Amounts in the “savings component” will thus be accessible to members without having to resign from employment or retire from the Fund. Members will be allowed to make a single withdrawal every tax year. The minimum withdrawal amount is R2 000 and there is no limit on the maximum amount a member is allowed to withdraw from the savings pot.

This “savings component” may always be paid in cash when you resign or retire (provided that you did not make a “savings withdrawal” in the tax year).

Important to note: Withdrawals from the “savings component” will be added to Fund members’ taxable income and taxed as normal income at their marginal rates. This means it will not be taxed as a retirement fund lump sum withdrawal benefit.

The Retirement Fund Component

Your Retirement Pot will be determined by the Fund actuary with reference to 2/3rds of your pensionable service accrued from 1 March 2024 onwards less service forfeited as a result any allowable deductions in terms of section 37D of the Act (e.g. divorce orders).

The “retirement component” may only be accessed at retirement and may not be paid in cash. At that stage, you will have to use it to secure a pension (such pension can either be provided by the Fund or you can purchase a pension from an insurer of your choice).

Seed Capital

A proposal on Seed Capital is being considered which will allow for immediate access to the available balance (Actuarial Fund Value) in the Fund on implementation date of the Two-Pot system.

This will allow members to withdraw up to 10% of their actuarial fund value as of 29 February 2024, to a minimum of R2 000 but not exceeding R30 000. This option will be available on 1 March 2024 or any time thereafter. “Savings Withdrawals” will be taxed at the member’s marginal tax rate.

Think carefully before making a “savings withdrawal”

Members of the Fund are encouraged to only exercise the withdrawal option as a last resort, and to try and preserve their savings for when they retire.

Early withdrawal could have a negative impact on your expected amount of money available at retirement, as you will forfeit pensionable service as a result of all amounts withdrawn.

The consequences of making a “savings withdrawal” are:

- ***Paying more tax***
- ***Having less money at retirement***



Good news

This change may assist members if they are experiencing a financial emergency. Look out for more communication from your Fund regarding the implementation timelines.

No action is required from members at this stage.



Goeie nuus

Die verandering mag lede help wat 'n finansiële krisis ervaar. Maak seker dat u nadere kommunikasie wat meer inligting oor implementasie tydslyne insluit sal ontvang.

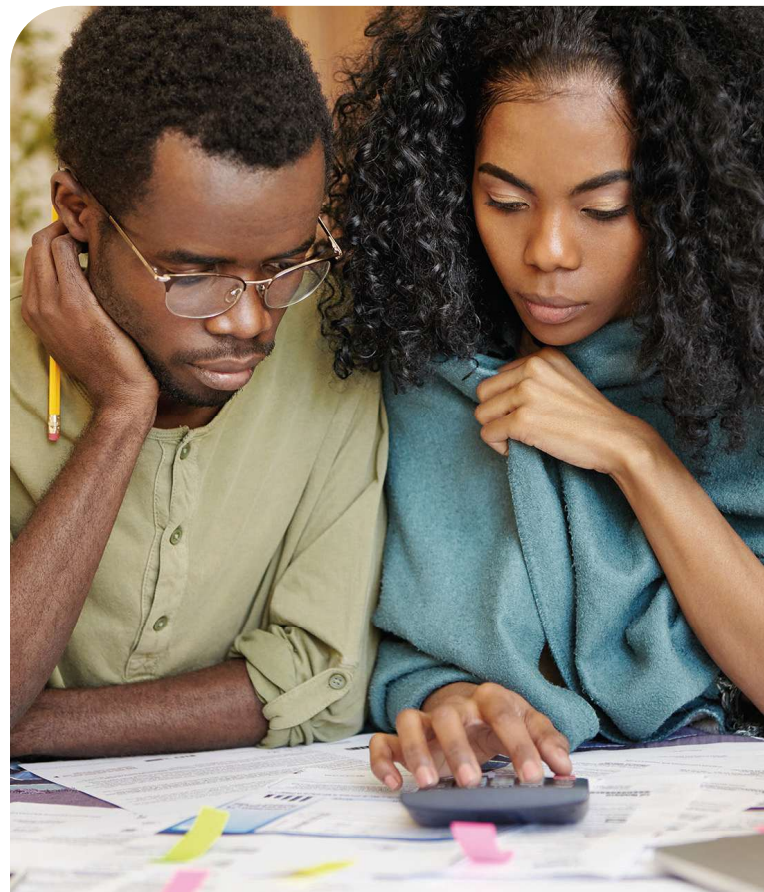
Geen aksie is nodig van lede op die stadium.



Izindaba ezimnandi

Lolu shintsho lungasiza amalungu uma ebhekene nesimo esiphuthumayo sezezimali. Bheka okunye ukuxhumana esiKhwameni sakho mayelana nezikhathi zokuqalisa ukusebenza.

Asikho isenzo esidingekayo kumalungu kulesi sigaba.





Options at retirement

When a member reaches pensionable age, the member shall retire from the Fund. Such a member shall have six months after attaining pensionable age to elect a payment option. If no option is elected, the member will become a deferred retiree in terms of the Rules of the Fund.

The retirement benefit shall consist of a pension and a lump sum, based on the average annual emoluments over the last three years of pensionable service, in terms of Rule 8 of the Rules of the Fund, multiplied by pensionable service, including special bonus service and senior bonus service, if applicable.

If you decide to take your retirement fund benefit, you will need to choose how you want this benefit paid. You have the following options:

1. **A pension paid by the Fund (Default Option/Pension for Life);**
or
2. **Purchasing a pension outside the Fund, a Living Annuity or Life Annuity of your choice from any of the registered insurers in the market;** or
3. **Take your full benefit in cash, subject to tax;** or
4. **Transfer your benefit to another fund (no pension payment);**
or
5. **Defer your retirement.**

A member may elect, on or before his date of retirement, to convert a part or whole of the lump sum to an additional pension, or part or whole of the pension to an additional lump sum, subject to applicable tax legislation.

Joint Municipal Pension Fund – pension paid for life (Default option)

The Fund provides a pension for life. This means that the pension will be paid until you pass away, and thereafter a monthly pension will be paid to your qualifying spouse and/or child/ren in terms of the Rules of the Fund.

Pension Increases

If you elect the default option, you are paid a pension by the Fund. The Fund has a Pension Increase Policy in place and the aim is to grant annual pension increases of 70% to 100% of CPI for the 12-month period ending on 30 September of each year, subject to the affordability thereof, based on the funding level per the actuarial valuation as at the end of the immediately preceding financial year.

The Board of Trustees considers pension increases annually and implement increases on 1 April.

Bonus Payment

The Rules of the Fund provide for a bonus payment in November of each year, equal to the monthly pension payment, payable to pensioners, surviving spouses or children. The bonus will be paid pro-rata if the pension was payable for a period less than a year.

The Rules further provide for the Board of Trustees to make additional bonus payments to pensioners and surviving spouses, taking into account the financial soundness of the Fund, in consultation with the actuary.

Spouses and Children's Pension

Should you pass away once retired, and you have opted for the default pension in the Fund, the Fund will pay a spouses pension as well as a child / children's pension to qualifying spouses and children in terms of the Rules of the Fund.

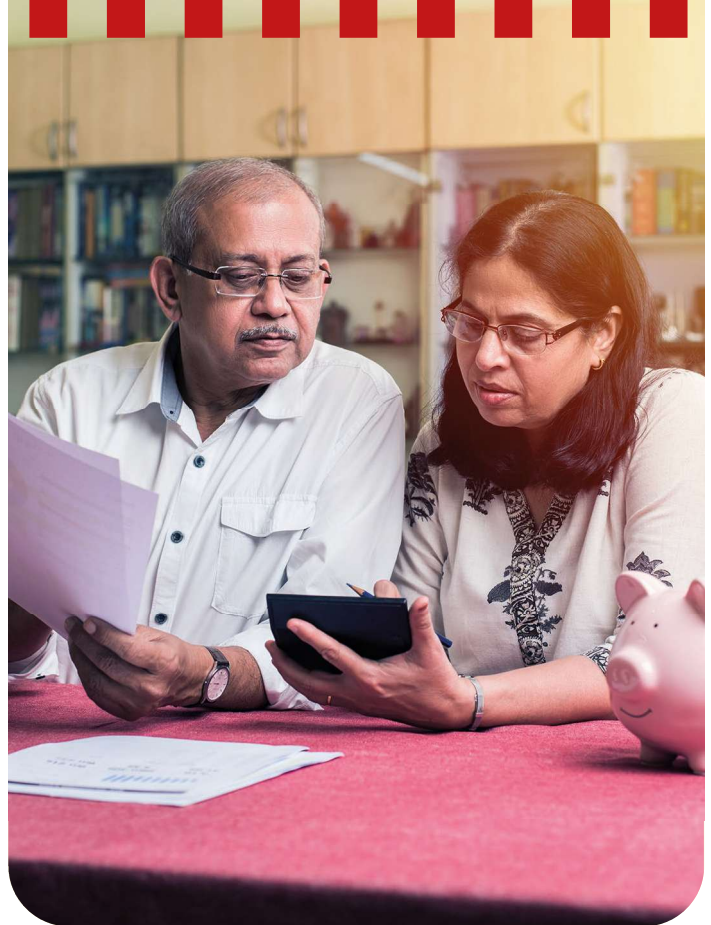


Annuity options outside of the Fund

Always remember that the original purpose of being part of a retirement fund is to save up enough capital to provide you with a good income after you retire. Before deciding whether to take any part of your retirement capital as a cash lump sum, carefully consider the annuity quotes you will receive from insurers. These quotes will show you how much your monthly annuity will be and if it is too low for your needs, it may be a better idea to use more of your retirement capital towards your annuity and reducing the cash amount.

When choosing an annuity outside the Fund, you need to take the following into consideration:

- **Fees and costs**
- **Do you need to make provision for a spouses pension when you pass away?**
- **Do you need a guarantee on your pension, for example five years?**



Annuity Options:

1. Level Annuity

Your monthly pension will remain exactly the same from year to year. This annuity therefore does not offer any protection against inflation.

2. Fixed Escalation Annuity

Your monthly pension will increase at a pre-determined rate each year, offering some protection against inflation.

3. Inflation-linked Annuity

Your monthly pension will increase at an inflation-related rate. Your pension plus increases are guaranteed and paid until you die. This pension will keep up with inflation.

4. With-Profit Annuity

You share in the actual investment returns – even though the size of increases is not guaranteed, the actual pension plus past increases are guaranteed and paid until you die. This pension should keep up with inflation.

All of the above are also called “guaranteed annuities”, “conventional annuities” or ‘annuities for life’. The annuity is purchased with that part of your retirement capital that you did not or could not take in cash and provides for a guaranteed income for your full lifetime. When you die it will stop being paid immediately and nothing will remain payable to your estate or any beneficiary, unless you selected additional options such as “Joint and Survivorship” or “Term Certain and Thereafter” or a Capital Preservation option. Speak to a financial adviser if you are unsure about these options.

5. Living Annuity (also called investment-funded income)

This option allows you to actively control how the retirement capital is invested and how you wish to access it. You can choose annually to draw between 2.5% and 17.5% of the capital as a monthly income. You are solely responsible for ensuring that the investment keeps up with inflation and that the money lasts until your death and if you don't manage this properly then there is the real risk of the money running out during your retirement. Under this annuity, your dependents or beneficiaries will receive the remaining capital when you die.

Take your benefit at Retirement in cash

When you retire, your total actuarial reserve value in the Fund may be paid out as a cash lump sum. It will however be vital to consider purchasing a pension once you stop working. If you choose this option, your total actuarial reserve value will be paid in cash, subject to tax, and you will not receive a monthly income. Before choosing this option, consult your financial advisor.

Remember you will pay tax on this amount.

Transfer your benefit to another fund (no pension payment)

A member of the Fund, who does not need a monthly pension immediately, may elect in writing to transfer their benefit to which he is entitled, on retirement from the service of the municipality to any other approved Fund including:

- Pension Fund
- Provident Fund
- Retirement Annuity Fund
- Preservation Pension Fund
- Preservation Provident Fund

The Fund shall pay over such benefit, together with interest, calculated from the date of leaving the service of such member to the date of payment. No tax will be deducted on the amount transferred.

Speaking to a financial adviser

Talking to a financial adviser and making sure what the value of your retirement benefit is, is very important. Your adviser will consider your level of debt and your future financial needs. He / She will help you to determine if you want to retire from the Fund and receive the lump sum and monthly pension from the Fund OR if you should rather buy an annuity from a registered insurer.

Remember if you retire from the Fund there are no additional costs, i.e. broker commissions, investment fees, etc.

You should also consider the tax you will pay on the lump sum you take as only the first R550 000 is tax free.

The Fund therefore allows you to take a portion of your lump sum as an additional pension or a portion of your pension as an additional lump sum.



Good news

With proper retirement planning, counselling, and speaking to a financial adviser, your retirement will be all you dreamed of.

Interest is payable on retirement benefits from the date of retirement to the date of payment.



Izindaba ezimnandi

Ngokuhlala kahle ukuthatha umhlalaphansi, ukwelulekwa, kanye nokukhuluma nomeluleki wezezimali, ukuthatha kwakho umhlalaphansi kuzoba yikho konke obukufisa.

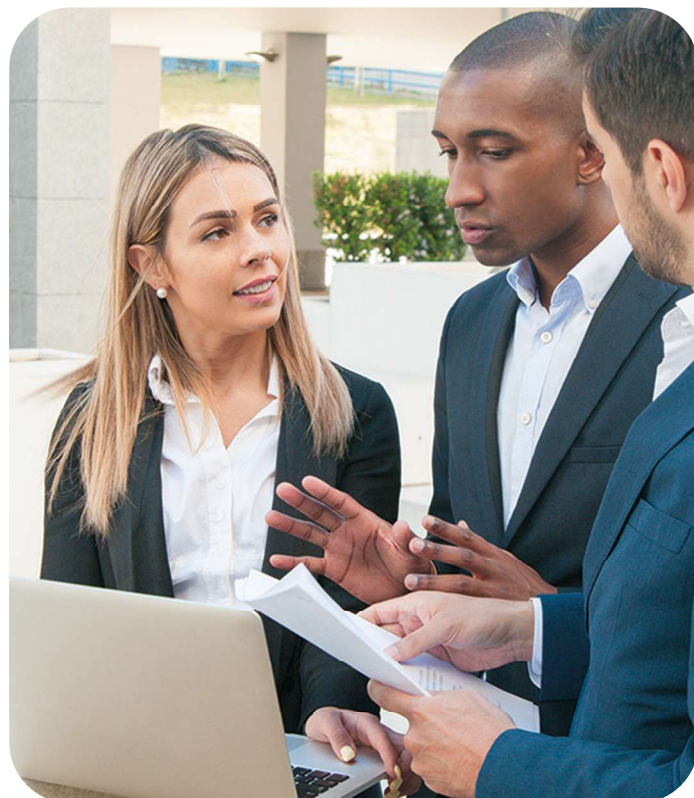
Inzalo ikhokhwa ezinzuzweni zomhlalaphansi kusukela ngosuku lokuthatha umhlalaphansi kuze kube usuku lokukhokha.



Goeie nuus

Met deeglike aftreebeplanning, berading en advies van u finansiële adviseur, behoort u aftee drome waar te word.

U sal rente op u aftreevoordele van die datum van aftrede tot datum van betaling ontvang.



What happens to your retirement annuity when you emigrate?

South Africans who choose to emigrate will have to wait for a period of three years before they can access and prematurely withdraw their retirement funds. Emigrating can be a nice way to open yourself up to new horizons. It is an exciting, life changing experience that offers endless opportunities. However, such a significant step requires thorough planning, especially when it comes to financial matters such as retirement savings. For those who are invested in a retirement annuity (RA), understanding the implications of emigration is crucial.

A RA is a popular long-term savings vehicle in South Africa, designed to provide financial security during retirement. It allows the investor to make regular contributions that are invested in various asset classes, accumulating growth over time. One of the key benefits of RAs is the tax advantages it offers, such as tax-deductible contributions, tax-free growth and tax-free withdrawals of up to R550 000 upon retirement.

As of 1 March 2021, the South African Revenue Services (SARS) introduced new laws and regulations regarding the treatment of RAs for individuals who choose to emigrate. The Taxation Laws Amendment Act of 2021 indicates that individuals who are part of a retirement fund would be eligible to receive lump sum benefits only upon meeting the requirements of ceasing to be a South African tax resident and maintaining such non-residency status for a minimum of three consecutive years. This three-year stipulation signifies that individuals who decide to emigrate will need to wait for at least three years before they become eligible to withdraw their retirement savings.

South Africans who choose to emigrate will have to wait for a period of three years before they can access and prematurely withdraw their retirement funds. However, expatriates will bear the responsibility of proving their tax residency status in another country for the required duration. Furthermore, they will need to provide evidence of their physical absence from South Africa during this specified period. Once SARS is satisfied with the evidence establishing your non-tax residency due to your formal tax exit from the country, you will then be granted permission to tap into your retirement savings.

It is crucial to thoroughly assess all aspects of the situation, as significant tax consequences exist regardless of the course of action chosen. Opting for early withdrawal of your retirement funds will result in considerably higher tax deductions compared to withdrawing the funds after retirement. On the other hand, ceasing tax residency entails a potential capital tax liability as well. When you cease to be a tax resident, a deemed disposal occurs for capital gains tax (CGT) purposes. This deemed disposal is considered to have taken place on the day just before the date when you stopped being a tax resident. As a result,



you are treated as if you have sold all your worldwide assets at their market value, excluding immovable property owned in South Africa and personal-use assets.

We are aware that RAs offer attractive tax benefits to South African taxpayers. Contributions made to RAs are tax deductible, reducing your taxable income and potentially lowering your tax liability. Even after you become a non-resident for tax purposes, you still enjoy these tax benefits when contributing to your RA, provided you have sufficient taxable income in South Africa.

You can ensure that your retirement assets are managed successfully and in line with your financial goals by carefully assessing your alternatives and receiving professional advice, no matter where your life path takes you.

Source: Moneyweb | 4 August 2023



Good news

Even after you become a non-resident for tax purposes, you still enjoy these tax benefits when contributing to your RA, provided you have sufficient taxable income in South Africa.



Izindaba ezimnandi

Ngisho nangemva kokuba ungeyena umhlali ngezinjongo zentela, usajabulela lezi zinzuzo zentela lapho unikela ku-RA yakho, inqobo nje uma unemali engenayo ekhokhiswa intela eyanele eNingizimu Afrika.



Goeie nuus

Sels al word u 'n nie-belasbare inwoner vir belastingdoeleindes, kan u steeds belasting voordele geniet as u bydrae tot 'n aftree-annuiteit, mits u genoegsame belasbare inkomste in Suid-Afrika het.

Share your email address with the Fund

The Fund places a high premium on regular communication to keep our members and pensioners informed of all important matters. Distributing information as quickly and as effectively as possible remains a top priority. To assist us in our efforts in ensuring that you receive Fund communications promptly, we encourage you to register/share your email address with the Fund as soon as possible.

We realise that you may not have access to the internet and therefore the Fund will also accept the email address of a trusted loved one, who can pass on Fund communications to you. This will ensure that any future newsletters and other important messages are delivered directly to your inbox. **Please supply this information via email message to the**

Administrator, Alexander Forbes Financial Services:



Active Members:

JointMunicipalPensionFund@alexforbes.com



Pensioners:

zzJMPF.Pensioners@alexforbes.com

Service Providers/Diensverskaffers

Administration:

Alexforbes

Alexforbes, 115 West Street, Sandton

PO Box 787240, Sandton, 2146

Call Centre Tel: 0800 122 992 / 011 269 0974

Call Centre Fax: 011 263 2120

Email for active member queries:

JointMunicipalPensionFund@alexforbes.com

Email for pensioner queries:

zzJmpf.Pensioners@alexforbes.com

Old Mutual Corporate Consultants

Ms S Müller

No 1 Mutual Place, 107 Rivonia Road, Sandton

or

PO Box 2444, Saxonwold, 2132

Tel: 081 478 4849

E-mail: SMuller@oldmutual.com

Standard Bank Pension-Backed Housing Loans / Pensioengerugsteunde Huislenings

New applications and all queries:

PBL Contact Centre 0861 009 429

New applications: PBL Fax 0861 008 812

E-mail: pblloanorigination@standardbank.co.za

Sanlam Sky Funeral Cover / Begrafnisdekking

Claim forms to be obtained from:

Email: GBClaimsPretoria@sanlamsky.co.za or

Email: Rentclaim@sanlamsky.co.za

Pension Funds Adjudicator

Tel: 012 346 1738

Fax: 086 693 7472

Email: enquiries@pfa.org.za

How to cope during the holiday season

The festive season is here. For some, that means spending time with family and friends, but for many, especially those who feel emotionally distant or isolated from others, it's a time of year that leaves them particularly vulnerable to feelings of loneliness. **Though loneliness is common, how and why people experience it varies widely.** Some people may live a happy and healthy life with minimal social interaction, while others may have contact with family and friends and still feel alone.

If you're experiencing feelings of loneliness this holiday season, use these tips to cope in a healthy way:

1. **Remember that you're not alone.**
2. **Reach out to people around you.**
3. **Practice self-care.**
4. **Redefine your expectations.**
5. **Give back to your community.**

The holidays can be challenging. Whether you are dealing with the loss of a loved one or are simply far away from family and friends, there are ways that you can cope with feelings of loneliness and take care of your own wellbeing. Share these tips with anyone you feel may be at risk of experiencing loneliness this holiday season.

Source: <https://www.mentalhealthfirstaid.org/2021/12/loneliness-how-to-cope-during-the-holiday-season/>



Good news

The *JMPF Pensioner Guide* and the *JMPF Member Guide* has recently been reviewed and emailed to all members and pensioners for whom the Fund has contact details. Please contact the Call Centre on 0800 122 992 if you did not receive a copy and want one to be sent to you.



Goeie nuus

Die *JMPF Pensioenaris- en Ledegids* is onlangs hersien en is uitgestuur na alle lede en pensioenarisse vir wie die Fonds kontak besonderhede gehad het. Skakel asb die Inbelsentrum by 0800 122 992 as u nie 'n afskrif gekry het nie en graag een wil hê.



Izindaba ezimnandi

I-JMPF Pensioner Guide kanye ne-JMPF Member Guide isanda kubuyekzwa futhi athunyelwa nge-imeyili kuwo wonke amalungu kanye nabahola impesheni iSikhwama esinemininingwane yokuxhumana nabo. Sicela uthinte iSikhungo Sezingcingo ku-0800 122 992 uma ungayitholanga ikhophi futhi ufuna ukuthunyelwa yona.

Please remember to keep your contact details up to date with the Fund.