

Retirement



# Alexander Forbes Retirement Fund New Member Guide Comprehensive

# Welcome to the Alexander Forbes Retirement Fund comprehensive offering

## We're thrilled you're part of the AFRF

Your retirement savings may well be one of the biggest investments you will ever have. For this reason, it is important to understand how your retirement benefits are structured and how the pension fund operates, especially if you want to maximise your retirement savings. Please read this member guide carefully and contact the pension fund offices if you have any questions or need more information in this regard.

### After reading your new member guide you should have a good idea of:

- AF Connect
- AF Rewards
- What contributions are and how they work
- How the Two-Pot system works
- How your retirement savings is invested



# Before all else - get connected!

Staying connected and in control of your retirement goals is easy with:



## AF Connect



Enjoy the online platform, which gives you access to:

- > Personal details
- > Benefit statements
- > Investment portfolios and balances
- > Investment product details
- > Personalised product and portfolio management
- > Claims summary and status
- > Fund fact sheets
- > Submit a savings-pot withdrawal claim

- > Visit AF Connect [here](#) and follow the menu prompts
- > Once you've registered, you'll receive confirmation that your registration is complete

## WhatsApp



Use WhatsApp self-service, which gives you access to:

- > Connect with an Alexforbes financial adviser
- > Benefit statements
- > Latest tax certificate
- > Claims summary and status
- > Register on AF Connect or reset password
- > Learn more on specific topics
- > WhatsApp uses end-to-end encryption to keep your messages secure



 Scan me

# Make informed financial decisions

## My Money Matters toolkit

You get free access to professional financial consultants through the My Money Matters toolkit.

Making decisions that affect your future self is easier if you know what matters most to you and what your goals are.

My Money Matters toolkit is there to help you manage your finances and guide you through starting a new job, resigning or retiring.

### Access My Money Matters toolkit



0860 000 381



[mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com)



Visit the site: <https://mymoneymatters.alexforbes.com/>

## AF Rewards

AF Rewards offers members valuable savings and discounts on everyday products and services. The benefit partners and discounts are updated regularly for a truly dynamic and exciting online shopping experience. One platform, leading brand names, multiple benefits. It makes perfect rands and sense!

### Here's what you get:

#### Supermarket coupons



The supermarket coupon solution features discounts on these products from some of the leading supermarket chain stores.

**Shoprite, Checkers, Checkers Hyper and Pick n Pay**

#### Airtime deals



Stay connected with convenient access to airtime at discounted rates.



#### Travel deals



For superior rates on all your holiday travel requirements.

#### Wellness



The wellness coupons from Dischem offer the perfect balance of products and services to create a truly customised wellbeing solution.

**Dischem**

### Who is it for?

- > Alexforbes Rewards is for South African members only and we need to have your ID or passport number.
- > Accessing your benefits: the Digital Mall is directly available on the **website**. You can access the discount partners on USSD \*120\*9006# through a call me back option. Supermarket, wellness, airtime and travel deals are available on both the Digital Mall and USSD. Just remember that there's a much wider range of benefits available on the online platform!
- > You stand a chance of winning prizes for downloading vouchers!





# What are contributions and how they work



**Every month**, money is put into your fund.

**This is called a contribution.**

After subtracting the costs of running the fund and any insurance benefits, the remaining money is invested towards your retirement.

You retirement savings are made up of:



any previous savings you transferred from another retirement fund



your contributions and any contributions from your employer



investment performance

# How the two-pot system works

The implementation of the Two-Pot system on 1 September 2024, will allow you to access some of your retirement savings changes before you reach retirement age.

The objectives of the two-pot retirement system are to improve retirement outcomes by ensuring higher preservation before retirement, while also providing freedom to members in financial distress. Retirement savings are often the only source of savings. Previously some members have left their jobs to access this money in times of need. The new system allows access to some of your retirement savings, whilst remaining employed and saving for retirement.



## Vested pot

10% to a maximum of R30 000 from the vested pot, will be transferred to the savings pot on 1 September 2024. This transfer of money from the vested pot to the savings pot is a once off event and won't be repeated.

## Savings pot

Accessible portion



- **One third** of your ongoing contributions will be allocated to this pot
- You may withdraw money from your savings pot before retirement use it to set up an income at retirement
- **Conditions apply**

## Retirement pot

Accessible only at retirement



- **Two-thirds** of your contributions is not accessible until you retire
- Must be used to set up an income for retirement

**Condition 1:** only **one withdrawal in a tax year** is allowed; amount must be **at least R2 000**

**Condition 2:** on **resignation a second withdrawal** is allowed in the same tax year, if the amount is **less than R2 000**

Tax on **pre-retirement withdrawals** at marginal tax rate

Tax applies on **lumpsum withdrawals at retirement per retirement tax table**.  
First R550 000 taxed at 0%.

**Seed capital:** 10% of fund credit at 31 August 2024, but limited to a maximum of R30 000 and is **once off**.

## No cash lump sum even at retirement

If the amount in your retirement pot, plus two thirds of your non-vested money is less than R165 000 then you can take everything in cash at retirement


















To make a withdrawal from your savings pot, you must register on **AF Connect**. After logging in, you can complete the claim form.



## Your ongoing contributions from 1 September 2024

**Provident Fund members** - Depending on your age, if you've changed funds or opted into the two pot system, you may have retirement savings in some or all of these pots. The table below illustrates which pots your retirement savings are in.







Your pots	Members aged 55 years or older on 1 March 2021 - and you <b>do not join</b> the two-pot system	Members aged 55 years or older on 1 March 2021 - and you choose to <b>join</b> the two-pot system	Members aged 55 or older on 1 March 2021 and have <b>changed funds</b>	Members younger than age 55 on 1 March 2021 you <b>will automatically join</b> the two-pots system
 <p><b>Savings pot</b> - <b>One-third</b> of your ongoing contributions made after 1 September 2024</p>				
 <p><b>Retirement pot</b> - <b>Two-thirds</b> of your ongoing contributions made after 1 September 2024</p>				
 <p><b>*Vested pot</b> - is the money saved as at 31 August 2024, including any *non-vested money</p>				

**\*Non-vested money** is the money you saved between 1 March 2021 and 31 August 2024 or 1 March 2021 and the date you **changed funds**.





**Pension fund members** - Your ongoing contributions will be go into the following pots:

Your pots	All Pension fund members
 <p><b>Savings pot - One-third</b> of your ongoing contributions made after 1 September 2024</p>	
 <p><b>Retirement pot - Two-thirds</b> of your ongoing contributions made after 1 September 2024</p>	
 <p><b>Vested pot</b> - the money saved before 1 September 2024</p>	 <p>No further contributions. The money in this pot will remain invested and continue to grow.</p>

Members who enter the job market after **1 September 2024**, will only have a savings pot and a retirement pot.





# Choosing a higher contribution rate

Increasing your contribution rate won't affect your pay, after tax, as much as you think.



Contribute as much as you can afford towards your retirement.

When you contribute money to a retirement fund, it can lower the amount of taxes you need to pay. You can contribute:

up to **27.5%** of your taxable earnings **or** **R350 000** every year

Consider increasing your retirement contribution amount at increase time so that you feel the impact less.

## How we grow your money

The AFRF board of trustees chooses strategies to invest your money for retirement.

They are trusted professionals who are chosen to manage and govern the fund. They use the services of professional asset consultants to develop investment strategies. They also ensure these strategies comply with the law of retirement investing, which is in place to protect your investment.

Unless you have chosen your own investment strategy, your money is invested in the investment strategy your employer chose. This may be one of the **lifestyle strategies**.

## About the lifestage strategy

The average person works for **40 years**

That's why it's a good idea to start investing as early as possible.



### Sometimes investing can be challenging

You want your retirement savings to grow over time. Your savings are invested, which means they can go up and down over shorter time periods because of investment markets. The value of your investments could even fall quickly over short periods - days, weeks and months - and it's painful to experience this if you're keeping track of your savings.

### The lifestage strategy is a phased approach

Your money is invested in a growth portfolio until five years before retirement. At this stage a portion of your money is automatically switched every three months from the growth portfolio to an income target portfolio. By the time you are two years before retirement age, all your money will have moved to an income target portfolio.

You will see your retirement savings going up and down over short periods - that's why keeping staying invested for as long as you can is the most important thing you can do.

**You decide how much money you save in the fund. How well your investments perform depends on how well the economy is doing.**



## When making important decisions, consult your HR department or a financial adviser

Your decision is your responsibility, but you are not alone in making it.

## HOW?



Call our call centre on 0860 100 333 or email us at [admin@alexforbes.com](mailto:admin@alexforbes.com)

[alexforbes.com](http://alexforbes.com)



# Saving is important, but is it enough?

**When you save**, you put money away in a safe place so that you can use that same amount in the future - it's a good way to manage your money to pay for things while you're working, but it doesn't grow the way you need it to for retirement.

## Saving

VS

## Investing

**When you invest**, you put your money in expert hands so that they can grow it through things like shares, funds, cash and property - giving you the best chance of retiring with enough money, without having to work any harder to increase your wealth.



You can't start saving for your future too early, so why risk being too late?



Relationships and gardens need nurturing and time to blossom ... and so do your retirement savings.

Keep your retirement savings invested, and add to them when you can, so that they can keep on growing over many years.





# Nomination of beneficiary form

Consider your loved ones: Who would you like to support financially with a portion of your retirement savings when you are no longer here?

Register for AF Connect today and fill in your forms here.

**alexforbes**  
insight · advice · impact

ALEXANDER FORBES FINANCIAL SERVICES (PFT) LTD  
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Operations and Administration Division  
Telephone: 0800 100 251 | Email: [connect@alexforbes.com](mailto:connect@alexforbes.com)

## Nomination of beneficiary form

Who needs financial support when I die?

**Why do I need to complete this form?**  
If you die while you work for your employer, the people you choose to support financially in this form will get a share of your retirement savings from the retirement fund.  
To ensure that your loved ones are taken care of when you're not there to look after them any more, we need information about you and them in this form.

**Before you fill in the rest of the form**  
**Who is a beneficiary?**  
It could be your mother, your spouse, your children, or anyone else in your life who depends on you financially, even a charity. These people are called your beneficiaries.  
**How will my retirement savings be shared out when I die?**  
The law says the trustees who run the retirement fund have to decide how your retirement savings will be shared out among your beneficiaries. They have to base it on your family members and dependents, and decide who to share your retirement savings with and how much to give each person.  
**Will the trustees carry out my wishes in this form?**  
By using this form as an expression of your wishes to guide the trustees. However, it's not a legally binding will. The trustees will consider this form, and the management committee of the fund will help them with this information, but the trustees have the final say. You may include any additional information in the **Notes** box on page 2 that you believe may be useful to the board of trustees, in making a fair decision.  
**What if I don't want a family member to receive a share of my retirement savings?**  
Allocate 0% and explain why in the **Notes** box.

It could be your children, your spouse, your mother, or anyone else in your life who would benefit from your wise financial choices in life. These people are called your 'beneficiaries'.

If you die while you work for your employer, the trustees will use your nomination of beneficiary form as a guide on who to share your retirement savings and life cover (if applicable) with.

You need to complete a nomination of beneficiary form **for every benefit your employer has included in your employment package**, for example funeral cover, life insurance and your retirement savings in the fund.



You can complete all your beneficiary nomination forms on AF Connect, which means all your important information will be stored in one safe place. No more printing of documents and giving copies to your HR or payroll department.

**Why is this so important?** If you don't complete or update your nomination of beneficiary forms, it will take much longer for the benefits to be paid out to you or your family.

Ask your HR or payroll department for your nomination of beneficiary forms if you can't access AF Connect.

## Protecting personal information

The fund understands the importance of keeping your personal information safe. Our privacy statement sets out how the Alexander Forbes Retirement Fund (Pension Section and Provident Section) uses and protects your personal information to comply with the requirements of the Protection of Personal Information Act 4 of 2013 or POPIA. You can find the **privacy statement** on our **website** under the fund governance section. You may request that the fund delete your personal information. To do this, you must complete the form which is included in the privacy statement. Send your request to our information officer, Chantell Watkins at: [affundio@alexforbes.com](mailto:affundio@alexforbes.com).

# Consolidating retirement savings - A smart move

Do you have any retirement savings from your previous employer's provident or pension fund?

Check if you have any retirement savings with your previous employer or other funds and consider moving them to one place. Your money will grow alongside the contributions you will be making in the future.



**If you want to do this**, get a withdrawal claim form from your previous employer's HR department, fill that in, and send it back to them. We'll take care of the rest.

## The benefits of consolidating in a nutshell:

- less fees
- more interest earned on interest
- easier to keep track of all your retirement savings



You also have the option to move your previous retirement savings to the Alexander Forbes Retirement Income Solution preservation or retirement annuity funds. You can do this if you'd like to keep your previous retirement savings invested but don't want to move them to your current employer's retirement fund.



## Staying invested means you won't lose your progress and you won't have to start saving all over again.

While you may be tempted to dip into your retirement savings when leaving your employer, your future self will thank you for keeping your savings invested and growing.



# Your future retirement salary



Making a monthly contribution to retirement may feel like you're losing a chunk of your salary, but when millions of South Africans retire on a third or less of their salary it makes sense to look after your future self.

Think of your contributions as your future salary replacement - the one you can earn without doing any extra work!

If you earned **R10 000** a month **before** retirement

You might receive an income of about **R3 000** **after** you retire



Alexforbes Member Watch™

**Create the retirement you want by saving as much as you can throughout your working career. Don't withdraw your retirement savings when you change jobs and get professional financial advice.**





## Contact details

If you have any questions about your fund benefits, please contact your human resources department.

Call our call centre 0860 100 333  
Email us at [admin@alexforbes.com](mailto:admin@alexforbes.com)