

## > CFI.co Meets the CEO and Principal Officer of NJMPF: Sam Camilleri

**W**hat drives the NJMPF forward, how do they create further momentum?

"Reflecting on the successes of 2016, it is difficult to imagine how to top it," says Sam Camilleri, CEO and Principal Officer of the Natal Joint Municipal Pension/KwaZulu-Natal Joint Municipal Provident Funds (NJMPF) when we caught up with him recently.

The NJMPF always has more than one major project on the go at any given time – the responsibility to achieve these is given to teams of skilled staff headed by a member of the management team. This ensures focussed attention to the task at hand and status reports are presented to Camilleri regularly.

**So, what inspires them to go the extra mile?**

"It is perhaps an inherent belief that our duty lies in improving the lives of our members and pensioners. It means we need to find innovative ways to become more efficient and cost-effective in the running of the Fund. We are constantly looking for better ways to communicate and educate our members so they may make the right financial decisions when it comes to their Fund and their financial futures."

"The financial literacy programme is an example of doing just this. Whilst part of the W's membership has the financial savvy to understand the nuances of financial planning and fiscal responsibility, the NJMPF positions itself to act as a conduit between National Treasury and the membership who are less equipped to understand the complexities of investment and risk benefit management."

"Some of the projects involving members and human resource representatives at the 55 municipalities they service include: working with the Financial Services Board and the Office of the Pension Fund Adjudicator in South Africa, presenting educational modules encompassing the need for drafting a will, inflation, compounding interest, budgeting, encouraging higher contribution rates into the NJMPF's Provident Fund and the most recent project being the South African National Credit Regulator joining Member Roadshows conducted by the NJMPF. "

"This culture of working with the national regulators extends to co-operative and constructive engagement with our provincial government. We also work with the Financial Services Board by adopting unclaimed benefits as a major project and provide input at national level with the upcoming Default Regulations. We find ways to implement proposed legislation in a



CEO and Principal Officer: Sam Camilleri

positive way and avoid highlighting the reasons why something wouldn't work."

"Investment returns have been phenomenal in the past few years and our pensioner increases and bonuses are unsurpassed. Our pension increases are way ahead of inflation and this impacts positively on the quality of life of our pensioners."

Through his interactions with global leaders in the investment and retirement funding arena, and the recognition gained in New York, London, The Hague and in South Africa, Camilleri has raised the bar for his team. No longer is the NJMPF satisfied with setting the standard

within South Africa, the Fund is looking to be a market leader recognised globally for the work it is doing.

Whilst the core principles of good governance, clean audit, top-quartile investment returns, and accurate administration remain important, the NJMPF is constantly trying to find new ways to communicate with members and pensioners and to providing value-added solutions.

Through Camilleri's inspirational leadership, the team at NJMPF believe it still has plenty to give their stakeholders by providing a service of the highest international standard. ✨

# > Natal Joint Municipal Pension/Provident Funds (NJMPF): Moving Forward, Continuing the Momentum



For over half a decade the Natal Joint Municipal Pension/KwaZulu-Natal Joint Municipal Provident Funds (NJMPF), a South African retirement fund, has been successful in achieving numerous awards both locally and internationally.

“Although awards are usually a good indication of performance, the challenge is sustaining and continuing the momentum,” mentions Sam Camilleri, CEO and Principal Officer at the NJMPF. “This momentum happens because we continually ask ourselves – what’s next? This drives us forward and keeps us on track with our mission and obligation of providing superior retirement services.” Through recent projects and campaigns, the NJMPF reveals how it continues to move forward.

### AN ETHICAL CORPORATE GOVERNANCE CULTURE

For the NJMPF, executing good governance is not based on a tick box approach where parameters of good governance are based on compliance with statutory and legal requirements set out in the Pension Fund Act and other legislative statutes regulating retirement funds industry in South Africa. Instead, the NJMPF’s governance structure is built on a culture where ethical and astute behaviour is rooted in its DNA. Evidence of this is that, over the years, the NJMPF subscribes to the Institute of Directors for Southern Africa (IoDSA) which is the convener of the King Committee and the custodian of the King Reports which examine the levels of good corporate governance structures, policies, and procedures for legally registered institutions in South Africa. The NJMPF, for many years including the most recent assessment in 2016 by IoDSA, has been achieving an overall score of AAA – the highest achievable. This shows the continued nature of good governance at the NJMPF.

### MAINTAINING CLEAN AUDIT REPORTS

The Auditor-General of South Africa has a constitutional mandate, and exists, to strengthen accountability and governance in the public sector. The NJMPF has continued to achieve clean audit reports in an environment where these are rare. Clean audits promote confidence and ensure stakeholders that their funds are administered in a proper and sustainable manner. This achievement is further evidence that the NJMPF continues to uphold its compliance requirements whilst maintaining its momentum.

“Through its smartphone application, NJMPF aims to influence and motivate members to improve their financial provision for retirement and also encourage members to think about retirement planning daily.”

### ENHANCED BENEFITS FOR STAKEHOLDERS

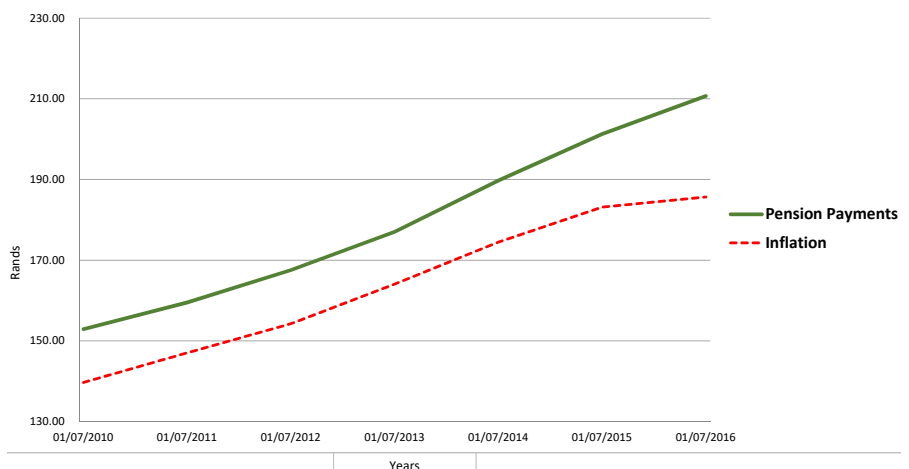
One of the fundamental obligations of a retirement fund is to ensure members and pensioners have inflation-beating investment returns and monthly pensioner payments keep up with the inflation rate.

Over recent years, the NJMPF has been able to sustain good investment returns for

stakeholders. According to the NJMPF’s actuary, who is independent from NJMPF’s administration, if you had invested R 1 million with NJMPF (Provident Fund) in the year 2000, your investment earnings would have increased nine-fold – to be worth more than R 9 million (after costs) in 2016. And, it does not stop there: pensioners of the NJMPF are awarded increases and benefits which greatly improve their standard of living. If the market performs well, NJMPF pensioners also receive ad-hoc bonuses or one-off special increases, the most recent being a special increase of 8.33% which was paid from January 2016. Since July 2015, pensioners of the NJMPF have received monthly increases totalling 19.08%. Below is a graph showing pension increases and bonuses versus inflation over the past six years ending 2016.

As can be seen from the graph, increases and bonuses declared by the NJMPF to their pensioners surpass inflation significantly – reflecting an improved standard of living for Pensioners.

A significant project, initiated by the NJMPF, is the alignment of its Rules and Regulations to new legislation and the elimination of past





discrimination. The rationalisation for updating the Rules and Regulations is aimed at improving and protecting stakeholders' benefits. This is all part of the NJMPF's strategy to continually move forward in enhancing the lives of its stakeholders.

#### **ELIMINATING UNCLAIMED BENEFITS**

Unclaimed Benefits are a big concern for retirement funds in South Africa. The South African Financial Services Board has reported that Unclaimed Benefits owed to some 3, 5 million beneficiaries of retirement funds, probably amounts to R 34 billion.

Unclaimed Benefits arise when a member resigns, retires, or passes away, leaving no contact details. Monies due cannot be paid out until contact has been established with the member, widow, guardian or beneficiary.

The NJMPF experiences difficulties in locating members, especially since its membership is spread across the Province of KwaZulu-Natal (South Africa) where members were previously employed at one of the 55 municipalities they serve. The NJMPF has always considered finding members/dependants important, but as a result of a focused strategy to combat Unclaimed Benefits, the unclaimed value of benefits, including accrued interest, has been reduced to R 4 million, a mere 0.02% of the NJMPF's total assets.

The project continues with vigour as the NJMPF will not be satisfied until all members are traced and their benefits paid out.

#### **PROVIDING LIFE-CHANGING COMMUNICATION AND EDUCATION**

The NJMPF has improved its communication and interaction with stakeholders through information technology by introducing an interactive webpage that was developed around meeting the needs of its stakeholders. Features on the webpage include items such as member login, site offered in more than one language (also in Zulu which is the language of the majority of members), training videos, financial literacy articles and tools, net replacement ratio estimations, loan repayment calculators, instant access to pension certificates and benefit statements. This allows stakeholders to have instant access anywhere and anytime.

Soon, the NJMPF will debut a cross-platform mobile application that will allow its members to have easy and direct access to information and benefits using their smart phones. Research conducted on smartphone usage reports that smartphone access in South Africa is growing rapidly and this is becoming a significant communication medium.

According to Camilleri, "Through its smartphone application, NJMPF aims to influence and motivate members to improve their financial provision for retirement and also encourage members to think about retirement planning daily."

A dedicated client relationship officer from NJMPF visits members at 55 municipalities throughout the year, explaining the benefits of the fund and presenting educational financial

literacy information. Workshops are held twice a year at NJMPF's offices for human resources and payroll staff from the municipalities to attend training, refresher training, and launches of new services. In order to enhance relations and open further communication with stakeholders, the NJMPF recently introduced a campaign to liaise directly with senior municipal officials (municipalities are the employers of NJMPF members).

Roadshows for beneficiaries and guardians have also been introduced recently by the NJMPF. The roadshows are designed to assist beneficiaries and guardians who reside in remote locations and allow easy access to the NJMPF. This limits misunderstanding and enhances knowledge-sharing in an endeavour to achieve better communication.

Planned for 2017 are pensioner roadshows and presentations at venues across the Province of KwaZulu-Natal. During the roadshows current and relevant information will be shared such as declaration forms, pension increases, tax certificates and developments affecting the pensioners. The project is aimed at giving pensioners who reside in remote areas an opportunity to directly interact with the NJMPF's delegations.

The NJMPF's drive, passion, strategic views, and continued commitment in providing superior retirement service for stakeholders has allowed the NJMPF to move forward which is why it has been able to continue with its momentum. ❁