



# NJMPF

## MEMBER NEWSLETTER

Your quarterly news update - December 2017

Your Fund, Your Savings, Your Future

### MESSAGE FROM THE CEO/PRINCIPAL OFFICER



Sam Camilleri

2017 has certainly been an interesting and eventful year at the NJMPF.

Sam Camilleri, Chief Executive Officer (CEO) and Principal Officer shares some of his thoughts which defined 2017 in this edition.

I would love to start on a positive note and there have been a number of those, but in my opinion I would be failing in my fiduciary duties if you were not advised **of a potential threat to your Pension Fund and its assets.**

Your pension fund, the NJMPF is recognised as one, if not, the best pension fund in Local Government. Testament to that, are the number of prestigious awards that the Fund has won, which in summary are:

**The KZN Standard Bank business award for best financial services company in KwaZulu-Natal, the Africa Investor award for African Pension Fund Initiative of the Year, the World Pension Summit award for design and planning, and the Best Practices Industry awards by the Institute of Retirement Funds Africa (IRFA) for good governance, best investment practices, excellence in communication strategy, financial education, best transformation strategy and trustee education. For over half a decade the NJMPF has been successful in its mission and obligation of providing cost effective and superior retirement services, which is reflected in its numerous awards. The NJMPF has notched up a commendable list of awards in the industry, both locally and internationally with a total of 21 awards during 2017. In this newsletter on the last page I will list all the 2017 awards. All our awards can also be viewed on our webpage: [www.njmpf.co.za](http://www.njmpf.co.za).**

Notwithstanding the recognition and esteem which members together with local and international retirement industry accords the **NJMPF, ARE YOU AWARE THAT?**

The South African Local Government Bargaining Council (SALGBC), which Bargaining Council comprises SALGA (Employer) and the Trade Unions (IMATU & SAMWU) – (Employee Representative), are currently bargaining on a retirement fund collective agreement, **which if implemented under its current proposals would have a serious impact on the function and existence of your Fund**, and in turn, it threatens the very pension that you have worked so hard for over all the years in Local Government.

#### WHAT IS THE BOARD OF THE NJMPF DOING?

- Your Board is working diligently and tirelessly at local and national levels to protect your rights and interests; and
- The NJMPF will continue to protect the Members and Pensioners vested rights.

Your future benefits, that of the Retirement and Superannuation Funds, might be dramatically changed, perhaps reduced or even stopped. In view thereof, the Board and I strongly recommended that **each member considers the following.**

**This is one battle where we also need the assistance of every Member (employee) and Pensioner.**

#### WHAT CAN YOU AS AN EMPLOYEE MEMBER AND PENSIONER DO?

- Ensure that your trade union constituency shop steward, and/or regional shop steward and/or shop stewards at national level (NEC) be held accountable to ensure that the members future pension promise be protected; and
- Request that your trade union does not enter into a Collective Agreement on the current pension fund restructuring proposals, until each member of the trade union has been balloted.



CONTACT: Client Services | TEL: 031 279 5300/0861 065 673 | FAX: (031) 266 6715 | EMAIL: [info@njmpf.co.za](mailto:info@njmpf.co.za) | POSTAL ADDRESS: P.O. BOX 33, Westwood, 3633 | STREET ADDRESS: 5 Derby Place, Derby Downs Office Park, University Road, Westville, 3629 | WEBSITE: [www.njmpf.co.za](http://www.njmpf.co.za)

# LOCAL GOVERNMENT SECTOR UPDATE



## WHAT CAN YOU AS A MEMBER DO?

- Contact your local Mayor and ask (after all they were elected to serve their constituents) if he/she has been consulted on the SALGBC restructuring proposals; and
- **IF NOT**, request from the Mayor concerned to explain how the Employer at national level (South African Local Government Association – SALGA) obtained its mandate, which will have a dramatic effect on the employees.
- **Why not join the Retired Municipal Employees Association (RMEA)?** Please remember in **UNITY THERE IS STRENGTH** but **DIVIDED we FALL**.

The RMEA, to which many of you belong, fully supports the above and is also fighting at local and national level to protect your rights and interests. (Contact the Secretary of the RMEA at [RMEAss@gmail.com](mailto:RMEAss@gmail.com) / 031-5642909 or Dave Rogers at [davero@telkomsa.net](mailto:davero@telkomsa.net) / 0317653995).

## IMPORTANT ANNOUNCEMENT

**The NJMPF's Annual Feedback Meeting (AFM) takes place on the 2<sup>nd</sup> of March 2018. The AFM will be held at the City Hill Church Hall, 9 Greenmeadow Lane, Hillcrest commencing at 10:00 am and ending at approximately 13:00 pm. Only Members and Pensioners of the NJMPF and Municipal Councillors are eligible to attend the AFM.**

## VALUE ADD FOR MEMBERS

### Top quartile investment results

The Funds' investment returns this year relative to the investment markets and the long-term benchmarks set by the Committee of Management have showed pleasing performance.

In our Provident Fund R1 million invested since 1 January 2000 has grown to R 9,5 million by 31 March 2017.



## IMPORTANT NEWS

- **The NJMPF's Funeral Aid Scheme premium has increased to R 39.90 per family per month but remains a value for money benefit. All participating members of the Scheme have been formally notified.**
- **Winners of the NJMPF's 'Member Update Information' Competition have been announced. To view the winners, please visit our webpage on [www.njmpf.co.za](http://www.njmpf.co.za).**
- **To get TIPS for the festive season and more on our financial literacy programme, kindly visit our webpage, follow us on our social media platforms and download our mobile application.**



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## VALUE ADD FOR PENSIONERS

### Pensioner Increases (Superannuation and Retirement Funds)

The NJMPF continues to provide inflation beating pension increases. Since July 2015 our Pensioners have received pension increases totalling 25.92%.

Increases in recent years awarded to our pensioners;

- \* A full CPI increase of 6.07% with effect from the 1st of July 2015,
- \* A special increase of 8.33% in January 2016, effectively a permanent 13th cheque,
- \* A full CPI increase of 4.68% with effect from the 1st of July 2016,
- \* A full CPI increase of 6.84% with effect from the 1st of July 2017.

In addition to the increases, pensioners receive ad hoc bonuses from time to time based on investment returns. These increases and bonuses surpass inflation and reflect an improved standard of living for our Pensioners.

## LOW FEES : VALUE TO MEMBERS

### Lower administration expenses

The NJMPF, in the Provident Fund, administers your retirement benefits for less than 1% of members pensionable salaries. The total operating costs incurred by the Fund including death and ill-health benefits and administration expenses is 1.80%.

## ENSURING SOLVENCY : VALUE TO MEMBERS IN THE DB FUNDS

### Additional Contributions/Surcharges in the Superannuation and Retirement Funds

The NJMPF is regulated and governed by the Pension Funds Act (PFA). All three funds also report to provincial government and the Financial Services Board (FSB). The Fund rules implemented under the PFA protect members' vested rights. The NJMPF administers the Superannuation and Retirement Funds (both Defined Benefit Funds) and the Provident Fund (Defined Contribution Fund). In the Defined Benefit Funds, a surcharge is being applied as recommended by the Fund's Actuary. This is an additional contribution by the Employer (Municipality) to fund the exit benefits of members whose salary increases have dramatically increased over the past decade. The payment of a surcharge ensures that the Fund is fully funded and able to pay members vested benefits once they become payable.

## HERE IS THE LIST OF AWARDS FOR 2017

### The NJMPF remains one of the most awarded retirement funds domestically and globally

This year a total of 21 domestic and international awards have been bestowed upon the Fund. These are spread across the spectrum of strategy, spearheading transformation, enhanced ethical business conduct due to our continued stringent culture of governance, upper quartile investment returns, financial literacy educational campaigns and measurable implementation of the communication strategy.

#### Awards received from Institute of Retirement Funds Africa 2017:

2017: **Trophies:** Financial Reporting, Transformation.  
**Special Mention Merits Certificates:** Transformation across all operations, Trustee education in investment practices.

**Gold Certificates:** Investment Practices, Financial Reporting, Communication Strategy, Transformation.



#### Award received at Standard Bank KZN Top Business Awards:

2017: Best Financial Services

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#### International award received from Africa Investor (Ai):

2017: African Pension Fund Initiative of the Year

#### International award received at the World Pension Summit:

2017: Plan Design

#### International awards received from Capital Finance International:

2017: Trophy - Best Practice, RSA  
Trophy - Best Corporate Governance, RSA  
Trophy - Best Pension Fund Stakeholder Benefits, RSA



#### International Global Banking and Finance awards received from The European:

2017: Trophy - Best Performing Pension Fund of the Year, South Africa  
Trophy - Financial CEO of the Year, South Africa

THE EUROPEAN

#### International award received from European CEO:

2017: Trophy - Best CEO in the Pension Funds Industry

#### International Business Awards received from Stevies:

2017: Gold - Company of the Year  
Bronze - NJMPF Interactive Website  
Bronze - PR Innovation of the Year  
Bronze - NJMPF Mobile Application

institute of retirement funds africa



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