



Your Fund, Your Savings, Your Future

NJMPF

MEMBER NEWSLETTER

Your quarterly news update - June 2018

MESSAGE FROM THE CEO/PRINCIPAL OFFICER

Welcome to the second issue of the Member newsletter for 2018.

The Financial Services Board (FSB) has formally taken up its new mandate as the Financial Sector Conduct Authority (FSCA), effective 1 April 2018. This marks the formal implementation of the Twin Peaks model of financial sector regulation, as envisaged in the Financial Sector Regulation Act 2017 (FSRA). Finance Minister Nhlanhla Nene, has now signed the Commencement Notice for the FSRA, formally establishing both the FSCA and its sister organisation, the Prudential Authority (PA).



Mr Sam Camilleri - CEO/Principal Officer

What the new regulations aim to achieve

- Protect financial customers by promoting their fair treatment by financial institutions,
- Providing financial education programmes and promoting financial literacy,
- Enhance and support the efficiency and integrity of financial markets,
- Assist in maintaining financial stability,
- Ensure solvency of financial institutions,
- Support the overall policy objectives of financial inclusion and transformation of the financial sector.

Once fully phased in, the Twin Peaks regulatory model will focus on a more harmonised system of licensing, supervision, enforcements, customer complaints, appeals and consumer advice and education across the financial sector.

NJMPF KIDDIES COMPETITION

The Kiddies Competition was communicated in the first quarterly newsletter, social media, via email and the NJMPF's webpage during April 2018.

The competition consisted of two sections; - the Colouring-in of the NJMPF's crest and completing the Word Search, with a closing date of 29 June 2018. The Fund has decided to have two draws for the competition. The first lucky draw winners are listed below, along with their winning art work. The second draw winners will be announced via the Fund's communication mediums, after the closing date of the competition. All six winners will be revealed in the third quarterly newsletter.

To view the below artwork in colour visit: www.njmpf.co.za.

Congratulations to:

Diya Sukhdeo

Bandile Sihle Zungu

Siphelele Mathanjwa



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KNOW YOUR FUND



MEMBER BENEFIT STATEMENTS

One of the most important ways for you to stay informed about your contributions and benefits is by receiving and reviewing your personal benefit statements. The benefit statement indicates the benefit a Member would receive upon resignation, ill-health, retrenchment, retirement or death based on the rules and regulations of the Fund.

The enhanced benefit statement design helps Members understand their saving ratio and measure if they are in an adequate savings pattern. Members are encouraged to review and understand their benefit statements.

A key feature in your benefit statement is the Net Replacement Ratio estimation.

What is the Net Replacement Ratio (NRR)?

The NRR is the comparison between your last salary at work and your first pension in retirement.

The general goal is an NRR of 75% or more.

For instance, your last salary is R10 000 pm and for your first pension you receive R7500 pm (which is 75% of your last salary).

Benefit statements are distributed to Human Resources offices in June/July each year. Members are advised to start asking their HR officers for their benefit statements towards the end of July if they are not received by then.

Attached to the benefit statement is a nomination form along with a section to update your contact details. Members are advised to check their nomination form for accuracy. If you want to make changes, you can do so and send the form back to the Fund. It is very important to ensure that the Fund has your current contact details. The NJMPF has the capability to email benefit statements and Members are encouraged to update their details with the Fund, particularly their email addresses and cell phone numbers. Only complete these forms if you have not previously, or if the details of your dependants or your contact details have changed.

REMINDER

Benefit statements are available to Members on written request through the Client Services Centre by sending an email to: info@njmpf.co.za.

Members can obtain their benefit statements through the Fund's interactive website 24/7 at www.njmpf.co.za.

The NJMPF's revamped Mobile App allows members to view their benefit statements as often as they like, through the online member portal.

GOOD NEWS FOR PENSIONERS OF THE RETIREMENT AND SUPERANNUATION FUNDS

The Fund is pleased to advise that the Board of Trustees has approved a full Consumer Price Index (CPI) increase of 4.68% to Pensioners with effect from 1 July 2018. A pro-rata increase will be paid to Pensioners whose pensions commenced during the year 1 April 2017 to 31 March 2018. A special bonus of 50% of one month's pension has also been awarded and will be paid closer to the end of the year.

Pensioners are reminded that the 13th cheque was made permanent when an extraordinary increase of 8.33% was awarded in January 2016.



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FINANCIAL LITERACY



NJMPF ANNUITY

An Annuity is a retirement vehicle which pays out an agreed upon stream of payments (mostly monthly pensions) to individuals who have reached retirement age.

An Annuity is usually a contract between you and a retirement fund or insurance company. The basic principle of an Annuity is to provide a steady stream of income during retirement.

*** A detailed definition of an Annuity can be read in the Income Tax Act.**

The NJMPF is preparing amendments to the regulations of all three Funds to enable the requirements of the Default Retirement Regulations which became law in 2017 with an effective date of March 2019. The result of the amendments will be that the NJMPF can offer retiring Members an In-Fund Annuity at far less a fee than purchasing one from an insurance company. Also available will be the ability to preserve benefits on resignation and allow the benefits to grow until needed – either as a lump sum or payable as a monthly income. The Fund will also build a retirement counselling platform to inform and educate withdrawing or retiring Members - to help them make informed decisions when exiting the Fund.

HUMAN RESOURCE (HR) AND PAYROLL TRAINING WORKSHOPS

During May 2018, the NJMPF held training workshops for HR and Payroll officers of all associated municipalities.

The format of the training workshops aimed to equip Human Resource and Payroll officers in a “train the trainer” programme so that they are able to transfer their knowledge to members within municipalities in the Province. The Fund takes financial literacy seriously and therefore it continuously tries to find avenues to partner with institutions who could equip stakeholders to make better financial decisions. The NJMPF introduced the South African Revenue Service (SARS) in this year’s training workshops. Following the workshops, the NJMPF’s Client Relations Officer will be accompanied by a SARS representative to present to members at some of the forthcoming member Roadshows on topics such as; Tax Compliance, Retirement Lump Sum Benefits, Withdrawal Lump Sum Benefits and Tax-Free Savings to name a few.

REVAMPED NJMPF MOBILE APPLICATION

The NJMPF announced its revamped Mobile App in May 2018. The NJMPF's redesigned Mobile App **“(Fund in the Palm of your Hand)”** comes with exciting new added features which include:

- Logging queries to the NJMPF's Client Services Centre,
- Access to financial information and financial literacy articles weekly,
- Access to current Fund news,
- Click button to call and click button to email,
- Viewing of NJMPF informative videos.



The Mobile App provides fast access and browsing facilities. Browsing through the redesigned Mobile App is a familiar experience for members who use the NJMPF website as the App follows the theme of the website. We are pleased to confirm that the updated version uses less data than previously. Be on the lookout during roadshows. The NJMPF will be communicating the exciting new features of the App. The Fund will also give free access to members to download the App during roadshows.

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