



Learning



Planning



Living

12 March 2024

Dear All

IMPORTANT NOTICE – RISK REVIEW

As part of the 2024 rate review, the Trustees of the ISASA Retirement Fund, through its Audit, Administration, and Risk Committee (AARC), undertook a rebroke exercise of the Fund's risk benefits. This exercise aimed to test the market to see whether the premium rates, multiples of cover, and terms of conditions provided by the current insurer (Old Mutual Group Assurance) were competitive.

The following Insurers were approached:

- Discovery
- Hollard
- Momentum
- Old Mutual (Existing Insurer)
- Sanlam

The results of the analysis showed that the current insurer was the most competitive in the market. Below are the accepted rates by the Trustees with effect from **1 March 2024**. Kindly ensure that your payroll is updated accordingly.

Retirement Fund Summary					
Part	Benefit	Insurer	Premium Rate	Change to payroll	Change in Benefit
Part I	Group Life	Old Mutual	0.55%	NO	YES
Part I & II	Income Disability	Old Mutual	0.967%	YES	NO
Part II	Group Life	Old Mutual	As Elected by the school: <ul style="list-style-type: none"> • 0.55% • 1.05% • 1.55% 	NO	YES

- Please refer to the funeral benefit changes below

Retirement Fund Benefit Structure:

ISASA RETIREMENT FUND GROUP LIFE BENEFITS		
RETIREMENT PART I (DB) – 0.55%		
Age Bands	Current Multiples	1 March 2024
Age 18-35	3.66	3.96
Age 36-40	3.43	3.71
Age 41-45	3.29	3.56
Age 46-50	2.84	3.07
Age 51-55	2.72	2.94
Age 56-60	2.68	2.90
Age 61-64	2.44	2.64
Age 65-69	1.95	2.11

RETIREMENT PART II (DC) – 0.55%		
Age Bands	Current Multiples	1 March 2024
Age 18-35	3.66	3.96
Age 36-40	3.43	3.71
Age 41-45	3.29	3.56
Age 46-50	2.84	3.07
Age 51-55	2.72	2.94
Age 56-60	2.68	2.90
Age 61-64	2.44	2.64
Age 65-69	1.95	2.11

RETIREMENT PART II (DC) – 1.05%

Age Bands	Current Multiples	1 March 2024
Age 18-35	7.32	7.92
Age 36-40	6.87	7.44
Age 41-45	6.59	7.13
Age 46-50	5.59	6.05
Age 51-55	5.04	5.46
Age 56-60	4.25	4.60
Age 61-64	3.80	4.11
Age 65-69	2.79	3.02

RETIREMENT PART II (DC) – 1.55%

Age Bands	Current Multiples	1 March 2024
Age 18-35	10.53	12.29
Age 36-40	9.98	11.64
Age 41-45	9.34	10.90
Age 46-50	8.70	10.15
Age 51-55	7.87	9.18
Age 56-60	6.41	7.48
Age 61-64	5.49	6.40
Age 65-69	3.80	4.43

FREE COVER LIMITS

Current FCL	1 April 2024
R18 000 000	R18 000 000

Benefit Structure – Disability Income

Premium Rate	0.967%
Basic Benefit	87% (75% of pensionable salary plus 12% Employer Waiver) The benefit may not exceed the member's total Guaranteed Package after the deduction of tax at the start of the waiting period.
Maximum Benefit	R165 000 p.m.
Waiting Period	3 months
Escalation	CPI to a maximum of 4%
Employer waiver	12%
Death Cover	Continues while in receipt of this benefit
Free Cover Limit	R145 000

This benefit is available to all ISASA Schools even if the school does not participate in the ISASA Retirement Fund.

New schools can join between 1 March and 31 March 2024, and once the school chooses to participate in the Scheme, it becomes compulsory for all employees in that school to join the scheme.

ISASA FAMILY COVER – OLD MUTUAL (OM) 93775			
		Change to payroll	Change to benefit
Primary Insured	R 27 000	NO	YES
Insured Spouse	R 27 000		
Insured Child			
Aged 14 and above	R 27 000		
Aged 6 to 13	R 13 500		
Aged 2 to 5	R 6 750		
Stillborn to 1	R 6 750		

The Voluntary Funeral Benefit Scale has increased to R27 000, **the premium has been maintained at R20.65 per member per month from 1 March 2024**. Employees often find this to be a valuable benefit. Those who are not currently on this cover have an opportunity to opt in annually by **31 March**. **Please also refer to the recent brochure that was distributed to the schools.**

Should you require any additional information on this scheme, please feel free to contact the ISASA Team on the details below:

Following a number of enquiries from the Schools, the Trustees resolved to implement the Critical Illness Benefit (CIB) into the Fund. This benefit will be available on a voluntary basis. Below is the breakdown of the benefit.

Comprehensive Plus Critical Incidents

- Covers all events under Essential, with 37 critical events in total.
- This option covers the most common major critical illnesses, but also includes severe conditions that are less common.

Core benefits	
Critical Incidents Cover	1 times annual earnings, subject to a maximum of R 2,000,000 cover.

Additional selections	
Conversion Option	On the Insured Person's withdrawal
Cover to Continue	* For disability income claimants with escalation
Normal retirement age	60, 63 or 65 as advised by the Policyholder

Please note that premiums must continue being paid for disability income claimants.

Rate	
Premium Rate	0.417% of earnings

A detailed communication regarding this benefit will follow.

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Please ensure that you consult with your payroll provider to ensure that payrolls are correctly captured to reflect this change.

**Yours Sincerely
The ISASA Team**