RETIREMENT FUND
ISASA

Caring about your future

Learning Planning Living

March **2026**

Retirement Fund Member Guide

Independant Schools Association of Southern Africa

Contents

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Retirement Fund Member Guide

Checklist

	Yes	No
Have you visited the Fund's website: [www.isasaretirementfund.co.za]()		
Have you registered on the [Old Mutual Secure Services]() website?		
Have you registered to use the Funds' WhatsApp service?		
Have you read the [Fund's Summary of Benefits poster]()?		
Have you considered seeing a financial adviser?		
Have you recently updated your [Nomination of Beneficiary form]()?		
Have you read the [Fund's Investment Booklet]()?		
Are you following the Fund on **Instagram @Isasarpf**?		
Have you **Liked** the Fund's [Facebook Page]()?		
Are you **joining the Fund** from a school that participated in the Fund? If yes, then your benefits are automatically transferred (Interschool transfer) and not paid to you as a resignation benefit		

Most people feel they could have more control over their financial planning. One good way to start taking control is by understanding your retirement fund. This is what the guide intends to help you do.

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1. Introduction

Thank you for taking the time to read this very important document. The information in this booklet applies to all members of the ISASA Retirement Fund.

Every effort has been made to ensure the accuracy of this booklet, however the Fund Rules will always apply in the event of any dispute arising. The Rules of the Fund may be viewed at your request and an electronic copy may be obtained from the registered office of the Fund, from the Fund administrator, your Bursar or the Fund's website.

The Fund is approved in terms of the Income Tax Act and registered in terms of the Pension Funds Act, under the name "ISASA Retirement Fund". This legislation governs the Rules of the Fund, the payment of benefits and the activities of the Board. What this means is simply that your money is safe and is protected by legislation and making regular contributions will ensure that you have money saved for your retirement.

The Fund was established in 1974 and provides tailor-made benefits for staff of private schools that elect to participate in the Fund.

We recommend that you obtain professional advice from a licensed financial adviser before you exercise any options with regard to your Fund benefits and investments. Remember that you can also speak to your Bursar to obtain additional information regarding the Fund.

2. Structure of the Fund

Your Fund is a defined contribution pension fund and provides benefits for when you retire or leave the service of your employer/school before retirement. A separate disability policy provides income replacement if you become disabled and the group life scheme provides benefits in the event of your death. Your Fund is managed by a Board of Fund made up of representatives known as Board members. The members of the Fund elect 6 Board members from the ISASA regions and ISASA appoints 5 Board members (3 Independent representatives, 1 SAHISA representative and 1 SABISA representative) who are responsible for managing the Fund. The Board in turn appoint an administrator, actuary, fund consultant, asset manager, auditor and investment managers to assist them in managing the Fund.

Although your Fund provides you with superior benefits, it is important that you are aware that the benefits received from this Fund alone may not adequately provide for a comfortable life after retirement. Making additional contributions to your Fund is an easy and cost-effective way to increase your savings for retirement and is suitable for members who have short periods of employment or are concerned that they might not have saved enough money to retire comfortably.

3. Membership Criteria

Membership of the Fund is compulsory for all eligible categories, as specified by the School. Membership of the Fund ceases when you retire, die, your School ceases participation in the Fund, ceases to be a member of ISASA or you cease to be employed by your School due to ill health, retrenchment or resignation.

4. Contributions

You contribute a minimum of 5,0% of **Pensionable Salary** to the Fund and your School pays a minimum of 4,0% plus the cost of insured death and disability benefits and administration costs. Employee and employer contributions will form part of an employee's taxable income. Individuals are able to receive a tax deduction on employer and employee contributions to all retirement funds up to 27.5% of the greater of remuneration or taxable income.

A maximum of R430 000 to all funds combined per year is tax deductible. Members may exceed this limit but will not receive tax relief on these amounts. Please ask your Bursar or refer to your New Entrant Certificate for the contribution rates that are applicable to your School. This information is also available in your School's Special Rules, and the Benefit Statements that the Fund provides each year.

You may make additional voluntary contributions to the Fund each month.

Definition

The **Pensionable Salary** is that portion of your salary that is used to calculate your contributions to the Fund.

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4.1 Two-Pot system from 1 September 2024

From 1 September, members will be able to manage their retirement savings in a more flexible and accessible manner.

In short

✓ **The vested component** consists of the retirement savings accumulated until 31 August 2024, which remains subject to the old rules, which means that you can continue to take this benefit in cash when you resign.

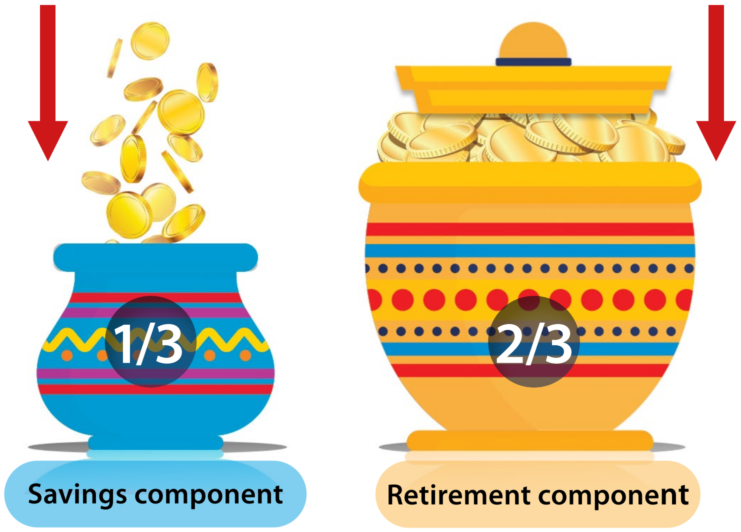
✓ **The savings component** allows for partial annual withdrawals in case of emergencies, reflecting the government's understanding of the financial realities many South Africans face.

✓ **The retirement component**, on the other hand, is strictly preserved for retirement, ensuring long-term financial security.

From September 2024 all new contributions received will be split as follows:

One third (33%) to your savings component

Two thirds (67%) to your retirement component



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5. Registering for Tax

In terms of the new Conduct Standard (13A) all members must register as a tax payer and must provide their tax number to the Fund. If you are not registered as a tax payer, or if your tax affairs are not in order, SARS will not provide a tax directive and your benefits from the Fund cannot be paid.

All the following data will be required for any tax directive applications and tax certificate processing for members:

- Initials, first two names and surname
- ID number
- Passport number and country of issue (where SA ID number is not available)
- Date of birth
- Income tax reference number
- E-mail address (where available)
- Cell, home and/or fax number (at least one of these must be provided)
- Postal and residential address
- Bank account details (into which benefit will be paid)
- Bank name
- Branch code and name
- Bank account type
- Account holder name
- Account holder relationship (either own, joint or third party)

6. The Accumulated Credit - your Savings Account

The value of the three components (Vested, Savings and Retirement) added together will be referred to as the memberŁs Accumulated Fund Credit. Your Accumulated Credit is the value of your savings in the Fund. Accumulated Credit is the sum of:

- your benefit transferred into the Fund from any previous fund (if applicable);
- your contributions made to the Fund;
- the contributions made by the School to the Fund on your behalf, less the costs of the death and disability benefits, administration of the Fund, consulting and actuarial; and
- the net investment growth (after investment fees) earned on the abovementioned amounts.

7. Fund Benefits

7.1.1 Retirement

Your School decides the normal retirement age (as stated in your School's Special Rules). Early retirement is at any age within 10 years of your normal retirement age. Please remember the original purpose of your retirement fund benefit – it is to provide you with a regular income after you retire.

At retirement a benefit equal to the member's Accumulated Credit will be paid. The way in which this benefit is paid changes from 1 September 2024 due to the new Two-Pot legislation.

At retirement the three components and tax payable will be paid as follows:

Vested component	Savings component	Retirement component
One third of this benefit may be taken in cash and two thirds must be used to buy a pension for life. The full benefit may also be used to buy an annuity.	Full benefit is available to be taken in cash or invested.	Transfer full benefit to a preservation fund or annuity to provide a pension income for life. All three components must be invested in the preservation fund if preservation is chosen. If the amount is less than the de minimis of R240 000 it may be taken in cash.
Retirement tax tables are applicable, R550 000 tax-free over all three components.	Retirement tax tables are applicable, R550 000 tax-free over all three components.	Tax-free transfer to preservation fund or annuity. If less than the de minimis of R240 000 the retirement tax tables are applicable, R550 000 tax-free over all three components.

From 1 March 2019, in terms of the law, the Fund also offers an annuity strategy. It is important to note that this is not an automatic default arrangement and members will have to make an active selection/choice to Opt-In to this strategy if they want to make use of the Fund's pension option. Members may still elect to take up to one-third of their Vested and Retirtement Component as a cash lump sum. The balance must be used to purchase an annuity (Life or Living) of their choice from a registered insurer. Remember lump sum benefits taken in cash are taxed.

Members will be given retirement benefits counselling at least 3 months prior to their normal retirement age. It is advisable that you speak to a licensed financial adviser to help you understand what options and products are available.

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7.1.2 Defer your Retirement

The Fund allows you to defer your retirement, i.e. leave your Accumulated Credit (Fund savings) in the Fund and continue membership in your personal capacity after reaching normal retirement age and leaving your employer. This means that you are no longer required to take your retirement benefit from the Fund immediately. You will not be allowed to make further contributions to the Fund upon reaching your retirement age. The death, disability and funeral benefits (if applicable) will cease. Your money will continue to be invested in the portfolio you have elected previously, but you may elect to change your portfolio.

All the existing portfolios that are available to Retirement Fund Part II members are made available to ***Deferred Retirees***. These portfolios are:

Performer, Protector, Shari'ah, Balanced Index Fund, Conservative Fund, Smooth Bonus AGP50 (50% Guarantee), Smooth Bonus AGP80 (80% Guarantee) and Banker portfolios.

An administration fee will be deducted monthly.

7.1.3 Taxation of Retirement Benefits

Lump sum payments

Retirement fund benefits taken in cash are currently taxed as follows:

Lump sum cash retirement benefit	Tax liability
First R550 000	0% (provided you have not used this exemption before)
R550 001 to R770 000	18% of taxable income above R550 000
R770 001 to R1 155 000	R39 600 + 27% of taxable income above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000

Please note that the R550 000 tax-free amount, and the table, are applied to a person's cumulative lump sum retirement benefits from all funds, i.e. they will include both pension and provident sections and retirement annuities, over your lifetime.

These tax rates and limits can change, so make sure you get up to date information on the effect tax will have on your benefits before you make any decisions.

7.1.4 Considering the Fund's Default Annuity Options

It is important to make good decisions when you reach retirement age. We understand that this period can be both exciting and daunting. There are so many decisions to be made about your retirement, so many considerations to keep in mind, and a vast range of options to choose from. For this reason, the ISASA Retirement Fund offers members two annuity (pension) options that have been specially selected by your Board of Fund to meet the different needs of members, and to provide support to members. ***The two default annuity options offered by the Fund are:***

- ✓ **The Old Mutual Fund Select Annuity (Guaranteed Life Annuity)**
- ✓ **The Old Mutual Max Income Investment Funded Income Annuity (Living Annuity)**

The Old Mutual Fund Select Annuity (Guaranteed Life Annuity)

If you are considering a Life Annuity - you should consider selecting the Fund's Default Annuity, the Old Mutual Fund Select Annuity (FSA).

Since there are so many annuity options at retirement, making the right choice can be difficult. That's why the ISASA Board offer you the FSA. The Board believe it is a good solution for many members because it is easy to invest in, and it provides a reliable monthly pension for life. Best of all, it is cost effective because the charges you will pay are similar to those that are usually only available to staff of big companies, not individuals.

The Old Mutual Max Income Investment Funded Income Annuity (Living Annuity)

This living annuity allows you to choose in which investment portfolio your retirement savings are invested. You choose what percentage (also called a drawdown rate) of your total invested amount will get paid to you as an income. You can choose between 2.5% and 17.5% of the remaining capital as an annual income.

In exchange for this flexibility, there is no guarantee that this income in retirement will continue for the rest of your life. You therefore need to make good decisions about how much income you want to receive.

Should you pass away before your capital is used up, the remaining amount can be left to your loved ones, form part of your estate or used to support a living annuity in the name of your nominated beneficiary.

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7.1.5 What are the differences between the Two Annuities?

OLD MUTUAL FUND SELECT ANNUITY (GUARANTEED LIFE ANNUITY)	**OLD MUTUAL MAX INCOME INVESTMENT FUNDED INCOME ANNUITY** (LIVING ANNUITY)
Can I select the initial income amount I get?	
No, based on various factors the Insurer (Old Mutual in this instance) will determine your starting income.	Yes, as a percentage of the amount you use to buy the annuity. The income rate is also known as the drawdown rate.
Can I choose where my Retirement Savings are invested?	
No. The investment portfolios which support your annuity have been selected so as to provide an income for life as well as provide for increases to your income.	Yes. The Fund offers a default investment portfolio with three other investment portfolio options available.
Do I automatically receive an income increase every year?	
While this is not guaranteed, once an increase is given, it is added to your income and is thereafter also guaranteed for life and cannot be removed.	You can decide. Remember that if the amount you choose as an income (drawdown rate*) is more than the investment growth, you could run out of money.
Can I change how much income I will get?	
No. This is calculated when you buy your annuity based on the options you select.	Yes. Once a year you can adjust how much income you receive between 2.5% and 17.5% of the remaining capital.
Am I protected against running out of money?	
Yes. You receive a guaranteed income for the rest of your life.	No. The money used to pay your income could run out if the income drawn is higher than the growth of the underlying investment.
Am I able to switch to another Annuity?	
No.	Yes. To Old Mutual Fund Select Annuity or any other guaranteed life or living annuity.
What is payable to my Beneficiaries or Estate when I die?	
You may choose a minimum income guaranteed period or a second life to cover.	Any remaining capital will be paid out.
Am I able to choose both of the Annuities?	
Yes. Depending on your needs and the amount of your retirement fund savings, a combination of the two could suit you best, or you can speak to your personal financial adviser about other options available to you.	Yes. Depending on your needs and the amount of your retirement fund savings, a combination of the two could suit you best, or you can speak to your personal financial adviser about other options available to you.

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Benefits of the Fund annuity options:

- ✓ **It is cost-effective –** as it's offered to you at good rates that would normally only be available to employees retiring from a big company; and
- ✓ **It is trusted** – it has been chosen by your trustees and is offered by Old Mutual.
- ✓ **Members who are ten years from retirement will receive quotations** for both via e-mail. The quotation will give you a good idea of what you can expect to receive as a monthly income after retirement, based on your current Accumulated Credit. Thereafter you will receive these quotes every six months until you retire.
- ✓ **Remember:** The two Annuities do not replace personal financial advice. If you are unsure about any big financial decision, getting personal financial advice is always a good idea.

For more information about the two Fund annuities, send an email to:

omannuitystrategy@oldmutual.com

7.2 Withdrawal Benefits – (Resignation, Retrenchment or Dismissal)

If you leave the Fund, you will automatically become a Paid-Up member of the Fund after 120 days, unless you actively elect another option. This is the Fund's Default Preservation strategy that is in line with the Default Regulations. When you become Paid-Up you will be known as a Preserver member in terms of the Rules of the Fund.

Your benefit as a Preserver member will remain invested in the same portfolio it was invested in when you were an active member, until you choose another investment portfolio from the list of available Member Choice Portfolios.

If you decide to take your withdrawal benefit (and not to become a Paid-Up/ Preserver member) or if you resign or abscond then the components and tax payable will be paid as follows:

Vested component	Savings component	Retirement component
Full benefit is available to be taken in cash or invested.	If no withdrawal already made in the tax year the full benefit is available to be taken in cash or invested or partially taken in cash and partially invested. If you have already taken a withdrawal in the tax year and the amount exceeds R2 000 it has to be transferred to the new employer, preservation fund or annuity, if less than R2 000 it may be taken in cash.	No withdrawal is allowed it has to be transferred to the new employer, preservation fund or annuity.
Withdrawal tax tables are applicable.	Marginal tax rate of member is applicable plus an admin withdrawal fee of R250.	Tax-free transfer to new employer, preservation fund or annuity.

You will have a greater chance of financial security if you preserve your benefits whenever you change employment; therefore, it is advisable that you transfer this benefit in your Vested, Savings and Retirement components to another approved Pension Fund, Retirement Annuity or Preservation Pension Fund and such a transfer is tax-free.

7.2.1 Taxation of Withdrawal Benefits

Benefits taken in cash will be taxed as follows:

Lump sum withdrawal benefit	Tax liability
R0 to R27 500	0%
R27 501 to R726 000	18% of the amount above R27 500
R726 001 to R1 089 000	R125 730 + 27% of the amount above R726 000
R1 089 001 and above	R223 740 + 36% of the amount above R1 089 000

The tax-free threshold of R27 500 and tax table will be cumulative and will apply to the total amount of your withdrawals from funds in your lifetime. In addition, the tax concessions granted on withdrawal will reduce the tax concessions at retirement.

Tax rates and limits can change at any time, so make sure you get up to date information on the effect of tax on your benefits before you make any decisions. Therefore, if you elect to take your withdrawal benefit in cash, not only do you severely prejudice your future retirement savings, but you also significantly reduce the tax concessions that you will receive at retirement.

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7.2.2 Becoming a Paid-Up/In Fund Preserver member of the Fund

When becoming an In Fund Preserver member your benefit remains invested in the Fund and will continue to grow until you inform the Fund that you want to have your benefit paid.

A Preserver member does not make contributions to the Fund and will not be covered for insured benefits, i.e. death, disability and family funeral cover (if applicable).

The Fund is a non-profit legal entity for the benefit of members. However, it does have expenses and to make sure that all members, including Preserver members, of the Fund pay their fair share of the Fund expenses, these members will pay a fixed monthly fee, funded from their Accumulated Credit, as reviewed by the Board, periodically.

Advantages:

You will be taking advantage of favourable investment fees and will remain invested in the portfolio you were invested in before you left the School;

You will have peace of mind that your savings are being looked after by a well-governed fund with capable Board;

You will not have to pay commissions or upfront investment fees as would be the case if you moved the money to an external preservation or retirement annuity fund.

Disadvantages:

You cannot make a partial withdrawal.

7.2.3 Savings component withdrawals

Members will be allowed to make one withdrawal from the savings component every tax year, thus from March to February of each year. This once off withdrawal has a minimum amount of R2 000 per tax year and the maximum amount is the amount available in the savings component. The once off seed capital transferred to the savings component on 1 September 2024 will be available for this withdrawal. It must be noted that a member must at least have a fund credit of R20 000 for the 10% seed capital to amount to R2 000 and a fund credit of R300 000 or higher for the seed capital of R30 000 to be available, which will be transferred to the savings component and available for immediate withdrawal. Members with a fund credit of less than R20 000 will not be in a position to make any withdrawal from the savings component in September 2024, as the savings component must build up to at least R2 000 to allow for a withdrawal.

Important information with regards the savings withdrawals

- You have to be registered on the Old Mutual app to enable you to exercise your withdrawal option.
- Check your contact details on the Old Mutual app to ensure that it is correct. If not correct you will be able to update this on the App or please ask your Human Resources or Bursar to correct the information online.

- It is voluntary to exercise this annual withdrawal option, it is not compulsory and should be considered carefully, as it will could have a negative impact on your final retirement benefit.
- Members need to be registered tax payers to be able to withdraw from the savings component, as the member's marginal tax rate will be applicable, the retirement tax tables are not applicable.
- Withdrawals will only be online on the Old Mutual app and no manual forms will be accepted, thus important to ensure you are registered on the app.
- Payment will only be made into the banking details provided by your employer, thus the same bank account your monthly salary is paid into.
- Payment cannot be made into a joint bank account or into a third-party bank account like your spouse. The bank account must be in the name of the member, as the administrator will perform a bank validation, which will fail if the initials and surname and ID number do not match that of our member.
- If the bank validation rejects the employer and member will be notified.
- Early withdrawals will lead to less money being available at retirement, do not under-estimate the power of compound interest. It is in the best interest of members to consult a financial advisor prior to making an early withdrawal.
- The replacement ratio calculated at 75% at retirement could be much less if withdrawals are done every tax year.
- This withdrawal does not impact the R550 000 tax free benefit at retirement.
- Tax and an admin fee will be deducted from the withdrawal benefit, thus each member will receive less than the actual withdrawal amount requested. Arrear tax (IT88) will also be deducted by SARS.
- Only one withdrawal is allowed in a tax year. If a member exercises the once off withdrawal from the savings component and resigns in the same tax year, the balance in the savings component, if more than R2 000 cannot be taken in cash, but will have to be transferred to a preservation fund, annuity or the next employer's savings component.
- If a member is involved in divorce proceedings of which the Fund is aware, the Fund may refuse an application for an early withdrawal until the divorce payment had been finalised, as a divorce payment to the non-member spouse is payable from all three the components.
- All Section 37D deductions as per the Pension Funds Act will be deducted from all three components.
- Members who join the Fund after 1 September 2024 will only have a Savings and Retirement Component.

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Did you know?

The Employer Contribution and Premium Waiver is designed to cover the employer's retirement contribution and risk benefit premiums.

The employer will use this amount to cover its retirement contributions and risk benefit premiums for the disabled employee.

This means that if an employee claims for occupational disability, the employer's retirement contributions and risk premiums will carry on as if recurring contributions and any contractual escalations (CPI to a maximum of 4%) were to continue being paid.

7.2.4 Interschool Transfers

Should you transfer to another School which participates in the ISASA Retirement Fund, it is compulsory that the full value of your Accumulated Credit (the Vested, Savings and Retirement components), as at the date of transfer, be transferred to your account in the new School. You will continue to enjoy unbroken membership in the Fund.

7. 3 Disability Benefits

To qualify for a disability benefit you must be incapable of performing your own or a similar occupation. Medical evidence to support your claim must be submitted.

If you qualify for a disability benefit you will be entitled to: 87% (75% of Pensionable Salary will be paid to the member and 12% Employer Waiver will be paid into the Fund) of your monthly pensionable salary as a monthly income, subject to a maximum monthly benefit of R230 000, paid after a 3-month waiting period. The income paid will be tax-free.

This benefit may not exceed the member's total Guaranteed Package after deduction of tax at the start of the waiting period.

The monthly income will cease on the earliest of:

- **recovery** - depending on your medical condition - regular assessments may be required;
- **attaining** Normal Retirement Age; or
- **death.**

Whilst you are in receipt of a disability benefit your membership of the Fund continues and you continue to be covered for death in service benefits.

Whilst you are in receipt of the disability benefit, it is important to note that the Insurer will continue assessing your condition. Income benefits may be reduced or suspended by the Insurer if a member is considered recovered or capable of earning an income.

You will no longer qualify for this benefit after the end of the year in which you attain normal retirement age (subject to a maximum age of 65).

7.4 New Optional Comprehensive Critical Incidents Benefit

This benefit is optional for schools to choose as an additional benefit. Once this benefit is selected by a school it is compulsary for all eligible employees at that school to join. It provides a lump sum of one time annual salary as a benefit (maximum of R3 million) when a member is diagnosed with a critical illness (heart attack, stroke, cancer, kidney failure, loss of a limb, loss of eyesight, etc).

This benefit covers 38 critical illnesses and provides the comfort of knowing that the member will have enough funds to fight the illness or injury and will be able to take their time to fully recover.

A conversion option is also available when members leave their school and for disability claimants.

Proof of health is only needed for members earning more than R2.2 million per annum.

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7.4.1 Death in Service Benefit

If you die whilst in the service of the School and a member of the Fund, your dependants and/or beneficiaries will receive a benefit as set out below.

Your School will elect what percentage it pays to the Insurer for this benefit.

Based on this percentage your dependants will receive a taxable lump sum that is based on a multiple of your annual pensionable salary and your age at date of death.

(For example, if your monthly pensionable salary is R20,000 and you die at age 40, the total payout will be R20,000 x12 x 4.20 = R1,008,000 (if the employer elected 0.55% to cover this benefit).

Employer elected 0.55%

Age 18-35 – 4.48

Age 36-40 – 4.20

Age 41-45 – 4.03

Age 46-50 – 3.48

Age 51-55 – 3.33

Age 56-60 – 3.28

Age 61-64 – 2.99

Age 65-69 – 2.39

Employer elected 1.05%

Age 18-35 – 8.96

Age 36-40 – 8.41

Age 41-45 – 8.07

Age 46-50 – 6.84

Age 51-55 – 6.17

Age 56-60 – 5.20

Age 61-64 – 4.65

Age 65-96 – 3.41

Employer elected 1.55%

Age 18-35 – 13.89

Age 36-40 – 13.16

Age 41-45 – 12.32

Age 46-50 – 11.48

Age 51-55 – 10.38

Age 56-60 – 8.46

Age 61-64 – 7.24

Age 65-69 – 5.01

Plus: Your Accumulated Credit across the components.

This amount is taxable on the same basis as lump sum benefits paid on retirement (see item 7.2.1).

7.4.2 Optional Funeral Benefit

This Family Funeral Benefit is voluntary for schools to select. Once this benefit is selected by a school it is compulsary for all eligible employees at that school to join. The premium is R20.65 per member and the benefit pays out as follows:

Optional Funeral Benefit	
Primary Insured Person	R28 400
Insured Spouse	R28 400
Insured Child	
Aged 14 or older	R28 400
Aged 6 to 13	R14 200
Aged 2 to 5	R7 100
Stillborn to 1 year old	R7 100

Funeral Support Services

Members who have Optional Funeral Benefit, and their immediate family, have access to funeral support and assistance, at a time when they need it most. This service includes transport of the deceased, by road or air, from anywhere in the world to the funeral home closest to the place of burial in South Africa or neighbouring countries: Namibia, Botswana, Zimbabwe, Lesotho, Swaziland and Mozambique (up to Vilakulo).

New nomination form for funeral benefits

Members are now required by law to complete a Funeral Nomination Form. In the event of your death, the Funeral Benefit will be paid to the person that you nominated in your Nomination Form. Should you fail to complete a nomination form, then the benefit will be paid into your estate. ***Please note that your estate may take up to 12 months to be registered and your family may not have the money to bury you should a completed form not be available.***

Please ask your Bursar or HR for a copy of the Nomination Form and return the completed form to your Bursar or HR office. Alternatively, you can download the form from the Fund website,

www.isasaretirementfund.co.za

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7.4.3 The Importance of Nominating Beneficiaries and Dependants

Your death benefit will be allocated in terms of the Rules of the Fund as well as Section 37C of the Pension Funds Act, which deals with the duties of the Board members in the allocation of death benefits. The Pension Funds Act allows Board members up to 12 months to investigate and decide how death benefits will be distributed.

The Act requires the Board to consider all dependants, regardless of whether you have listed them on your Beneficiary Nomination Form or not.

If you do not have dependants, your benefit will go to your nominated beneficiaries. If there are no dependants or beneficiaries the benefit will be paid into your estate.

The purpose of the Beneficiary Nomination Form is:

1. ***To make it easier to trace dependants by contacting family members using the contact details you have provided;***
2. ***To speed up the process of assessing who your dependants are and the extent to which they depend on you; and***
3. ***To identify any other beneficiaries, apart from your dependants, to whom you may wish to allocate a portion of your benefit.***

It is therefore important to complete your Beneficiary Nomination Form at least once a year and also at any time your details may change, i.e. birth of a new child, divorce etc. By completing this form you identify your dependants and are able to state who you want to receive your death benefits and in what proportion.

Although the Board will follow wishes as requested on the Beneficiary Nomination Form, as far as possible, the final decision of who will receive the death benefits rests with the Board who must also consider any other dependants not nominated.

Should you not wish a dependant to be considered by the Board, you should still list the person involved, but allocate 0% and give a reason for so doing, e.g. this person will inherit **my life assurance policies.**

7.5 Additional Benefits

Your Fund through Old Mutual provides the following value-added benefits at no additional cost:

Travelling Nurses – We understand that it can be difficult for employees to find time to visit a doctor to do the medical tests required for death and disability cover. The ISASA Retirement Fund's Travelling Nurses visit employees at work to administer any tests that may be required.

HR911 – A phone-based service for participating employers or intermediaries who have potential disability income claimants. Old Mutual assists line managers and human resource staff with claim submission and the management of the employees with health conditions.

Cash4LovedOnes – 3 x monthly income benefit in a cash lump to the nominated beneficiary as confirmed by the member at the start of the disability claim. If no beneficiary is nominated, the lump sum will be paid into the late estate.

7.6 Free Cover Limit

You are automatically covered for disability and death benefits without providing medical evidence of good health up to a limit called the Free Cover Limit (FCL). If your benefit exceeds this limit, the Insurer will assess these and decide whether your benefit in excess of the FCL will be insured at the standard premium rate, at a loaded premium rate or the insurer may decide to decline cover. Until the medical records are submitted and the excess insurance has been accepted, your benefits will remain limited to the FCL.

> ***"Money is multiplied in practical value depending on the number of W's you control in your life: what you do, when you do it, where you do it, and with whom you do it.***
>
> Timothy Ferriss

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8. Employer Deductions that can be made from your Benefits

Section 37D of the Pension Funds Act gives your School the right to institute a prior claim against your benefit in the following instances only:

- If the School has granted you a housing loan. The School is allowed to claim the outstanding balance of such loan;
- If the School (or Fund) provided a guarantee for your housing loan. The School (or Fund) is allowed to claim the amount of such guarantee;
- If the School has suffered damages due to your misconduct, the School is allowed to claim the amount specified in a Court order obtained against you or the amount to which you have admitted liability in writing.
- ***Please note:*** All Section 37D deductions as per the Pension Funds Act will be deducted from all three components.

Retirement Benefits Counselling

The Fund provides Retirement Benefits Counselling. Benefit Counselling means the disclosure and explanation, in clear and understandable language, including risks, costs and charges, of:

(a) the available investment portfolios;
(b) the terms of the fund's annuity strategy;
(c) the terms and process by which a fund handles preserved benefits;
(d) any other options made available to members.

Retirement Benefits Counselling will assist members with all product-related questions and queries and will provide information BUT NOT advice. Members who require advice should speak to a financial adviser.

Speak to an Old Mutual Expert for free

An Old Mutual Retirement Benefits Counsellor (RBC) will help you understand your options at retirement so that you can make the best choice for you and your future.

Email: omannuitystrategy@oldmutual.com
Tel: 0860 388 873

9. Fund Investment Strategy

In a defined contribution fund the member carries the investment risk, which means that you are exposed to the risk associated with fluctuations in the investment markets, i.e. markets can go up or down and this will affect the level of growth of the money invested in the Fund.

Your final retirement benefit will be influenced by many factors over the years – contributions, choice of investments, investment performance, inflation and change of employer.

You should keep in mind that retirement fund investments are long-term investments. The Fund's investment objective is to generate sufficient returns, based on 40 years' membership, to enable a member to buy a pension equal to approximately 75% of pensionable salary at retirement.

The Fund's performance is always measured against the growth targets set by the Board in the Investment Policy Statement. These targets are linked to inflation and measured over specific periods. There may be years where these targets will not be reached due to market uncertainty and weak economic outlook.

The Fund does not manage any investments itself. All the contributions are allocated to different well-known asset managers to manage according to a mandate in line with the investment policy of the Fund.

Your Fund offers a default LifeStage investment strategy that attempts to provide an appropriate balance of risk and expected investment return at different stages of your working life. If you wish instead to make your own portfolio selection you may select a combination of any of:

- The underlying portfolios of the active Goals-based Balanced LifeStage Model (Performer and/or Protector) in whichever proportions you prefer
- The underlying portfolios of the Passive LifeStage Model (the Balanced Index Fund and the Conservative Fund)
- Smooth Bonus portfolio (AGP50 and AGP80)
- Money Market portfolio
- Shari'ah High Growth

For more information on the Fund's investment options please refer to the Investment Guide that is available on the website at

www.isasaretirementfund.co.za

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10. Complaints and Disputes

The Fund takes your complaints and concerns seriously and it is therefore important that you share your experiences with us. Should you wish to lodge a complaint, you may do so in the following ways:

Email your complaint directly to
ISASAComplaints@oldmutual.com

- **Contact your Bursar** who will direct your complaint to the the Principal Officer, Leslie Primo.
- **Contact your regional representative Board member** who will direct your complaint to the relevant person at Old Mutual.

Your complaint should include the following information:

- Your full name and contact information
- Your member and ID number
- Exact details of the complaint
- What outcome you expect.

What the Fund will do:

We will do our best to resolve the complaint within 10 working days and provide you with feedback. Some complaints are more complex and can take much longer to resolve. In this case, your complaint will be escalated. Once escalated there could be a further delay of 10 working days

Escalations may be made to the **Principal Officer, Mr Leslie Primo**, via the following contact email:

leslie.primo@mweb.co.za

Once your complaint is resolved, the Fund will:

- Provide you with full and appropriate redress should it be resolved in your favour;
- Provide you with full reasons why your complaint was not upheld.

If you are not satisfied with the feedback provided, you may contact the ***Pension Funds Adjudicator*** on the contact details below:

Tel: 012 346 1738

Fax: 086 693 7472

Email: enquiries@pfa.org.za

11. Member Services

It is important that you take responsibility for your own retirement savings by making use of the information provided by the Fund to enhance your knowledge on retirement issues.

Members have access to the following channels for enquiries and management of retirement funding issues:

1. **You may log in to the Fund website:**
   www.isasaretirementfund.co.za for more information. Make sure you view the Fund's videos.
2. **Visit and Like the Fund's Facebook Page.**
   https://www.facebook.com/isasaretirement/
3. **Old Mutual Service Centre number:**
   0860 455 455. This enables you to make telephonic enquiries with regard to any aspect relating to your membership of the Fund.
4. **Old Mutual e-mail address:**
   isasa@oldmutual.com
   This enables you to make electronic enquiries with regard to any aspect relating to your membership of the Fund.

“

The Fund will do its best to resolve your complaint or dispute within 1o working days and provide you with feedback.

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12. Frequently asked Questions

Are my benefits changing from 1 September 2024?

No the benefits of the Fund remains the same. It is just the way that contributions are allocated and benefits are paid that changes.

How do contributions change from 1 September 2024?

From 1 September 2024 members will no longer contribute to the Vested Component. Instead contributions (after deductions) will be split and one third or 33% will be paid to the Savings Component and to thirds or 67% will be paid to the Retirement Component.

If I resign after 1 September 2024 will I still be able to withdraw my money from the Fund?

Vested Component: Yes you will be able to take your Vested component in cash.

Savings Component: If no withdrawal was already made in the tax year the full benefit is available to be taken in cash or invested or partially taken in cash and partially invested.

If you have already taken a withdrawal in the tax year and the amount exceeds R2 000 it has to be transferred to the new employer, preservation fund or annuity. If less than R2 000 it may be taken in cash.

Retirement Component: You may not withdraw this component and you must transfer this to your new employer's fund, or an approved preservation or retirement annuity fund.

How will I know how my money in the Fund is growing?

You will receive a benefit statement annually. The benefit statement sets out your benefits and shows you how your money in the Fund is growing. Members are also able to check their fund values online by registering to use the Old Mutual website.

To register go to Old Mutual Website

http://www.oldmutual.co.za/about-us/self-help-services/online-secure-services.aspx

Can I move my money to another fund, or take it in cash?

The only time you can take money in cash or transfer money is when you retire or withdraw from the Fund. It remains a condition of employment that you belong to the Fund as long as you are in the service of your employer. From 1 September 2024 you will be able to make an annual (once per tax year) withdrawal from your Savings component, without having to resign. The minimum withdrawal is R2000 and the maximum is the total available in your Savings component, provided that you had not make a previous withdrawal in the same tax year. You will pay marginal tax as well as the processing fee of R250 on the amount withdrawn.

If you leave the Fund, you will automatically become a Paid-Up member of the Fund after 120 days, unless you actively elect another option. This is the Fund's Default Preservation strategy that is in line with the Default Regulations. When you become Paid-Up you will be known as a Preserver member in terms of the Rules of the Fund. You will not be allowed to split funds, i.e. take a portion in cash and preserve the rest in the Fund. The split-funding is only available if you preserve outside the Fund.

As an in-Fund Preserver member, you will also not be allowed to contribute monthly to the Fund and the insured benefits (death, disability and funeral) will fall away. Your benefit as a Preserver member will remain invested in the same portfolio it was invested in when you were an active member, until you choose another investment portfolio from the list of available Member Choice Portfolios.

Can the Fund assist me with guidance on what product I should buy/invest in at retirement?

Benefits Counselling information is provided by the Fund. Benefits Counselling will assist members with all product-related questions and queries and will provide information BUT NOT advice. Members who require advice will be referred to a financial adviser.

Am I forced to invest my money in one of the Fund's Default Annuity options?

No, how you want your money paid/invested at retirement remains your choice. If you wish to select one of the Fund Annuity products you have to physically choose it. You may also consider buying any other annuity from a registered insurer. It will be wise to speak with an accredited financial adviser before making a choice.

Can I make my own investment portfolio decision?

Yes, your Fund offers a LifeStage investment strategy and individual investment choice. You can choose to invest either in the LifeStage strategy or in one or a combination of the eight portfolios offered by the Fund.

Where can I get financial advice?

A licensed financial adviser can assist you. The Fund cannot provide financial or investment advice. To find a financial adviser you can go to the Financial Planning Institute at

www.fpi.co.za or you can call

Old Mutual's toll free number **0860 388 873**.

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13. Glossary of Terms

Accumulated credit: The total of your contributions plus the contribution paid by your Employer (less fund expenses), plus any amounts transferred from other funds plus the net investment returns (positive or negative depending on market movements).

Administrator: The administrator handles all the day-to-day administrative duties of the Fund. It makes sure contributions are received on time, benefits are paid out, new members are registered, and so on.

Aggressive portfolio: This portfolio has more money invested in shares or equities. The aggressive refers to the higher risk when investing in equities over the short term, due to short-term volatility of equity markets.

Annual pensionable salary: It is the component of your salary on which your contributions and benefits are calculated.

Auditor: The auditor examines the Funds' financial statements to make sure that the information reported in the financial statements is correct and accurate.

Assets: Money in all its forms such as cash, bonds, shares/ equity and unit trusts.

Asset Manager: Someone who invests money on behalf of investors into the different types of assets with the objective of growing or protecting their value.

Beneficiary: Any persons nominated by you in writing and not necessarily dependent on you.

Benefit: The term used to describe a pension or any other payment from either a pension fund, provident fund or an insurer.

Bonds: Is a debt note issued by the government or other organisation to a lender, promising to pay interest periodically and to repay the capital at a predetermined date. Bonds generally carry less risk than equity.

Capital: The value of a member's retirement funding interests, whether held in a pension fund, a living annuity or a guaranteed annuity product.

Cash: Cash is when you lend money to the bank by making a cash deposit. In return for your deposit the bank pays you interest. This is the safest investment type, except for the risk that the returns may not keep up with inflation over the long term.

Conservative Growth portfolio: This portfolio is considered conservative because it has more money invested in cash and bonds.

CPI: Consumer Price Index is the official average annual percentage increase in the prices of a basket of goods and services, as determined by Stats SA, the government statistician.

Dependant: A person for whom you are legally liable for maintenance or for whose maintenance you would have been liable had you not died or for whose maintenance you were not legally liable, but whom you were actually supporting financially. Your spouse and children are also dependants.

Equities: You buy a share or part of a company. The value of the share can be seen by reading the prices quoted on the Johannesburg Stock Exchange (JSE).

This is the most risky investment type since the return on this investment is directly determined by the performance of the company you are invested in. This means you could have a negative return if the company does not perform well over the short term. An investment in shares should provide you with high returns over the long term, however your investments will be affected by short term market fluctuations.

Financial Adviser: A person who is qualified to assess an individual's personal circumstances and suggest investment solutions that will best meet that person's specific needs. They may work for an insurer, financial institution or be independent; generally charge a fee for advice given and/or receive a commission for business placed with the service providers.

Free Cover Limit: You are automatically covered for disability and death benefits without providing medical evidence of good health up to a limit called the Free Cover Limit. If your entitled cover exceeds the Free Cover limit you may be contacted to go for a medical.

Governance: The rules by which any organisation conducts its business. It includes items like prudent management, sound business practices, transparency, equitable treatment, ethical behaviour and treating customers fairly.

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Inflation: Is the measure of the ongoing increase in the average price of all goods and services over time. Inflation eats away at the value of people's money. With the same amount of money, fewer goods can be bought than before.

Investment returns: The returns earned on the invested underlying assets of the Fund. These returns can be positive or negative depending o the performance of the investment markets. The member newsletter provides updates regarding the investment returns.

Market: The term used to describe the general environment in which all financial instruments (shares, bonds, unit trusts etc) are traded.

Market fluctuation: This is the upward and downward movement of the investment markets.

Moderate portfolio: A moderate portfolio has slightly more money invested in bonds and cash.

Participating employer: Any ISASA School that participates in the ISASA Pension Scheme.

Retirement Component:
From 1 September two-thirds (about 67%) of contributions (after deductions) must be allocated to members' retirement component, which may only be accessed at retirement and not paid in cash.

When a member resigns the retirement pot (contributions plus investment returns/growth) will have to be transferred to an annuity or new employer's retirement pot as it may not be taken in cash.

At retirement, it must be invested in a pension plan/annuity to pay a monthly pension to the member, unless this value is equal to or less than R240 000 then it may be taken in cash.

Rules: According to the Pension Funds Act each Fund must have a set of rules that describes the benefits and governance of the Fund.

Savings Component:
From 1 September 2024 members must contribute one-third (about 33%) of their total retirement fund contributions, after deductions, to the savings component. Amounts contributed to the savings component, including fund return/growth, will be available to the member as a savings

Savings withdrawal:
Members will be allowed to make one withdrawal from the savings component every tax year, thus from March to February of each year. This once off withdrawal has a minimum amount of R2 000 per tax year and the maximum amount is the amount available in the savings component. Members will pay tax at marginal rates on each withdrawal as well as an admin fee of R250 VAT included.

Seed capital:
The seed capital is a once-off transfer that will create an opening balance in your Savings Component. This will enable immediate access to the available balance (accumulated credit) in the Fund on 1 September 2024. Thereafter, one-third of your future retirement fund contributions will be allocated to your Savings Component.

How will this work?
Old Mutual will do a once-off compulsory transfer of 10% of your retirement savings OR R30 000 on 31 August 2024, whichever is the lowest, to your savings component. The rest of the money will remain in your vested component. Let's look at how your money will be allocated!

Retirement savings on 31 August 2024	Amount transferred to your Savings Component
R5000	R500
R10 000	R1000
R20 000	**R2000**
R50 000	R5000
R100 000	R10 000
R300 000	R30 000
R500 000	R30 000

As seen from the table above - if you have less than R20 000 as a Fund Credit (retirement savings) as at 31 August 2024 you will not be able to make a savings withdrawal from the Fund on 1 September 2024. You will have to wait until you have at least R2000 in your savings component before you can withdraw this money.

Vested Component:
Your Fund credit as at 31 August 2024 will be ring-fenced and protected in the vested pot.

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