



MOVING TOWARDS A BETTER FUTURE

FEBRUARY 2021 CONTENTS

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WORDS OF WELCOME

As we enter 2021 we do so with a quiet determination, fuelled by hope and optimism that the New Year will indeed bring back some type of normality. We remain thankful that many of us are still healthy during this time. Our heartfelt thoughts go out to everyone that have lost a loved one during the Covid-19 pandemic.

The unprecedented state of affairs that was experienced during last year created both global and local uncertainty. The Fund acted swiftly in response to this crisis, by instituting a proactive crisis communication campaign to inform, advise and reassure you that, amongst your numerous other concerns, you can rest assured that your risk benefits will remain intact and the investments closely monitored.

The Fund had to look at ways to make it more convenient for you to submit and follow up on claims and queries without placing you at risk during this time. The Fund Facebook page **#InsideTSRF** provides a platform for you to follow up on claims and queries in a contactless manner. Please read more about our winners in the photo completion in this edition of the newsletter. A drop-off box service was implemented at all the Walk-in centres for you to submit claims and prevent you waiting around in long queues. See the article on this service provided.

The Fund will stand with you to guide and assist you to navigate your way through this healthcare, economic and financial crisis by doing everything possible to make the claims process more convenient and accessible.

CONVENIENCE FOR MEMBERS WITH DROP-OFF BOX SERVICE

During the lockdown the Fund remained operational as an essential service to ensure members were still serviced albeit **electronically and via drop-off boxes placed outside the walk-in centres**, this at a time that they needed their benefits the most.

With social distancing still very important this will continue to reduce the risk of you having to wait around in long queues. **As a member you may also send completed claim forms to:**

 members@RFlipf-Sanlam.co.za

FUND CLIENT CONTACT WALK-IN CENTRES AND DROP-OFF BOXES

JOHANNESBURG	CAPE TOWN/BELLVILLE	DURBAN
<i>Client Contact Centre</i>	<i>Client Contact Centre</i>	<i>Client Contact Centre</i>
Samro Place	Sunbel Building	300 Anton Lembede Street
8th Floor	7th Floor	6th Floor, Office 606
20 De Korte Street	2 Old Paarl Road	Delta Towers
Braamfontein	Belville	Durban

If you visit a Walk-in Centre to submit your claim forms there is no need to wait in a queue. Simply place your fully completed claim pack into the **Special Drop Box** provided. You will receive a SMS as confirmation that your claim was received and is being attended too.

WALK-IN CENTRE





SIYAPHAMBILI MEMBER NEWS



MOVING TOWARDS A BETTER FUTURE

ANNUITISATION CHANGES FOR TSRF MEMBERS

Provident Fund members vested rights are protected when annuitisation changes are implemented on 1 March 2021

The Taxation Laws Amendment Act, 2013 contained the following changes with an effective date of 1 March 2016:

1. 27.5% tax deduction up to a maximum of R350 000 per annum for all retirement fund contributions;
2. The increase to the de minimis annuitisation threshold from R75 000 to R247 500;
3. The fringe benefit taxation of employer contributions to pension and provident funds;
4. **The tax-free concession for pension to provident fund transfers;**
5. **Making provident funds subject to the pension fund annuitisation regime, subject to the protection of vested rights.**

Items 1 to 3 were implemented effective 1 March 2016, but items **4 and 5 were postponed several times; the last postponement happened via the Taxation Laws Amendment Act, 2018 which set the effective date at 1 March 2021.**

WHAT IS CHANGING?

From 1 March 2021 provident funds must work like pension funds, i.e. at retirement only one-third can be taken as a cash lump sum and two-thirds must be used to buy a pension for life. To protect members' vested rights all members will from 1 March 2021 have two "pots" of money in a Fund. A vested "pot" and a non-vested "pot".

WHAT IS THE DIFFERENCE BETWEEN A VESTED "POT" AND A NON-VESTED "POT"?

The **vested "pot"** of money is the member's current fund savings as at 1 March 2021 plus growth on the money until the member retires. At retirement this pot can be taken as a cash lump sum.

The **non-vested "pot"** of money is all the new contributions from 1 March 2021 up until the member retires plus growth. At retirement the member can only take one-third of this money as a cash lump sum and two-thirds must be used to buy a pension (guaranteed/life annuity).

If the **non-vested "pot"** is less than R247 500 (the de minimis) this may be taken as a cash lump sum.

This means that provident fund members will keep their right to withdraw their accumulated retirement savings as at 1 March 2021, plus the growth on them, as a lump sum cash benefit, even if they transfer to another retirement fund after 1 March 2021.

WHAT ABOUT MEMBERS WHO ARE 55 YEARS OR OLDER ON 1 MARCH 2021?

If these members stay in the TSRF until their retirement, they will be allowed to take their total accumulated retirement savings as a cash lump sum at retirement. This means that they only have a **"vested pot"**.

If these members transfer to any other retirement fund after 1 March 2021, they will have **two "pots"** at retirement:

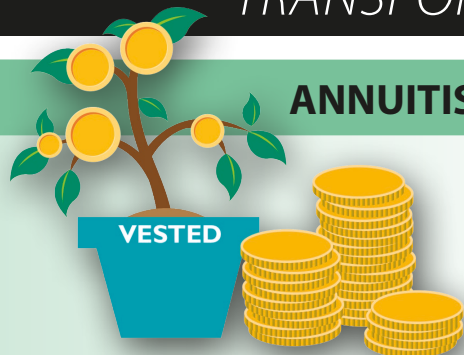
The **vested "pot"**, which will be an amount that they can take as a lump sum cash benefit at retirement, consisting of their accumulated retirement savings in the TSRF on the effective date of the transfer to the new fund, plus the growth earned on the transferred amount in the new fund until retirement.

The **non-vested "pot"**, which will be an amount that they must use to buy an annuity at retirement, consisting of their contributions made to the new fund plus the growth on these contributions, at retirement. If the value of the non-vested "pot" is less than R247 500 at retirement this may be taken as a cash lump sum.

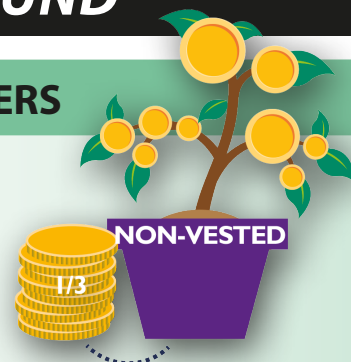


TRANSPORT SECTOR **RETIREMENT FUND**

ANNUITISATION CHANGES FOR TSRF MEMBERS



1 MARCH 2021



MEMBERS YOUNGER THAN 55

You will have two “pots” of retirement savings when you retire:

- **The vested “pot”**, which will be your accumulated retirement savings at 1 March 2021, plus the growth on this money until your retirement. You will have the right to take the full value of this “pot” as a lump sum cash benefit at retirement.
- **The non-vested “pot”**, which will consist of your contributions made to the provident fund and/or any other retirement fund **after** 1 March 2021, plus the growth on this amount until your retirement. You cannot take the full value of this “pot” as a lump sum cash benefit and need to use two-thirds of this money to buy an income for retirement (annuity) when you retire. Only one-third can be taken as a cash lump sum on retirement.

This will mean that you will have two separate records indicating your two “pots” of accumulated retirement savings. One as at 1 March 2021 and one after 1 March 2021.

MEMBERS 55 AND OLDER

If you stay in the TSRF provident fund until your retirement, you will be allowed to take your total accumulated retirement savings as a cash lump sum at retirement. This means that should you remain in the TSRF until retirement, you will have only one “pot” and your entire benefit will be in the vested “pot”.

Should you transfer to any other retirement fund after 1 March 2021, you will have two “pots” at retirement:

- **The vested “pot”**, which will be an amount that you can take as a lump sum cash benefit at retirement, consisting of your accumulated retirement savings in the TSRF on the effective date of the transfer to the new fund, plus the growth earned on the transferred amount in the new fund until retirement.
- **The non-vested “pot”**, which will be an amount that you must use to buy an annuity at retirement, consisting of your contributions made to the new fund plus the growth on these contributions, at retirement.

ALL MEMBERS TO REMAIN CALM AND NOT OVERREACT

The Fund urges all members to **remain calm and to not overreact**. This change will have no immediate impact on members as their vested rights are protected.

If you have any **concerns or queries** please contact the Fund at



011 544 8300

SIYAPHAMBILI MEMBER NEWS



MOVING TOWARDS A BETTER FUTURE

THE IMPORTANCE OF REMAINING INVESTED

Finances in jeopardy — fight, flight or freeze?

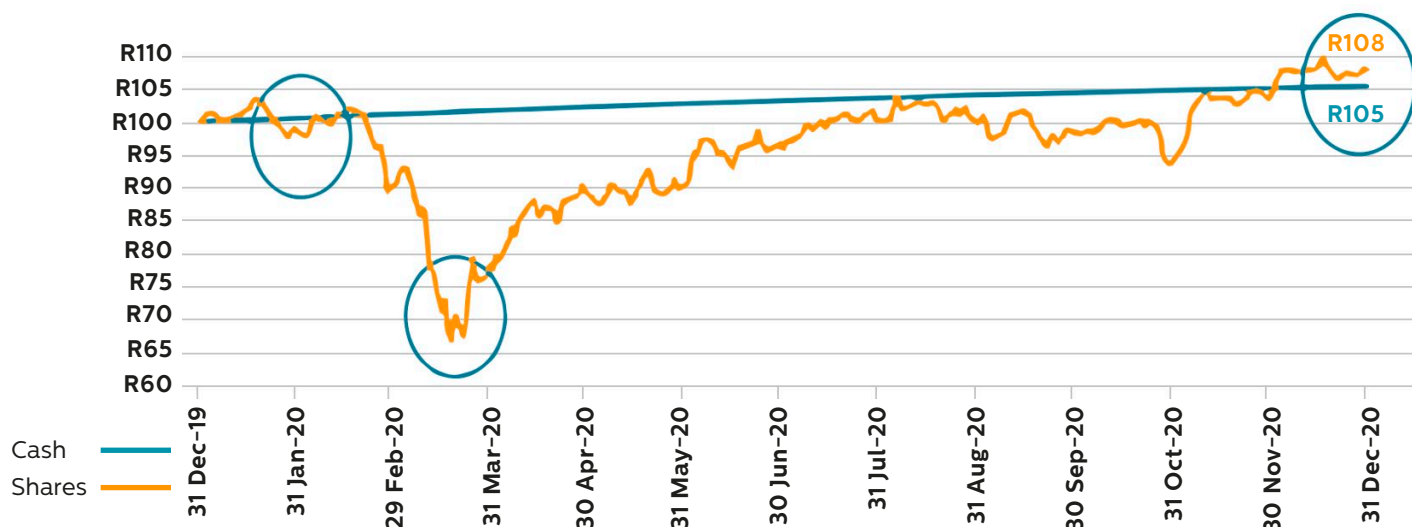
Change is a part of life, whether it is personal changes, lifestyle changes, or financial changes. Sometimes the change brought on by fear and pressure, leads us to making impulsive and harmful decisions. Our finances are personal to us and might easily warrant knee-jerk reactions if we feel like they are being threatened – reactions that might be detrimental to us in the long term. Our instinct to protect or preserve serves to strengthen these tendencies. Making a quick decision that we feel will help preserve or protect our investments is the most natural reaction, but is it always the correct one?

As with any typical journey where we may experience both smooth and bumpy periods, our investment journey is no different. Throughout 2020, we were confronted with heightened volatility and therefore, we continuously reminded our members of the importance of keeping focus on the bigger picture, a picture that can easily be overshadowed by short-term noise and volatility. The bigger picture is big for a reason. It serves to remind us how easily we can make impulsive decisions when we are under pressure. It demonstrates how, in most cases, we would have been better off not being reactive and rather considering if the decision we intend on making is aligned with what we aim to achieve.

STAY INVESTED WHEN IT MATTERS

To illustrate this, let us consider an investor who had committed R100 towards South African shares at the beginning of last year (1 January 2020). Prior to 2020, South African shares showed strong performance, returning 12.1% rescaled to one year in 2019, further bolstering their appeal as a viable investment opportunity. Having seen this, it would have been natural to expect this strong performance to continue well into 2020, and as the graph below shows us, it initially did.

How R100 invested in SA shares and cash on 1 January 2020 would have grown over the year



By the end of March 2020, both local and global markets were hit with a barrage of market volatility and uncertainty. Valuations were revised and ultimately, shares performed poorly. **At this point, with most markets down, uncertainty at an all-time high, and your investments appearing to be steadily declining, everything seems to strengthen the case to become defensive - right?**

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TRANSPORT SECTOR **RETIREMENT FUND**

THE **IMPORTANCE** OF **REMAINING INVESTED**

...continued from page 4...

The data seems to suggest otherwise. Defensive investments - such as cash - help to protect your money but are not ideal for growing it. So, while having exposure to cash would have provided adequate protection in the short term, it would have ultimately compromised your ability to achieve your long-term objectives - particularly for investors focused on better retirement outcomes.



GROWTH ASSETS
Shares and
property

OBJECTIVE

Achieving an investment return
(including capital growth and income)
that outperforms inflation.



DEFENSIVE ASSETS
Cash and
bonds

OBJECTIVE

Achieving more stable returns
than growth assets.

Simply put, investors who sought safe haven in cash would have been worse off than those investors who remained invested in shares throughout 2020, even with the sharp market falls experienced earlier in that year.

The year 2020 has proven all the rules of investing that we believe in:



Stay committed to **long-term goals**
- the markets can be a scary place at
times, but long-term investors shouldn't
panic.



What goes down, **will go up** - historical evidence
reminds us that the gains experienced over the
long term outweigh the losses experienced in the
short term.



It is nearly impossible **to time the market** - changing an investment
strategy designed with the long term
in mind because of short-term volatility
often ends in missed opportunities or
even losses.



Make sure your **investments are diversified** - a
complementary mix of growth and defensive
assets can help investments absorb market or
economic shocks but also participate in markets
when they recover.

2020 has illustrated the importance of staying invested and not trying to time the market, especially in times of uncertainty. If you disinvested from a growth portfolio during the crash and were unable to go back into the portfolio you were previously invested in, you would not have participated in the recovery and would have lost all the growth retrieved during this period.

Trying to time the market is always a tricky exercise and it has been shown that time in the market is more important than timing the market. The tried-and-tested investment philosophies remain true. Attempting to outsmart the market by determining when to switch between investment portfolios ends in missed opportunities or even losses.

The times may have changed, but sound investment principles haven't and still apply today. Investors who remain calm, stay invested and rededicate themselves to their long-term goals are better positioned to achieve future investment success.

- Alexander Forbes Investments / January 2021



SIYAPHAMBILI MEMBER NEWS



MOVING TOWARDS A BETTER FUTURE

HOW TO BOOST YOUR RETIREMENT SAVINGS AT ANY STAGE OF LIFE

Everyone has unique circumstances but there are a few life stages that most of us will go through. Saving for retirement is a lifelong process and over time certain factors might influence your ability to save. Here are some important considerations. A large portion of life is often spent working to earn an income, with the plan being to retire financially independent at a certain age. To do this, it is crucial to set clear retirement savings goals that are attainable, remembering the saying that goes: 'time waits for no one'.

THE BEGINNING OF YOUR CAREER

At this stage in your life, time is likely at your disposal; you are young, you don't have too many obligations and can save as much as possible. You may also be able to take on more investment risk. Imagine Zanele and Lynn who are both 25, in their first jobs, and each earning R15 000 per month. Zanele decides to be disciplined, sets clear retirement goals and saves 15% of her salary (R2 250 per month). Lynn decides to only save R1 000 per month. If both keep saving for 40 years (until age 65), increasing their contribution each year by 6% and we assume an investment growth of 10% over this period, the end results will see Zanele with R24 867 240 and Lynn with R11 052 107 saved. This clearly proves the power of time and discipline on investments.

STARTING YOUR OWN FAMILY

When you enter this life stage, your savings focus might have to change. You may want to purchase a home or need to pay for your children's education, which means your expenses would increase significantly. Ideally, you shouldn't reduce the amount you save for retirement at this stage. However, should it be necessary, establish what the outcome would be. A financial adviser can help to determine the impact and if you should rethink your retirement goals, assisting you through all the life stages of investing. Remember that even if you are married and share a household, you should still set your own retirement goals and have a plan on how to reach them. Life is uncertain and you should always be the steward of your own future.

SEASONED IN YOUR CAREER

Once your career has been well established, your monthly income has likely increased while your expenses have stabilised. At this point time is not necessarily on your side but you are in a better position to reassess your retirement goals. Consider your current retirement savings and determine if you are still on course with your financial plan. If you have fallen behind, now is an ideal time to increase your retirement contributions.

APPROACHING RETIREMENT

These days, retirement can be at almost any age as we are living and working longer. To be prepared, you will need to assess your current savings, what your income needs will be and, ultimately, if you are going to be able to retire at the age you wanted to. Now is the time to also find out about the different options available to you at retirement, as well as the investment exposure needed to get you there.

AT RETIREMENT

This is the stage in life where you are rewarded for your commitment to saving. By opting for a more disciplined approach, you will be able to retire financially independent.

- FA News | 18 January 2021

"A large portion of life is often spent working to earn an income, with the plan being to retire financially independent at a certain age. To do this, it is crucial to set clear retirement savings goals that are attainable"



TRANSPORT SECTOR **RETIREMENT FUND**

MEET THE **WINNERS** OF THE **SOCIAL MEDIA** AWARENESS **PHOTO COMPETITION**

The use of Social Media became even more important during the lockdown in 2020 and proved an invaluable channel available to you not only to access information but also post queries with regards to claims submitted and any other general questions relating to your benefits.

To create further awareness around the different social media platforms that are available to you we launched a photo competition whereby you could upload a photograph of yourself showing of your place of work. Thank you to all of you who participated and engaged with us during this initiative. Congratulations to our three winners:

PHOTO COMPETITION!

WE WON!

Pick n Pay

- **1st WON R1500**
- **2nd WON R1000**
- **3rd WON R500**

LOYISO NTSANGANI

1st Place (R1500 Pick and Pay voucher)

Loyiso has been working for Lear Close Corporation (Capacity Outsourcing - a division of Kelly Group) for the past 3 years. He is very proud of the fact that he is a driver for his employer and is always eager to learn new skills. In his spare time he does cross fit training and has a keen interest in sport nutrition and coaching. Loyiso has two children, three siblings and very grateful that he still has his mother and father as part of his support system.



TUMELO RAMOSHABA

2nd Place (R1000 Pick and Pay voucher)

Tumelo started his career as a truck driver with R. Pieters Carriers in 2013. He is currently employed with Zorha Khan Developers where he has been driving for the employer for the past 4 months. In his leisure time Tumelo enjoys staying up to date with the latest news especially from international news channels. When he wants to relax he enjoys watching good movies. He has 1 little boy aged 5 years that he is very proud of.



LEBOGANG MAGALO

3rd Prize (R500 Pick and Pay voucher)

Lebogang loves his job as a driver and being on the open road. He has worked for Emit Reversing Time for the past 6 years. He is happily married with two handsome boys and enjoys spending time with them when not on the road. His hobbies include reading good fiction books.





SIYAPHAMBILI MEMBER NEWS



MOVING TOWARDS A BETTER FUTURE

ROAD SAFETY TIPS FROM OUR MEMBERS

ROAD SAFETY TIPS: FROM OUR MEMBERS

1. **Do not drink and drive** and keep within the **legal speed limit**.
2. Make sure you always **consider other drivers** and **concentrate** when you drive.
3. Cell **phone is not allowed** when you're driving.
4. **If you feel tired**, stop the truck and get rest at a safe place or a truck stop.
5. When you are a driver, you must **think about your safety**, and the safety of others on the road as well.



JACK KEKANA

Jack has been employed with Seabourne Express for the past **8 years** as a driver. He is grateful for his job as he believes that his employer has helped him raise his children. Jack shared his personal road safety tips with the Fund.



ROAD SAFETY IS EVERYONE'S BUSINESS. MAKE IT YOURS TOO



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Facebook search for: @TransportSectorRetirementFund



Twitter: search for: @transport_fund

Fund no: 12/8/37811

Disclaimer: In cases where communication and Fund rules differ, the TSRF rules will apply.

"Our shareholders are our members.

Thus, apart from creating sustainable

futures for them, the Fund is also

committed to facilitate economic

transformation in South Africa."

Joe Letswalo - Principal Officer