



**TRANSPORT**  
Sector Retirement Fund

Moving Towards A Better Future

# SIYAPHAMBILI MEMBER NEWS



**MOVING TOWARDS** A BETTER FUTURE

## WORDS OF WELCOME

We have reached the third quarter of 2021 and I am sure you have all heard by now, over and over again, and indeed experienced yourselves, how life will never be the same again.

It is a time of uncertainty, a time of which we will one day tell our children and grandchildren how the world changed under our feet when a completely new virus, wreaked havoc as it rolled like a deadly tsunami around the globe.

*As we navigate our lives and livelihoods through the ongoing storm we have to remain positive and hold on to hope.* Stay strong, wear your mask, social distance and take care of yourself and your loved ones. *And remember: We stand in solidarity with you!*

President Ramaphosa's statement made during his speech on 9 April 2020 still remains true today:

*"We will draw on our proven capacity for innovation and creativity, our ability to come together in a crisis, and our commitment to each other and our common future."*

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## DO YOU KNOW THAT IF YOU ARE PROMOTED YOU CAN REMAIN AN ACTIVE MEMBER OF THE TSRF?

**Congratulations on your promotion!** You have worked hard and your efforts have been recognised. The Rules of the TSRF have been amended to accommodate you! If you are an **Eligible Employee**, and work in the industry and you have been promoted into a position that is not determined by the collective agreement negotiated at the Road Freight and Logistics Bargaining Council, **you do not have to exit the Fund.**

You can **elect to remain in the Fund as an active member** and will **still be covered**. Your **retirement savings** can **continue to grow**. For **all queries** kindly contact:  **011 544 8300**

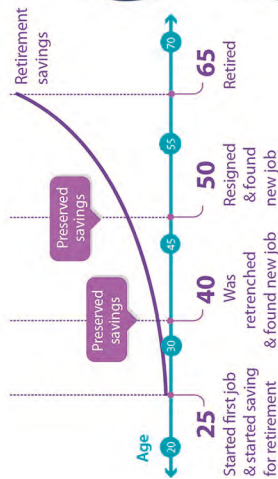
# TSRF THE POWER OF PRESERVATION

See how money grows when you reinvest (preserve) your retirement money when you change jobs



## Scenario 1:

**Mandla preserved his savings and retired with enough money**



**R 1 071 847**

Total capital contribution over 40 years

R 1 845 702

Total interest earned in Fund

R 0

Total withdrawals over 40 years

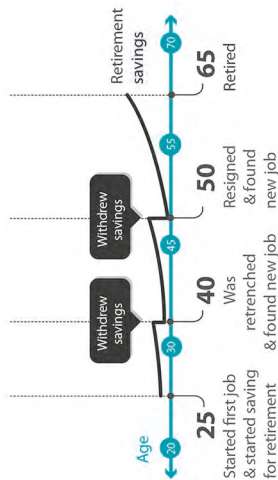
**R 2 917 548**

Total retirement savings after 40 years

More than 3x the savings, simply by preserving

## Scenario 2:

**Mandla cashed in his savings and retired short of cash**



**R 1 071 847**

Total capital contribution over 40 years

R 433 364

Total interest earned in Fund

R 793 361

Total withdrawals over 40 years

**R 711 850**

Total retirement savings after 40 years

Assumptions: Starting salary at 25 years of R8000 per month; interest earned at 5% above inflation (Fund's growth target); salary increases above inflation on average over career; contributes 15% of gross salary to retirement fund savings.



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**Preserving your benefits when you exit the Fund is the smart choice.**

You can preserve your benefits by either:



**Becoming a paid-up member of the Fund (leave your money in the Fund to grow).**



**Transferring it tax free to a preservation fund.**



**Transferring it tax free to a retirement annuity fund.**



**Transferring it tax free to your new employer's provident fund.**





## TRANSPORT SECTOR **RETIREMENT FUND**

### THE **POWER OF PRESERVATION**

#### **WHY PRESERVING (REINVESTING) YOUR RETIREMENT MONEY IS IMPORTANT**

**Research shows that the average person in South Africa can only replace 28% of their salary with a pension income at retirement.** This means that if you were earning R10 000 per month before retirement – your retirement capital would only be able to buy a pension income equal to R2 800 per month.

#### **WHY IS THIS PERCENTAGE SO LOW?**

There are a couple of factors but the main challenge is that **most South Africans do not preserve their benefits when they change jobs.** They take their withdrawal benefit in cash and spend it to pay off short-term debt, such as cars, holidays, etc. This is often referred to as **savings leakage**.

**You must remember that the average retiree needs around 12 to 16 times his/her final year's annual salary to be able to retire relatively comfortably.** It takes a long time to build up so much capital. By taking your fund benefit in cash, rather than preserving it, you take the risk of not having enough retirement capital when you retire.

Another way to look at it is that in order **to retire comfortably at age 60, you need to save at least 17.5% of your salary, for at least 35 years, invested largely in growth assets (such as shares).** The savings period is extremely important. Every time you change jobs and take the money in cash to spend, you are shortening the savings period. The shorter the savings period the worse off you will be. Shortening the savings period by just 5 years reduces the retirement benefit significantly. **Preserving your fund benefits every time you change jobs will give you the best chance of retiring comfortably.**

#### **DID YOU KNOW?**

**Your retirement savings in the first 10 years of your working life**

(i.e. assuming you contribute for 30 years),  
**could contribute towards 50% of your pension.**

**Cashing these in when you change jobs means  
giving away half of your retirement savings.**



See the two scenarios on page 02:

**How your money grows when you reinvest (preserve) your retirement money, when you change jobs.**

**Preserving your benefits when you exit the Fund is the smart choice.**

# SIYAPHAMBILI

## MEMBER NEWS



### MOVING TOWARDS A BETTER FUTURE

## PENSION-BACKED HOME LOANS

The Fund offers loans to members for housing purposes. These are called pension-backed home loans and the service is provided through **First National Bank (FNB)**.

The pension-backed loan enables you to utilise up to 60% of your Member Share in the Fund as surety on your loan (in terms of Section 19(5) of the Pension Funds Act). The loan can be used to purchase a home, do renovations on your existing home or build your dream home, as long as you or one of your dependants live in the house and it is your primary residence.

As with any loan, the loan needs to be repaid. The loan amount granted depends on the monthly repayments you can afford and the amount you have accumulated in the provident Fund. Loan repayments will be done via deduction from your salary by the employer.

***The employer must therefore be willing to sign an undertaking (payroll agreement) thereby agreeing to deduct the monthly instalments directly from your salary, before you can apply for the loan.***

***Please ask your employer to:***



send an email to FNB: [shp@fnb.co.za](mailto:shp@fnb.co.za) or they can



phone 0860 762 278 should they agree to enter into this agreement.

***Once you have decided to apply for a pension backed home loan with FNB the following process needs to be followed:***

- On request, an employer payroll agreement is sent and signed by the employer (without this FNB cannot assist the members)
- The application is sent to employer to sign off confirming employment
- Application is sent back to FNB to finalise
- Once the payroll agreement is signed you then approach FNB to complete application form for the home loan.

### IMPORTANT:

***Home loans need to be settled before you reach normal retirement age.***

***When you exit the Fund, the total outstanding loan is deducted from your exit benefit.***

***In this way your loan is settled in full.***

The pension-backed loan enables you to utilise a portion of your Member Share in the Fund as surety on your loan (in terms of Section 19(5) of the Pension Funds Act). The loan can be used to purchase a home, do renovations on your existing home or build your dream home, as long as you or one of your dependants live in the house and it is your primary residence.



## TRANSPORT SECTOR **RETIREMENT FUND**

### PENSION-BACKED **HOME LOANS**

#### LOAN PARAMETERS

- Minimum loan amount: R5000
- Interest rate: Prime less 0.75%
- Monthly admin fee: R6.90 (incl. VAT)
- Minimum loan term: 12 months

#### QUALIFYING CRITERIA:

- Client must be a member of TSRF
- Have a bar-coded RSA ID document
- Permanently employed for 12 months
- Be 18 years or older
- Credit checks will be done

#### APPLICATION DOCUMENTS REQUIRED

Once your employer has signed the payroll agreement you can apply for a loan by completing and sending the following documents:

- Complete the loan application form
- Certified copy of green bar-coded ID or ID card
- Latest salary slip
- Last three month's bank statements
- Proof of residence
- Building quotation or Offer to purchase

**Documents must not be older than 3 months.**

#### FOR ALL **ENQUIRIES:**



**phone** 0860 762 278 or



**SMS** "Home" to 30752 and a consultant will call you.



# FNB

**First National Bank**

*"The Smart Housing Plan Loan is a "pension backed loan" issued by FNB and secured against the Member's fund value. You may qualify for the loan if you are a member of the Fund, as there is an agreement in place between FNB, the Fund, Fund Administrator and Employer. Whether you want to purchase a piece of land, renovate your current home or even build a new one, FNB's Smart Housing Plan can help turn your dream into a reality, in the most cost-effective way."*



# SIYAPHAMBILI MEMBER NEWS



## MOVING TOWARDS A BETTER FUTURE

### THE IMPORTANCE OF KEEPING YOUR PERSONAL INFORMATION UP TO DATE

***Your TSRF plays an important role in your future financial security, providing benefits when you retire or securing future benefits if you leave the TSRF before retirement. It also provides protection for your financial dependants when you die to ensure that they are not left destitute.***

TSRF takes care of administering retirement benefits for its members, from implementing and amending Fund rules to calculating benefits and dealing with specific transactions such as those triggered by changes that occur during a member's life. This includes changes in your marital status, retirement or death, as well as overseeing the Fund's investments and appointing service providers. All of these service providers are experts in their respective fields and provide the best advice to ensure responsible management of your assets in the Fund.

You also have a role to play by ensuring that your personal information maintained by the TSRF is correct and up to date. When you ensure that all of your information is current and up to date, you help the Fund ensure prompt, accurate and efficient administration of your benefits. Up-to-date personal information protects you and the TSRF and allows the Fund to accurately perform the tasks required by the Regulator. ***All TSRF members should please report any relevant changes in their personal information to the Fund as soon as possible.***

### WHY IS IT IMPORTANT TO KEEP YOUR INFORMATION UP TO DATE?

Information that is inaccurate or out of date can lead to frustrations and unnecessary wasted time for you and your loved ones. This may cause a delay in the processing and payment of benefits if the Fund needs to obtain the corrected information. If the Fund is unable to trace you, your benefit may be transferred to an unclaimed benefit fund.

**The Protection of Personal Information Act** of 2013, which became effective from 1 July 2021, also requires the Fund, as the responsible Party, to ensure that personal information is kept up to date and accurate.

***You are urged to report any relevant changes in your personal information to the Fund on:***



**Tel:** 011 544 8300 or



**Email:** [members@rflipf-sanlam.co.za](mailto:members@rflipf-sanlam.co.za)





## TRANSPORT SECTOR **RETIREMENT FUND**

### **COMPLIANCE** REGARDING **PAYMENT OF CONTRIBUTIONS**

*Your Employer has a responsibility to provide clear, concise and detailed contribution schedules and to make payment of contributions regularly and on time. A non-compliant employer faces serious consequences.*

### **SECTION 13A OF THE PENSION FUNDS ACT**

The Pension Funds Act ("the Act") sets two obligations on employers in relation to payment of contributions.

**The obligations are as follows:**

- A participating employer is obliged to pay contributions in terms of the rules of the Fund into the Fund's bank account not later than 20 days after the end of the month for which such contributions are payable; and
- A participating employer further has to provide contribution schedules to the Fund not later than 20 days after the end of the month in respect of which the payment was made to ensure that the contributions are allocated to the correct members.

### **TYPES OF NON-COMPLIANCE ON THE FUND:**

1. Employers who do not deduct contributions from their employees;
2. Employers who deduct contributions from their employees but do not pay them over to the Fund;
3. Employers who deduct contributions and pay them to the Fund but do not submit schedules to the Fund, the Fund can therefore not allocate the contributions to the members;
4. Employers who are under declaring.

### **WHAT THE FUND IS DOING:**

**The compliance team sends section 13A letters to the employers to advise them of the non – compliance and to get them to become compliant;**

- The Fund legal team sends letters of demand to the employers;
- Members receive an sms to inform them of non-payment of contributions;
- The fund reports the employers to the Office of the Pension Funds Adjudicator (OPFA).

### **CONSEQUENCES OF NON-COMPLIANCE:**

If the non-compliance continues for a period of 90 days after the 20th day of the month the Principal Officer must report the matter to the South African Police Services "SAPS". The Fund has opened cases against some employers with the SAPS in an effort to get employers to become compliant.

**Members are encouraged to visit any of the Fund offices or contact the Call Centre to check the compliance status of their employers, as it impacts on your provident fund and risk benefits.**

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## STAYING IN TOUCH IS EASY EVEN WHEN WALK-IN CENTRES CLOSE

Due to the steep rise in Covid-19 positive cases everywhere and the **adjusted level 4 lockdown** announced by the President the **TSRF Walk-in Centers will remain closed, until further notice, for walk-in members.**

**The drop boxes** at the Walk-in Centres will be **available for you to "drop off" your claim forms** or any correspondence for the Fund. These boxes will be emptied daily, and staff will deal with any urgent problems/issues. **You will receive a sms to confirm that your documents were received.**

Although the Walk-in Centres will be closed to see you face to face, the Fund will continue to attend to your queries and it is business as usual.

**The Fund's Call Centre will operate as normal and you are welcome to use any of the channels, listed below, to contact the Fund.**

The Fund will monitor the National State of Disaster and the Covid-19 statistics and will inform you when these Walk-in offices will re-open. We will be guided by the Government's response.

## TSRF CONTACT INFORMATION



**National Call Centre:** 011 544 8300



**Email:** [members@rflipf-sanlam.co.za](mailto:members@rflipf-sanlam.co.za)



**Fax:** 086 593 0006



**Web:** [www.transportsectorfund.co.za](http://www.transportsectorfund.co.za)



**Facebook** search for: [@TransportSectorRetirementFund](https://www.facebook.com/TransportSectorRetirementFund)



**Twitter:** search for: [@transport\\_fund](https://twitter.com/transport_fund)

**Fund no:** 12/8/37811

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

## STAND A CHANCE TO WIN

The TSRF provide members with regular communication in respect of their retirement fund. We believe communication is vital to ensure that members make informed choices regarding their investments and benefits. In order to get it right we need you to tell us what we are doing well and where we need to improve. Please assist by taking a few minutes of your time to complete the questionnaire. Your answers will greatly assist us to improve our communication to you.

If you **complete the survey (and provide your cell number)** by **30 September 2021** you stand a chance to **win a Pick & Pay Gift card** to the value of **R1000**.

**If you do not receive an sms on your cell phone to participate in the survey, then please click** on the following **link to participate:**

<https://www.rflipfund.co.za/survey-2021/>



**Pick n Pay**