

Member News



TRANSPORT
Sector Retirement Fund

Moving Towards A Better Future

Moving Towards A Better Future

November 2022 Contents

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Festive Season Wishes

As the end of the year draws near, we would like to take this opportunity to thank you for your continued support throughout the past 12 months. Despite a year filled with a multitude of challenges, we remained resilient and did not give up.

The Fund would like to thank its members, who continue to play a key frontline and vital role in delivering essential goods and services to the nation and neighbouring countries. As we wrap up 2022, we are pleased to confirm that the Fund is in a sound financial position and has received a clean audit for the 10th consecutive year. The Fund has diversified its investment strategy to navigate carefully both good and bad economic and investment environments.

Despite tough economic conditions, the Fund achieved an 11.60% investment growth, bringing the assets under management to R8.7 billion.

The Trustees of the Transport Sector Retirement Fund and its Management wish you and your loved ones a peaceful and joyous festive season. **We hope that 2023 will be a year filled with love, prosperity, and good health.**

The people have spoken!

The main aim of communication to you, the members of the Fund, is to enhance your understanding of the benefits and to guide you in planning for retirement. Thank you for taking the time to participate and in doing so, assisting the Fund to continually improve their offering. The Board uses the results to check that the communication strategy remains relevant and to monitor and track member behaviour and needs regarding communication.

The result of the survey shows members are understanding Fund communication and information sent to them. Members are asking for more personal information to be given to them in a face-to-face environment. Members want more frequent contact with a Fund representative to explain how the Fund and investments work and offer them guidance on how to prepare for retirement. Many members report to be financially over-extended monthly and cannot cover all their expenses. The impact of the macro-economic conditions in our country has not left the members of our Fund unscathed. This is what you had to say:

- **95%** are happy with the service received from the walk-in centres.
- **92%** are satisfied with the help received when phoning the National Call Centre.
- **89%** reported they visited the Fund's website.
- **79%** understand that their retirement savings are long term in nature and they should stay invested for as long as possible.
- **66%** have not attended a meeting in person where the Fund benefits were explained.
- **71%** admitted a shortfall in covering their monthly expenses.
- **45%** have a long-term financial plan in place
- **45%** track their expenses using a household budget.

No need to change funds when you are promoted

Congratulations on your promotion! You have worked hard, and we have recognised your efforts. So we amended the Rules of the TSRF to accommodate you. If you are an eligible employee and work in the industry and gain promotion into a position that is not determined by the collective agreement negotiated at the Road Freight and Logistics Bargaining Council, you do not need to leave the Fund. **You can choose to stay in the Fund as an active member and remain covered. Your retirement savings can continue to grow.**



For all queries, kindly contact: 011 544 8300.

Benefits valued by our members

The Fund's 2022 member survey shows that 88% of the participants feel that the Fund benefits meet their needs and 78% showed that they understand the benefits of the Fund. For those members that may still feel unsure about the benefits of the Fund, we include a summary here.

1 Retirement Benefit

Normal retirement age is 65 years and you may retire early from the age of 55, with your employer's consent. Members may also continue to work past the age of 65 years with the employer's consent. The Fund invests contributions over the term of your membership. The interest earned (investment growth) on the contributions invested is also added. At retirement, you may choose to take your

vested benefit in cash and you must use two-thirds of your non-vested benefit to buy a pension from an external financial services provider (insurer). **From 1 March 2019, the Fund offers a Default Pension (Annuity) product.** This product will pay you a guaranteed monthly income for life, which will never decrease. There is also a way to include a spouse's pension if the pensioner dies first. The most important benefit of this option is that you will receive protection against outliving your retirement money. Retirement Fund benefits taken in cash are taxed if the benefit is greater than R500 000. **The Fund provides Retirement Benefit Counselling to help you understand your options at retirement.**

Payment of Benefit: From 1 March 2021, it became compulsory for a provident fund member to buy an annuity (pension) at retirement with at least two-thirds of their accumulated retirement savings. **The good news** is that provident fund members' vested rights are protected and means that if you joined the Fund before 1 March 2021 you keep your right to withdraw your accumulated retirement savings as at 1 March 2021, plus the growth, as a lump sum cash benefit, even if you transfer to another retirement fund after 1 March 2021. If the non-vested "pot" is less than R247 500 (the De Minimus Rule) this may be taken as a cash lump sum. Members who joined the Fund after 1 March 2021 will only have a non-vested pot of money at retirement.



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.



2 Withdrawal Benefit

In the event of resignation, dismissal or retrenchment, you become entitled to a withdrawal benefit in terms of the Rules of the Fund. When you leave the Fund, you must choose how the money must be paid. If you neglect to make a choice, you will become a Paid-Up member of the Fund. This means that your money will stay invested in the Fund and will continue to grow until you decide to have the benefit paid.

What deductions may be made from my retirement and withdrawal benefit?

1. Tax payable on any lump sum withdrawal benefit.
2. Home loans granted or secured by the fund.
3. Arrear tax owed to SARS.
4. Employer losses (theft, fraud and dishonesty) (see below).
5. Maintenance orders about arrear maintenance.
6. Divorce Court orders where the fund is ordered to make a payment to your ex-spouse.

What may be deducted from my withdrawal benefit regarding "Employer Losses"? (Section 37D)

Any damages suffered by your employer caused by:

- Theft
- Dishonesty
- Fraud
- Misconduct (in terms of a court judgment, dishonest conduct is recorded).

The tax-free threshold of R25 000 is cumulative and applies to your total withdrawals from funds during your lifetime. In addition, the tax concessions granted on early withdrawal (resignation) will reduce the tax concessions at retirement.

3 Disability Benefit

All active Members of the Fund, up to the age of 65, are covered for this benefit, provided they pay contributions on time and are up to date. Part of the money the employer contributes every month pays for this benefit. Should you become permanently disabled (not able to do your own or any other occupation) while in service, and a medical provider approves your claim, you will receive three times your annual salary as a cash lump sum.

Example:

If you earn R5 000 a month, your annual wages amount to R60 000. (They calculate this on the salary disclosed by the employer, at the date of disability.) **The Disability benefit payable is therefore:**

$$R60\,000 \times 3 = R\,180\,000$$

Plus:

Your full retirement fund savings (Member Share)

If you leave the Fund, you will no longer be covered by or be able to claim for the disability benefit. There are strict timelines in which you must notify the Fund of your disability and timelines for submitting the claim documents. Please make sure that you understand these timelines.

4 Death Benefit

The Fund covers all active members of the Fund for this benefit, provided they paid contributions on time and are up to date. Part of the money your employer contributes every month pays for this benefit. The Death benefit pays out to your dependants and/or beneficiaries should you die while an active member of the Fund.

The following three (3) benefits become payable on your death:

- Death Benefit, which is 3 x annual wages as a lump sum.
- Total Member Share (retirement savings) as a lump sum.
- Funeral Benefit (paid within 48 hours) after all documentation is received.

If you leave the Fund, you will no longer be covered by or be able to claim for the death benefit. Non-compliance or non-payment by the employer will result in repudiation (your claim not being paid).

Remember to complete the Beneficiary Nomination Form

You must regularly (at least once a year) complete or update the Nomination of Beneficiary form. The Nomination of Beneficiary forms are circulated annually with benefit statements and can also be requested on the Fund's website or from the administrators. **The purpose of the Beneficiary Nomination form is:**

1. To make it easier to trace dependants to contact family members using the details you provided; and
2. To speed up assessing who your dependants are and the extent to which they were dependent on you.

5 Funeral Benefit

The funeral benefit pays out if you and/or any of your immediate family members die. All active members of the Fund and their immediate family members are covered by this benefit, provided contributions and premiums are paid on time and are up to date. Part of the money your employer contributes every month pays for this benefit.

The number of lives covered is limited to two spouses and six children. Children up to the age of 21 years receive cover, unless they are full-time students at a registered educational institution, they are then covered up to the age of 26 years, or a physically or mentally disabled child.

Member	R65 000
Spouse	R65 000
Children: Age 14 - 2 (up to age 26 if full-time student)	R48 000
Age 6 - 13	R13 000
Age 1 - 5	R10 000
Age 0 - 11 months	R5 000
Stillborn	R3 900

6 Repatriation of mortal remains

Where a member, spouse or child passes away in an area over 50 kilometres away from the primary residence, the costs of the repatriation of the body of the deceased to the primary residence will be covered. The transportation extends to all SADC Countries.

- **The claim is limited to R20 000 per family per annum.**
- **The claim is only paid if you provide proof that a repatriation benefit is being used.**

New Nomination Form for the Funeral Benefit

Members are now required by law to complete the Funeral Nomination of Beneficiary Form. In the event of your death, the funeral benefit will be paid to the person who you nominated in your nomination form. Please ensure that the person you nominate as a beneficiary for the funeral benefit is over the age of 18 years, and would be responsible for paying or organising your funeral. Should you not complete a nomination form, the benefit will be paid to your estate. Please note that your estate may take up to 12 months to be finalised and your family may not have the money to bury you should a completed form not be available.

To download the form, please visit:

 www.transportsectorfund.co.za

Underwriter of the Funeral Benefit: A licensed life insurer and an authorised financial services provider with FSP No 76.

GUARDRISK 

 Website: www.guardrisk.co.za

 Email: info@guardrisk.co.za

For detailed information on your Fund benefits, waiting periods, timelines, the claim process and procedure, please refer to the

Member Guide on the TSRF website:

 <https://www.rflipfund.co.za/images/documents/member-guide.pdf>

Annual Benefit Statements

Look out for your
Member Benefit Statements
that will be distributed at the
end of November 2022

Postponement of the two-pot system

During his Budget Speech on 24 February 2022, Finance Minister, Enoch Godongwana highlighted a discussion paper relevant to the Retirement Fund industry. The discussion paper is mainly because of the financial hardship many households endured during the Covid-19 pandemic and lockdowns. The paper sets out the many considerations in granting emergency access to retirement fund savings to members.

Although the implementation date is only 1 March 2024, Treasury admits that this date is optimistic, as all funds need to amend their Fund Rules to allow for these changes.

Please remember that nothing is final yet and the Fund will keep members informed on the developments around this discussion paper.

Living Your Life: Loneliness and how to cope during the holiday season

The festive season is here. For some, that means spending time with family and friends, but for many, especially those who feel emotionally distant or isolated from others, it's a time of year that leaves them particularly vulnerable to feelings of loneliness. Though loneliness is common, how and why people experience it varies widely. Some people may live a happy and healthy life with minimal social interaction, while others may have contact with family and friends and still feel alone. Many factors, like social isolation, the loss of a loved one, and even the weather can increase feelings of loneliness. Those who live alone, the elderly and those grieving, tend to experience loneliness more than others. Feelings of loneliness can also negatively impact your physical and mental wellbeing and put you at risk of developing unhealthy habits. Researchers have said loneliness and social isolation can be as damaging to physical health as smoking 15 cigarettes daily. ***If you're experiencing feelings of loneliness this holiday season, use these tips to cope in a healthy way:***

- 1. Remember that you're not alone.** It's OK to feel isolated during the holidays, and you are not alone. You may long to be with family but can't, or you may mourn loved ones or past relationships. Talking to others who may share your feelings (either via the Internet or in person) can help you examine where your emotions stem from and make you feel less alone in your situation. If you feel uncomfortable and burdened by feelings of loneliness and find it challenging to deal with, consider talking to a professional about how you feel.
- 2. Reach out to people around you.** If you feel isolated, make it a priority to work on your relationships with others. Exchange friendly words with neighbours or co-workers. Write holiday cards to loved ones. Attend a holiday event. Connecting with others strengthens bonds and can help you feel less lonely. Engaging in fun or exciting activities will also distract you from negative thoughts and allow you to focus on building a supportive network.
- 3. Practice self-care.** Focus on taking special care of yourself. Take time to implement healthy habits like exercising, getting enough sleep, and eating nutritiously. Engage in activities that you enjoy. That might include reading a good book, relaxing

with a warm bath, learning something new, or devoting time to a favourite hobby. Good self-care habits will keep you entertained and boost your mood.

- 4. Redefine your expectations.** Many people have high expectations for this time of year. Popular culture portrays the festive season as synonymous with spending time with close family, friends, and romantic partners. But no matter what culture tells us, that's simply not true for everyone – and that's OK. Focus on the good things you have in your life instead of comparing yourself to how you think others are spending the holidays.
- 5. Give back to your community.** Volunteering to support a cause you believe in is a great way to feel less lonely during the holidays (or any other time). Helping others who are less fortunate can remind you of all you have to be grateful for and leave you with a sense of love and admiration for yourself. Soup kitchens, animal shelters or senior assisted living homes, are all excellent volunteer options this time of year. You can also reach out to neighbours or friends who are experiencing hardship.

The holidays can be challenging. Whether you are dealing with the loss of a loved one or simply far away from family and friends, there are ways that you can cope with feelings of loneliness and take care of your own wellbeing. Share these tips with anyone you feel may be at risk of experiencing loneliness this holiday season.

Source: <https://www.mentalhealthfirstaid.org/2021/12/loneliness-how-to-cope-during-the-holiday-season>



TSRF Contact Information



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Fax: 086 593 0006



Web: www.transportsectorfund.co.za



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

Fund no: 12/8/37811

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

Important Numbers

Report all cases of rape, sexual assault or any form of violence to a local police station or call:



SAPS Emergency Services: 0110111



Crime Stop number: 0860 010 111



Domestic Violence Helpline: 0800 150 150

This is a 24/7 Helpline which deals with various mental and emotional issues affecting individuals, groups and communities:



LifeLine: 0861 322 322