



NOVEMBER 2020

Dear NTRF Member

MY UNIQUE FUND (1)

During the last few months a lot has been said about pension funds. Some of this has created uncertainty amongst our members and participating employers. In this first in the series of communications to provide you with details on the unique nature of the NTRF we deal with *Fund Categories and Contribution Rates*.

Please remember that all the communications in this series will remain available to you on our website (www.ntrf.co.za). If you have any queries, please send an email to ntrf@momentum.co.za.

Flexibility in respect of contributions

The Fund has four categories of members, two of which are Active Member categories and two are Flexible Risk Member categories. The different categories are explained in detail in the Rules of the fund (<https://www.ntrf.co.za/ntrf/rules-of-the-fund>).

Save more for tomorrow! Contributions are the second biggest driver of the size of your member share. The high contribution rate results in much better retirement benefits than average Defined Contribution Funds provide to members. Members can also, if agreed to by their employer, make additional contributions.

Default contribution arrangement

NTRF default contribution rates

Member contribution : 8% of pensionable salary
Employer contribution: 16% of pensionable salary

If the employer structures its remuneration on a total-cost-to-company basis, it means that all contributions to retirement effectively come out of the member's salary. Where employees are on a salary package basis, all employer contributions are for the cost of the employer.

Note: Contributions are calculated as a percentage of pensionable salary, which is the portion of the total-cost-to-company or salary package before adding benefits such as medical aid. To ensure a comfortable retirement for you the NTRF contribution rates are higher than the market average.

Alternative retirement contribution arrangement

The NTRF provides flexibility to employers that want to implement a contribution rate lower than the default arrangement of 24%.

Members at employers who have an alternative contribution arrangement will make no member contributions. The employer contributions of 16% of pensionable salary will be applied as follows:

Retirement savings : 13.75% of pensionable salary;
Death and disability benefits : 2% of pensionable salary;
Fund expenses : 0.25% of pensionable salary.



Dear NTRF Member

MY UNIQUE FUND (2)

In our previous communication we highlighted the flexibility the fund offers in respect of member contributions. Let us now look at additional voluntary contributions and continue investigating why the NTRF is good value for money.

All members can choose to make additional contributions to the Fund from their salary, provided their employer is prepared to administer these contributions:

Category A member:	1.5% of pensionable salary additional contributions
Category B member:	3.5% of pensionable salary additional contributions
	or
	Fixed rand amount

Your employer must ensure that these contributions are reflected on your IRP5.

Costs and Risk Benefits

The Fund minimises costs and provides value for the risk premium

The NTRF has a choice of **death and disability benefit structures** for members that contribute in terms of the abovementioned contribution rates. The contribution rate depends on the category of member you are (see communication 1). If your employer is of the opinion that their group life benefits and the NTRF benefits are providing too much cover and that you are over insured with both, the employer can contact the NTRF to discuss the alternatives available.

As a member, should you want to increase your Flexi Risk cover from 2% to 4% or *vice versa*, you can do so once every year when you receive the option forms from the Fund. Click <https://www.ntrf.co.za/ntrf/risk-benefits> for the detailed communique on the risk benefit structure. Click <https://www.ntrf.co.za/ntrf/rules-of-the-fund> for the definitions of 'Fixed risk member' and 'conditional retirement benefit' in the Definitions section of the Rules of the Fund.

As a Flexi Risk 2% member	As a Flexi Risk 4% or Fixed Risk member
<ul style="list-style-type: none"> 21.75% of your pensionable salary goes to your retirement savings 2% of your pensionable salary goes to your death and disability benefits Only 0.25% of your pensionable salary goes to fund expenses 	<ul style="list-style-type: none"> 19.75% of your pensionable salary goes to your retirement savings 4% of your pensionable salary goes to your death and disability benefits Only 0.25% of your pensionable salary goes to fund expenses

Note: Fixed Risk members and members entitled to the conditional retirement benefit have a 4% risk benefit. They can only choose a 2% risk if they switch to the flexi risk category. Should you switch from Fixed to Flexi benefits the switch is permanent and cannot be reversed.